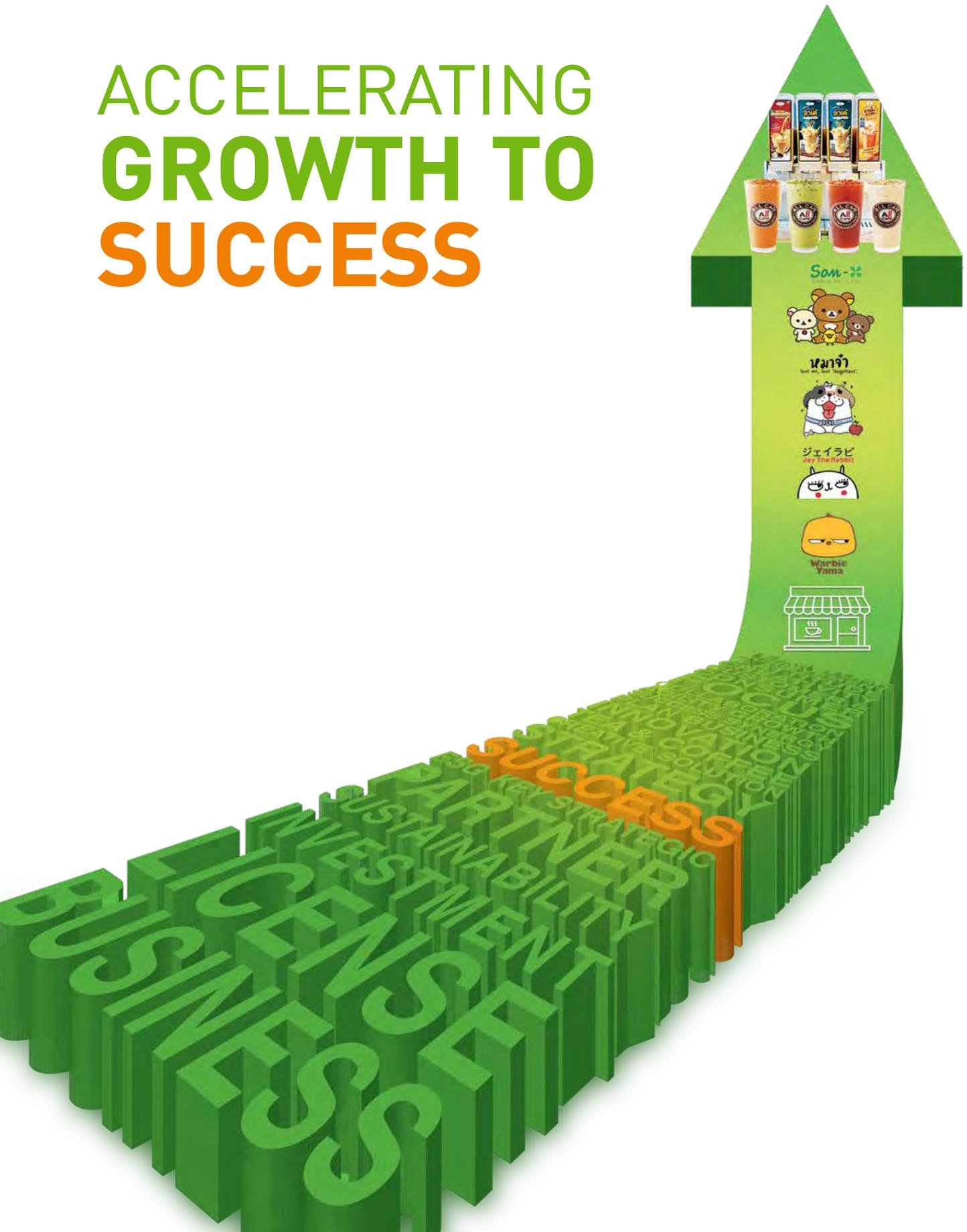


ACCELERATING GROWTH TO SUCCESS





CORE VALUE



T-TEAM WORK



A-ACHIEVEMENT
& ATTITUDE



C-CREATIVITY



C-CUSTOMER
& CONSUMER FOCUS



COLLABORATION



AGILITY



VISION / MISSION

VISION

"We will be one of the leading lifestyle products and beverage and companies in ASEAN which promptly deliver customer satisfaction and establish mutually beneficial and long lasting relationship with all key stakeholders employee, customer, consumer, partners, shareholder and planet.

MISSION

TACC is committed to become a leading Company offering beverage and Lifestyle product especially tea and coffee with both in B2B and consumer markets domestically and in CLC group of countries, Cambodia, Laos and China with make stability of 4 profit as follow:

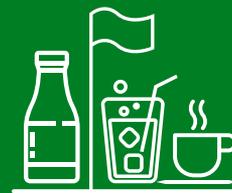
- customers, by creating customer satisfaction from making high quality product sold at reasonable price
- trading partners, by emphasizing on sustainable and long term trading relationships
- the society, in taking part in improving quality of lives to community, social and environmental
- the organization, by providing satisfactory return to shareholders and compensation to employees.

BUSINESS GOAL

- Grow together with major trading partners, with an aim to operate the business under sustainable growth and business partnership principles.
- Focus on continuous products development to differentiate the business.
- Create and strengthen distribution channels in both Domestic and International markets.
- Increase sales volume in Domestic and International market by maintaining existing customer base and tapping into new consumer groups.



Target Sales Revenue in 2025
2,000 Million Baht



Roadmap To One of Leading Beverage Companies in ASEN

AWARDS AND RECOGNITION



The Stock Exchange of Thailand and Money & Banking Magazine jointly hosted SET Awards 2022, the announcement and award presentation ceremony aim to recognize companies on the Thai capital market with excellent and outstanding performances in various areas. TACC was awarded "Outstanding Investor Relations Awards" from Business Excellence group of listed Companies with Market Cap. more 1,500 million baht which is the sixth consecutive year. This award presentation ceremony is for listed companies that have outstanding performance of Investor Relations activities. It is important to emphasize that the participation of the whole organization in carrying out the activities. As well as being an honorable award and create pride for the company's team



TACC received the Superior Taste Award from the International Taste Institute, Belgium. The international level leader in evaluating and certified the taste of food and beverage. Part of the panel of judges was among those honored at the Chef & Sommelier competition or from prestigious institutions such as Le Guide Michelin, Gault & Millau. The Superior Taste Award is well recognized by major retailers worldwide and makes a significant difference to both domestic and international markets; with more than 72 participating countries around the world.

The Superior Taste Award is considered a prestigious global standard award and an encouragement to all executives and employees, who are committed and determined. Although, in the past the Company has been affected by the COVID-19 situation, but continue to develop and invent good quality products as well as places importance on product research and development. The Company considered RD department as the heart of the organization, therefore invested on the team of personnel with diverse knowledge and ability to develop beverage products. In addition, the RD Lab is equipped with a wide range of tools and equipment of international standards, in order to support innovative development for beverage in the future.

The awarded beverage is available in 7-Eleven convenient stores, which are including UJI MATCHA in the All Café corner and Ceylon Tea (Na-Arun Brand).



TACC received Corporate Governance Report of Thai Listed Companies 2022 was a Excellent score continuation from last year from Institute of Director



TACC was excellent score {100 Point} in 2022 AGM checklist program from Thai Investor Association and Securities and Exchange Commission, Thailand.



TACC was rating in 2022 ESG 100 by Thaipat Institute announcement 100 Listed Companies outstanding environment, Social and Corporate Governance.

B2B

BUSINESS TO BUSINESS :





The Company researches and develops products closely with its key strategic partner in order to manufacture and distribute products to customer's stores mostly in convenience stores and food chain restaurants such as Cold Beverage Dispenser, Non Coffee menu in the All Café at 7-Eleven etc.

B2C

BUSINESS TO CUSTOMER :





Apart from researches and develops products closely with its key strategic partner. The Company also develops products under its own brands which this group of products such as Instant Powder Drink under the Brand "Na-Arun", License Business and Café Business.

T.A.C.C. SUSTAINABILITY DEVELOPMENT





"TACC. - DEEP LISTENING PROGRAM"

ขอเชิญทุกท่านเข้าร่วมอบรมเรียนรู้
"หลักสูตร Deep Listening - การฟังอย่างตั้งใจ"
"Deep Listening Course"

เนื้อหาการเรียนรู้อ :

- Listening Mindset
- Refresh Growth Mindset
- Listening Theory & Skills ;
- Theory U
- EARS Skill
- Listening Practice
- Role Play
- Debrief & Reflect

โดย อ.ลูกบิณฑ์ ดร.พิมพ์วิวัฒน์ กมลศิริ และ อ.ปู ปริญญา ทิตตวงศ์กุล

กลุ่มเป้าหมาย : พนักงาน TACC, ทุกคน ฝึกอบรม 100 %
เวลาอบรม : เวลา 09.00- 16.30 น.

สถานที่อบรม : รุ่นที่ 1-3 จัดที่ โรงแรมแกรนด์ พอร์จูน กรุงเทพมหานคร (พระราม 9)
รุ่นที่ 4 จัดที่ โรงงานบ้านบึง ชลบุรี

การลงทะเบียนเข้าอบรม :
ใช้ทุกท่านลงทะเบียน ในพื้นที่ตนเองสะดวก ต่อละ 1 รุ่น มีให้เลือก 3 รุ่น ดังนี้
วงลงทะเบียนเองที่ฝั่งใต้ใน Happyly ที่เมฆู University > session
รุ่นที่ 1 : วันที่ 9 กันยายน
รุ่นที่ 2 : วันที่ 13 กันยายน
รุ่นที่ 3 : วันที่ 14 กันยายน
รุ่นที่ 4 : วันที่ 17 กันยายน (เฉพาะร.บ้านบึง)

Apply!!!
Application Happyly
เปิดลงทะเบียน
วันที่ - 13 สิงหาคม 2565

GROWTH MINDSET and 7 Dimension in Action

โดย ดร.เว ดร.ท้าวรรณ กมลบุตร
ผู้เชี่ยวชาญการส่งเสริมทัศนคติการสื่อสารและการบริหารคนในองค์กร มีประสบการณ์มากกว่า 12 ปี และ สอนมากกว่า 100 องค์กร

WORKSHOP
เรียนรู้อันละ 2 วัน รุ่นละ 25 คน
- รุ่นที่ 1 วันที่ 10 และ 24 พ.ค.
- รุ่นที่ 2 วันที่ 12 และ 25 พ.ค.
- รุ่นที่ 3 วันที่ 19 และ 26 พ.ค.
- รุ่นที่ 4 วันที่ 20 และ 27 พ.ค.
เริ่ม 9.00-16.00น. ผ่านทาง Zoom
** มีเลี้ยงอาหารกลางวัน
ท่านละ 150 บาท
(โดยนำใบเสร็จมาหักค่าน้ำดื่ม) **

เนื้อหาการเรียนรู้อ :

- A. Growth Mindset ไปให้ถึง Goal
- B. Growth Mindset สร้างทัศนคติ ทิวะ 1-2/
- C. Growth Mindset กับภาวะผู้นำที่เป็นต้นแบบชัดเจน
- D. Growth Mindset เชื่อมกับ Fixed Mindset แล้วต่อยุ่ก้ามาที่ Learning Zone
- E. Growth Mindset โดยใช้ Strength Base มาขับเคลื่อน
- F. Growth Mindset ขยายไปกับทีม ไปกับกลุ่ม
- G. Growth Mindset โดยใช้ Coaching and Mentoring

* พิเศษ! ผู้ที่นำไปใช้จริงกับชีวิตประจำวัน ที่บ้าน ที่ทำงาน รับรางวัลพิเศษ กับ ดร.*

WORKSHOP HAPPY HEART "กินอยู่อย่างไร ห่างไกลโรคหัวใจ"

ขอเชิญชวน พนักงาน TACC, ทุกคนเข้าร่วมการอบรมเชิงปฏิบัติการ หัวข้อเรื่อง "กินอยู่อย่างไร ห่างไกลโรคหัวใจ"

วันพุธที่ 7 ธันวาคม 2565 09.00 - 12.00 น.
On Zoom !!!
โดย คุณนงนภท ตรีชูอุบล
นักกำหนดอาหารโภชนาการอาหารวิชาชีพ

วัตถุประสงค์

1. สามารถวิเคราะห์ผลเลือดได้ และเข้าใจผล
2. มีความรู้ ความเข้าใจในเชิงการเลือกกินอาหารที่มีประโยชน์ และป้องกันการเกิดโรคหัวใจ สลไขมัน และความดันโลหิต
3. เนือเสริมสร้างสุขภาพที่ดี และลดความเสี่ยงที่จะก่อให้เกิดโรคในอนาคต

เนื้อหา Workshop

9.00-9.30 น.	ทำแบบประเมินความเสี่ยงโรคหัวใจในบอชต
9.30-10.00 น.	วิเคราะห์ผลเลือดได้ เข้าใจผลสืบ
10.30-11.00 น.	จะเลือกแนวทางการกิน เนื้อปอกกับโรคหัวใจ • ลดไขมันในร่างกย ด้วยกรกิน (ให้ดี) • ความดันโลหิต ด้ใจอยกานพร้อม
11.00-12.00 น.	Workshop เรื่องอาหารให้คีตตรา • คำนวณพลังงานอาหารอย่างง่ย • 3shopping อาหารอย่งไร อาร์ทแลบปี

การลงทะเบียนเข้าร่วม workshop:
ขอเชิญชวนผู้ที่จะเข้าร่วม >> ลงทะเบียนเองที่ฝั่งใต้ใน Happyly ที่เมฆู University > session เปิดลงทะเบียน วันที่ - 15 พฤศจิกายน 2565

CONTENTS

Awards and Recognition	2
Financial Highlight	11
Message from the Chairman of the Board of Directors	12
Message from the Chairman of the Executive Committee	13
The Change and Key Milestone 2021	14
Board of Directors	18
Executive Committee	19
Organization Chart	20
Section 1 Business Operation and Operating Results	22
1. Structure and Operation of The Group of Companies	22
2. Risk Management	52
3. Sustainable Business Development	60
4. Management Discussion and Analysis: MD&A	72
5. General and Other Important Information	82
Section 2 Corporate Governance	86
6. Corporate Governance Policy	86
7. Corporate Governance Structure and Important Information of The Board of Directors, Committees, Executive Employees and Others	115
8. Report of Significant Operation of The Corporate Governance	126
9. Internal Control and Related Transactions	130
Section 3 Financial Statements	134
Section 4 Certification of Information Accuracy	177
Attachment 1 Details Of Director, Executives, Controlling Persons and Company Secretary	178
Attachment 2 Information on Directors of Subsidiaries	186
Attachment 3 About the Chief of Internal Audit Supervisor and Chief Compliance Officer	187
Attachment 4 Business Operating Assets and Details Regarding Asset Valuation	188
Attachment 5 The Complete Version of Policy and Practices of Corporate Governance and Code of Business Ethics	196
Attachment 6 Report of Sub Committee, Audit Committee, Nomination and Compensation Committee and Risk Management Committee	197

Total Revenues (Million Baht)



Profit for the Years (Million Baht)



Total Assets (Million Baht)



FINANCIAL HIGHLIGHT

	Unit	2020	2021	2022
Statements of Comprehensive Income				
Total Revenues	Million Baht	1,316.74	1,352.91	1,536.37
Total Expenses	Million Baht	1,082.85	1,083.62	1,240.13
Profit Before Income Tax Expenses	Million Baht	234.70	268.82	295.94
Profit for the Years	Million Baht	188.38	215.62	236.52
Statements of Financial Position				
Total Assets	Million Baht	1,011.51	1,065.99	1,181.45
Total Liabilities	Million Baht	288.82	322.18	415.81
Shareholders' Equity	Million Baht	722.69	743.81	765.64
Statements of Cash Flows				
Cash Flow from Operating Activities	Million Baht	234.45	233.03	271.81
Cash Flow from Investing Activities	Million Baht	122.36	-88.03	-67.22
Cash Flow from Financing Activities	Million Baht	-169.34	-202.07	-190.29
Increase in Cash and Cash Equivalents-Net	Million Baht	187.47	-67.07	14.30
Financial Ratio				
Current Ratio	X	3.46	3.16	2.71
Account Receivable Turnover	X	4.91	5.41	5.35
Average Collection Period	Day	73.37	66.55	68.19
Average Sale Period	Day	16.52	21.61	19.88
Account Payable Turnover	X	5.58	6.67	6.76
Average Payment Period	Day	64.55	53.94	54.00
Gross Profit Margin	%	33.87	38.02	35.20
Operating Profit Margin	%	17.64	19.20	18.59
Net Profit Margin	%	14.16	15.94	15.44
Return on Equity: ROE	%	26.23	29.41	30.89
Return on Assets: ROA	%	18.27	20.76	20.02
Asset Turnover	X	1.29	1.30	1.29
Debt to Equity Ratio: D/E	X	0.40	0.43	0.54
Interest Coverage Ratio	X	238.00	254.19	257.79
Dividend Payout	%	97.86	93.05	92.54

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTOR




ADM Apichart Pongsritong The Chairman of the Board of Director

2022 was expected to be the 1st year that Thai economy began to clearly recover. It expanded by 2.6% from 1.5% as a result of tourism sector's recovery and a better adjustment of the domestic demand, both in consumption and private sector's investment. The main factors were from the vaccination causing the economy to be fully operated and from reopening to overseas tourists, which was one of the main incomes. However, the future might not be so good because of many difficulties and challenges from both domestic and international aspects that Thailand must be prepared for. It is expected that the government will continue to relax COVID-19 control measures so people and stores can continue their daily lives and open their businesses.

As for TACC's business performance in 2022, its total revenue was THB 1,536.37 million, which increased by 13.56% from last year's total revenue of THB 1,352.91 million. The supporting factors were from new customer base and product expansion after COVID-19 recovery and the economic recovery which positively affected the consumption that supported domestic and international sales. Additionally, TACC's operation performance also continuously grew from last year and more importantly, it still effectively conducted cost management and business operation.

The Board of Directors has realized and emphasized the importance of reviewing TACC's direction, vision, mission, strategies, and crucial policies. It still holds on to the good corporate governance principles in all aspects and considers all stakeholders, as information is fully, transparently, timely disclosed to shareholders and it emphasizes sustainable business development. According to the Corporate Governance Report of Thai Listed Companies in 2022 from Thai Institute of Directors (IOD), TACC was rated "excellent" or 5 stars for the 3rd consecutive year and the assessment of 2022's shareholder meeting was rated "excellent" as well. It was ranked to be one of 100 listed companies with outstanding Environmental Social Governance: ESG 100 for the 2nd year in row from Thaipat Institute as well.

On behalf of the Board of Directors, I would like to thank all shareholders and stakeholders for always supporting, trusting, and believing in duties of the Board of Directors. The Executive Committee and every employee have fully committed their duties with a full capacity. I would you to be certain that we will conduct the business with good governance principles and we are committed to develop the business to be forever sustainable by realizing all benefits of every stakeholder.

MESSAGE FROM THE CHAIRMAN OF THE EXECUTIVE COMMITTEE




Mr. Chatchawe Vatanasuk The Chairman of the Executive Committee

T.A.C. Consumer PCL. (TACC) became a listed company in Market for Alternative Investment-mai on December 2015. For the past 7 years, it has developed its business and key performance in accordance with the Executive Committee and every employee's commitment.

In 2022, it was the 1st year that Thai economy fully recovered from COVID-19 outbreak and businesses in each sector started to normalize but its overview still faced some difficulties and challenges from all aspects. It was expected to quickly enter New Global Trends by economic drives in 2022, which were mainly from spending within Thai citizens, consumption, investment, and domestic travel.

TACC's overall incomes were from sales and services which grew higher than last year and from the B2B business group as branches expanded and new seasonal menus increased. The Modern Trade and Food Service from the B2C group had been expanded to Cambodia, as well as private sector's businesses and organizations finally reopened, and the number of tourists increased from COVID-19 recovery which was better than last year. Moreover, its net profit increased to THB 236.52 million, which was by 9.69% or 15.53% of net profit margin from last year's net profit of THB 215.62 million and it was considered as a continuous growth from last year. This was a result of an increased

amount of sales from the COVID-19 recovery which was better than last year, a domestic and international market expansion, and an effective cost and spending management that TACC continuously conducted. However, the net profit margin slightly decreased from last year because of the increase of the price of raw materials within the year.

TACC believes that employees are valuable resources to the organization. Therefore, it pays attention to the employees, always develops them, encourages and gives opportunities for them to advance in their career paths, includes various benefits, and improves the work system and management. It also emphasizes the product research and development in order to stably and sustainably grow.

As the Chairman of the Executive Committee, I would like to thank all shareholders, customers, partners, business partners, the Board of Directors, the Executive Committee, and employees for the commitment in conducting prosperous, stable, and transparent business in accordance with the good governance, for the awareness of their duties, and for working with responsibilities in order to supervise and manage the benefits of shareholders and society, as well as the support in development projects of communities and society.

THE CHANGE AND KEY MILESTONE 2022

January



1. The Company has launched the new seasonal flavor of Cold Beverage Dispenser "Raspberry Milky" at 7-Eleven stores.
2. The Company has launched new seasonal flavor of Instant Powder Drink "Ruby Chocolate" with 3 new menus such as Ruby Chocolate Iced Milky,

3. Rilakkuma character held an event, "Relaxed Bear and Friends" at Seacon Bangkai, Central Exhibition Ground, on the 1st floor in order to celebrate National Children's Day with

4. Warbie Yama and Dog please characters joined JAPAN EXPO THAILAND 2022 to showcase their creative creations and sold products at Beacon 4, 1st floor, Central World Shopping Mall.

February



- Rilakkuma & Sumikkogurashi characters held the Chill Bear and Friends event on the 1st floor of MUNX2, Seacon Square.

March



1

1. Mrs. Suveeraya Ansavananda, the Assistant Managing Director - Strategic Partner & Intergraded Marketing Communication, disseminated knowledge about Character Business to SMEs in CHANGE 2022 : Visual Character Arts for SMEs event on behalf of a leader of License Business via an online platform, held by Thailand Creative & Design Center (TCDC).



2

2. The Company has launched new seasonal flavor of Instant Powder Drink "Mango-Marian Plum" with 3 new menus such as Americano Mango-Marian Plum Juice, Mango-Marian Plum Tea, and Mango-Marian Plum Yogurt Twist in fresh corner coffee under "All Café" at 7-Eleven.

May



1



1. We congratulated our main business partner, BON CAFE, on the occasion of participating in a great and most-comprehensive food and beverage exhibition in Asia, THAIFEX - ANUGA ASIA 2022 at BON CAFE Booth, Challenger Hall 1, in IMPACT Exhibition and Convention Center.



2

2. The Company has launched new seasonal flavor of Instant Powder Drink "YUZU" with 4 new menus such as Yuzu Snow Ice Orange Tea, Americano Orange Yuzu Snow Ice, Americano Iced Orange Yuzu, and Yuzu Iced Orange Soda in fresh corner coffee under "All Café" at 7-Eleven.

June



1



1. We congratulated BONCAFE as a key business partner on the occasion of the opening of "BONCAFE Flagship Store" under the concept of "Next B Journey", which provides a full range of coffee services.



2



3

2. The Company was rating in 2022 ESG 100 by Thaipt Institute Announces 100 Listed Companies for Environment, Society and Governance.

3. The Company has launched the new seasonal flavor of Cold Beverage Dispenser "Fruit Punch" at 7-Eleven stores.

July



- To fully penetrate Health & Wellness market, a new brand, TRIVA, naturally concentrated fruit syrups, was launched in Thailand Coffee Fest 2022 event at Impact Exhibition Center Hall 5 - 7. It contains 30% of fruit pulp in order to respond needs and to differentiate itself for entrepreneurs, shops, cafés (Total solution service offering), and general consumers.

August



1



2

1. The Company was Superior Taste Award from International Taste Institute, Belgium continuously 3rd year which is the international leader in the evaluation and certification of food and beverage flavors. This award includes Beverages in the corner of All Café, UJI MATCHA, and Ceylon Tea Na-Arun Brand. By all beverages are sold in 7-Eleven stores. Recognized in the Chef & Sommelier competition or from prestigious institutions such as Le Guide Michelin, Gault & Millau, the Superior Taste Award is recognized by major retailers around the world and make a significant difference to both the domestic and international markets. With more than 72 participating countries around the world.
2. The Company has launched the new seasonal flavor of Cold Beverage Dispenser "Matcha Latte" at 7-Eleven stores.

September



1



2

1. The Company has launched the new seasonal flavor of Cold Beverage Dispenser "Berry Prune" at 7-Eleven stores.
2. We supported a project, Care the Wild Plookpong Plant & Protect and we also engaged in the organization's carbon footprint with MAI Listed Companies Association by recently supporting 1 Rai of reforestation at Ban Aoi forest and Ban Bun Roeng, Rong Kwang District, Phrae. The other 53 MAI listed companies also supported this project and the total forest area is 91 Rai or 18,200 trees.

October



1. The Character Business, collaborate with LINE Thailand, expanded the License Business by being the 1st company to acquire the right to manage 12 popular Thai characters under LINE CREATORS in order to produce merchandises and premium products. This cooperation will push Thai creators' works to be known both domestically and internationally. The Character Licensing Business is also expanded.
2. The Company was an excellent score (100 Points) for 2022 in the AGM checklist program from the Thai Investor Association and Securities and Exchange Commission, Thailand.
3. Brand TRIVA joined FHA 2022 booth in Singapore, which is a food and beverage-related trade show, to gain more awareness among distributors, importers, manufacturers and retails, due to expand international markets.
4. The Company Launched The All Café Tea Drinking Campaign. Those who ordered tea drinks from 7-Eleven might have a chance to go to Japan to boost sales.

November



1. The Company has launched the new seasonal flavor of Cold Beverage Dispenser "Chocolate Butterscotch" at 7-Eleven stores.
2. The Company has launched new seasonal flavor of Instant Powder Drink "Toffee Nut" with 3 new menus such as Toffee Nut Latte (Hot), Oreo Milk with Toffee Nut Frappe, and Toffee Nut Mocha (Ice) in fresh corner coffee under "All Café" at 7-Eleven.
3. The Company received Corporate Governance Report of Thai Listed Companies 2022 was an Excellent score (5 star) continuously previous year from institute of Director and support by Stock Exchange of Thailand.
4. The Stock Exchange of Thailand and Money & Banking Magazine jointly hosted SET Awards 2022, the announcement and award presentation ceremony aim to recognize companies on the Thai capital market with excellent and outstanding performances in various areas. TACC was awarded the Outstanding Investor Relations Awards in the Business Excellence category of mai listed companies with market caps above Baht 1,500 million. The award was presented for the sixth consecutive time to listed companies, which outstanding themselves in investor relations activities that place importance on the participation of the entire organization in its activities.

December



- We congratulated Warbie Yama character, as a licensees of Warbie's character. Which the launch It's me, Warbie! The inside world of Warbie Yama.

5. CSR Activity, Helping people who affected by floods with "Siam Ruamjai Thai Help Thailand" project by donating natural alkaline drinking water "Eight Plus x Jay The Rabbit"
6. Dog please character went to Japan and launched a promotion event to promote the character "Dog please", a Thai character that reaches the hearts of dog and cat lovers in collaboration with the Department of International Trade Promotion. Ministry of Commerce (DITP) to be known in Japan and to expand business in the future.

BOARD OF DIRECTORS



ADM Apichart Pengsritong

Chairman and Independent Director



Assoc. Prof. Kitti Siripullop

Chairman of the Audit Committee and Independent Director



Mrs. Paktra Suriyapee

Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee



Mr. Komsak Wattanasiroj

Audit Committee, Independent Director, Nomination and Compensation Committee and Chairman of the Risk Management Committee



Mr. Chanit Suwanparin

Director, Nomination and Compensation Committee and Risk Management Committee



Ms. Trithip Sivakrskul

Independent Director and Risk Management Committee



Mr. Chatchawe Vatanasuk

Director



Mrs. Chirapan Khotcharit Choosang

Director and Risk Management Committee



Mr. Suphot Leenanurak

Director and Risk Management Committee

EXECUTIVE COMMITTEE



[7]

[5]

[3]

[1]

[2]

[4]

[6]

[1] Mr. Chatchawe Vatanasuk
Chairman of the Executive Committee

[5] Mr. Hatsaya Charuwityanan
Executive Committee

[2] Mrs. Chirapan Khotcharit Choosang
Executive Committee

[6] Ms. Preawnapa Nimma
Executive Committee

[3] Mr. Suphot Leenanurak
Executive Committee

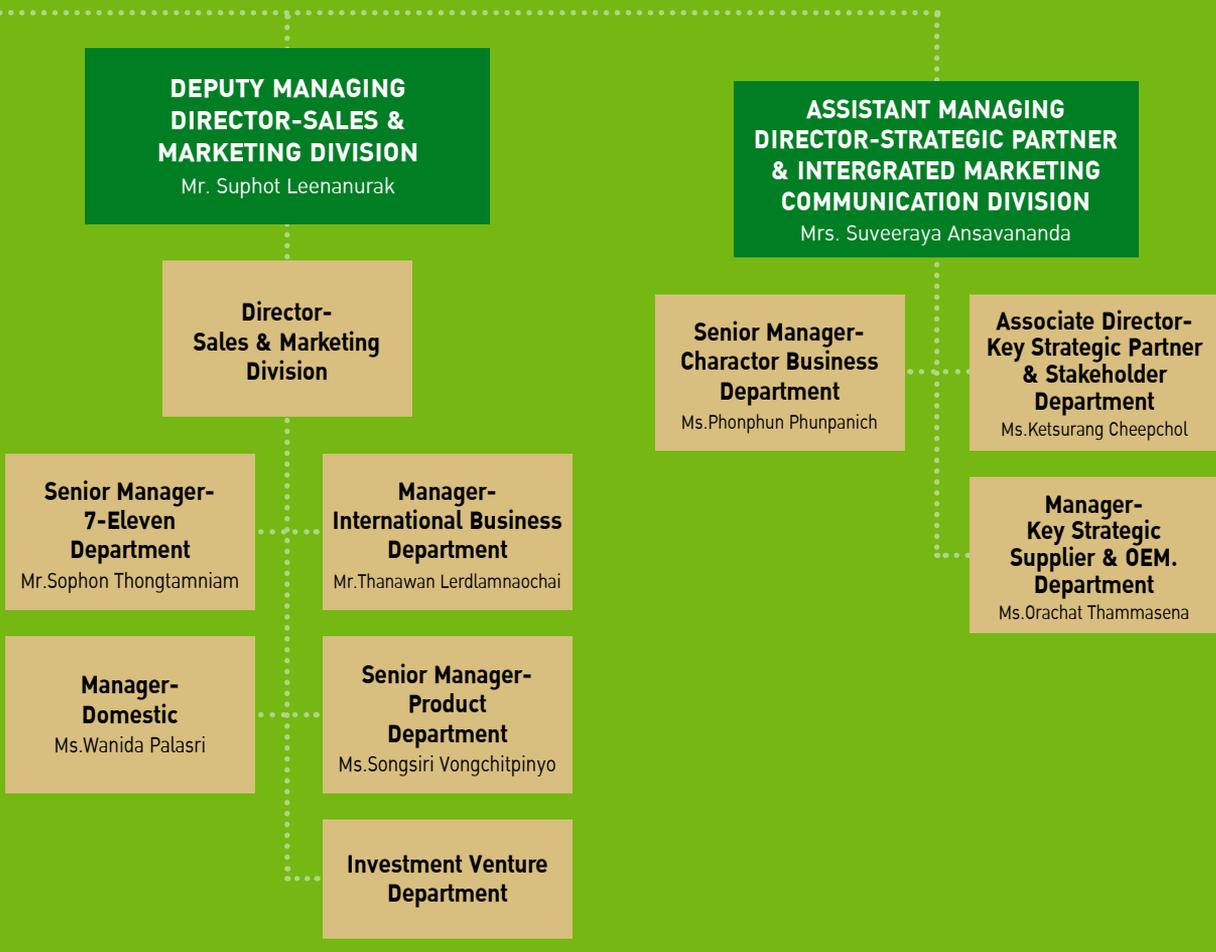
[7] Mr. Atid Tragoondet
Executive Committee

[4] Mrs. Suveeraya Ansavananda
Executive Committee

Note : * Mr. Atid Tragoondet appointed as the Executive Committee on 11th August 2022 onwards.

ORGANIZATION CHART





Section 1 Business Operation and Operating Results

1. STRUCTURE AND OPERATION OF THE GROUP OF COMPANIES



POLICY AND OVERVIEW OF BUSINESS

T.A.C. Consumer Public Company Limited (“The Company”), formerly known as T.A.C. Beverage Company Limited, was registered as a Company on 28 March 2002 with its authorized capital of two million baht to operate and sell Cold Beverage Dispenser products in 7-Eleven convenient store, which were jointly developed by the Company and CP ALL Public Company Limited. The products were sold included iced tea, milk tea, coffee, and fruit juices such as punch and cantaloupe juice. Later in 2005 the Company expanded its business to ready-to-drink market by launching a ready-to-drink bottled green tea product branded “Zenya” and also expanded the distribution channel to overseas market such as Cambodia, Singapore, Dubai, Russia, and United State of America. Then, in 2009 the Company entered meat processing business by establishing its processing plant at Hi-Tech Industrial Estate, Bang Pa-In District, Ayuthaya Province, in order to manufacture and distribute meatball

and grilled pork using the product brands “Happy Chef” and “Number One” and changed its registered name from T.A.C. Beverage Company Limited to T.A.C. Consumer Limited on 28 July 2009. After that in 2011 the Company expanded into functional drink market by launching VSlim, a ready-to-drink healthy and weight control coffee, in order to meet the need of consumers who place their importance on health and beauty. VSlim was considered the first healthy ready-to-drink canned coffee brand with weight control benefit in the market.

In terms of supply chain management, the Company primarily outsources its production to Original Equipment Manufacturer (OEM) to manufacture both jointly developed products with key strategic partners and Company’s own products which were distributed using Company’s brand. In addition, in order to expand its business value chain, in 2013 the Company invested in a

plant for power drink mix with manufacturing capacity of 2,021.76 tons per year, with the total area of 1 rai, 1 ngan and 53 square wa located in Paragon Factory Land, Ban Bueng District, Chonburi Province. The Company has diversified risk to the BanBuang Factory with and add production line and standard of the high production to giving the Company more potential. Although the Company established its own manufacturing plant, it still primarily employed outsourcing manufacturers in order to utilize the outstanding and unique advantages of each producer.

The Management's vision to be a leading Company in tea and coffee beverages which have been the Company's main business, the Company sold its meat processing business on August 2013. Then in 2014, the Company developed and launched new instant drink powder products under the brand "Sawasdee" and positioned this product primarily for overseas market. The products included in this brand are durian milk with natural chunks, and Thai milk tea, all of which are the flavors that illustrate innovation and contemporary Thai culture, as well as unique Thai taste.

The Company operates in partnership with CP ALL Public Company Limited (CPALL") in a business to business (B2B) due to core business of CPALL is the retail sector convenience stores under the trademark 7-Eleven, which sells a variety of products by consumers and consumer good major products include 1) Stationary 2) Non-Food 3) Cosmetic 4) Beverage and 5) Processed Food. The Company wants to grow together with partners sustainable with strategy and opportunities for partners to participate in such groups.

In each year, the Company developed new products with customer for approach consumer to cover continuous increasing and expanded business to other products group. At present, the Beverage business is growing such as Instant powder All Café at 7-Eleven, Hot Beverage Dispenser etc. Currently, the size of the drink has been increased from 16 oz. to 22 oz. In addition, the non-food business has been strengthened to cover CPALL's core product categories and is considered to be diversified.

For the Business to Consumer Group (B2C), the Licenses Business is stronger. The Company has a

licensing agent of San-X Japan (licensor). Which the Company has co-create with leader brand partners such as merchandise, premium and campaign. And there is famous cartoon character online in Thailand. Under the name MaaJa, there is a continuous contract extension. After continuously receiving good feedback and continuing to expand its customer base.

In the year 2022, the Company has represented two more Thai characters, Jay The Rabbit, the most powerful female rabbit. The online world, which is considered to be filling in Jay The Rabbit, which has strengths in the online world, is on ground to achieve strong growth and further color the character industry in Thailand as "Jay The Rabbit" has a difference full of ideas, creativity, which will be reflected in the upcoming work.

and, in the middle of last year, the Company has a licensing agent the copyright of "Warbie Yama" by the Thai master bird, who was born from the short-lived animation "Cheez...z" and won the award from the International Animation Short Film Festival. Later, it developed the character Warbie into a digital-styled in LINE application until gained popularity to the year of the world with the character of the year award, and there are many fan groups in foreign countries, and with its interesting identity, Warbie Yama with warm stories and presenting value, experiencing positive feelings to fans. Through works through every step of attention.

For this year, The Character Business, together with LINE Thailand, expanded the License Business by being the 1st company to acquire the right to manage 12 popular Thai characters are as follow, Dueb Dueb, Mao Whatta Pug, Onnie Bear, Gluta Bear, N9 Party Gang (Mhee gud gid, Cheer Rabbit, Chi Chi Chik), BearPlease, Shibung & Bingsu, minimal G, Boobib, Cotton, Mheenoom & Tainim and Tuagom.

The Company expanded Beverage Business to Café Business & Food service such as Muanchon Café, Arabitia Café, Jungle Café, Black Canyon and Punthai Coffee. There are expand business and develop new beverages or products for the Café Business customer group. Which has stores distributed nationwide and more channels of selling products.

For the expansion of 7-Eleven's stores in Cambodia There has been significant growth. Currently, there are 40 branches spread throughout its cities, and the consumption of cold dispensers is very popular.

Moreover, The Company expand the beverage to Lotus' including Lotus's Hyper Market and Lotus's go Fresh. In the part, relatively rapid outlet changes and outlet patterns are considered to be an important business group in increasing revenue once and for all. Currently, Lotus's Hyper Market and Lotus's go Fresh There are 83 branches and 1,780 branches respectively.

This year, the Company launched a new brand, "TRIVA". Naturally concentrated fruit syrup, which is a concentrated fruit syrup that contains up to 30% of the fruit pulp, is full of the taste and texture of real fruits to meet the needs and make a difference for entrepreneurs, total solution service offerings, and general customers.

This year, it can be considered that the Company has received various certifications and awards. More internationally, including The Superior Taste Award continuously for the 3rd year and considered a prestigious global standard award and an encouragement to all executives and employees, who are committed and determined. Although, in the past the Company has been affected by the COVID-19 situation, but continue to develop and invent good quality products as well as places importance on product research and development. The Company considered RD department as the heart of the organization, therefore invested on the team of personnel with diverse knowledge and ability to develop beverage products. In addition, the RD Lab is equipped with a wide

range of tools and equipment of international standards, in order to support innovative development for beverage in the future.

The awarded beverage is available in 7-Eleven convenient stores, which are UJI MATCHA in the All Café corner, and Ceylon tea, Na-Arun Brand.

Over the past years, The Company has focused on managing marketing and sales strategies together with research and development of unique and distinct beverages which vary in terms of style and flavor. The Company's products, as a result, could continuously meet consumer needs and lifestyles, and have been increasingly trusted by customers and partners all along. Aiming to operate its business with long-lasting partners under sustainable growth and business partnership principles.

The reviewed vision, mission and business goal annually

The Company has reviewed the vision, mission and business goal annually with review of the management and presented for approval to the meeting of Board of Directors No. 4/2022 held on 10 November 2022, The Executive Committee presented a new vision. To make it more clear and to ensure consistency in the current economic situation and conditions, as part of the mission remains the same

Furthermore, the Board of Director follow up to implementation of the Company's strategy and operating results per quarter. Especially, the goal of financial and business plan in order to comply with the Company's strategy set.

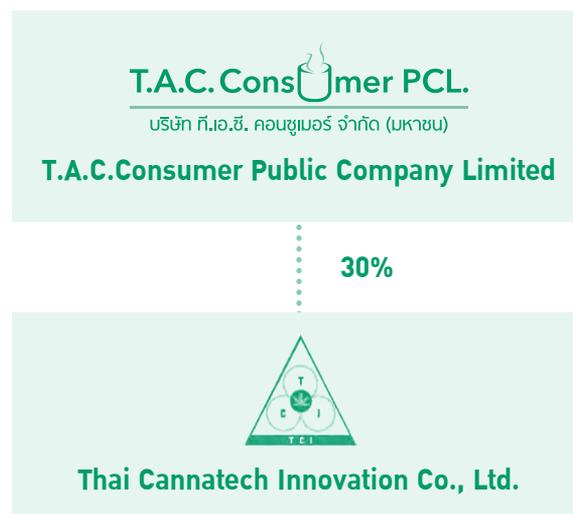


SHAREHOLDER STRUCTURE OF BUSINESS GROUP

As at 1 January to 31 December 2022, the Company has invested in Join Venture Company as follow:

Join Venture Company	Nature of Business	Registered Capital (Million Baht)	% of Shareholder
Thai Cannatech Innovation Co., Ltd.	Production and distribution of plant extracts and processing herbs	5	30

Diagram of Shareholder Structure



NATURE OF BUSINESS

Revenue Structure

Type of Revenue	Year 2020		Year 2021		Year 2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales						
• Business to Business : B2B	1,248.84	94.84	1,292.60	95.54	1,416.27	92.17
• Business to Customer : B2C	65.90	5.00	48.54	3.59	107.07	6.97
Total	1,314.74	99.85	1,341.14	99.13	1,523.34	99.14
Other income ¹⁾	2.00	0.15	11.77	0.87	13.03	0.86
Total revenue	1,316.74	100.00	1,352.91	100.00	1,536.37	100.00

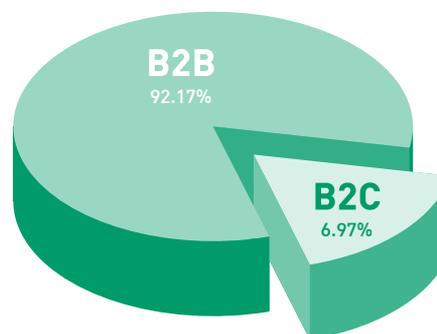
Note : ¹⁾ Other revenue include revenue from interest income and sales of raw material.

The Company engages in the business of sourcing, manufacturing, and distribution of beverages in tea and coffee categories, lifestyle products and Character Business. The Company focuses on managing and executing marketing and sales strategies along with beverage product development. The developed products possess distinctive unique selling points and varieties in both formats and flavors. The Company's products meet the needs of consumers of all age and gender, both teenagers, students, college students and working people. The nature of products can be separated into 2 main categories, which consisted of the group of products that the Company jointly developed with its business partner and the group of product which are distributed under the Company's brand as follows:

Product group which the Company jointly developed with its business partner (Business to Business : B2B)

The Company researches and develops products closely with its key strategic partner in order to manufacture and distribute products to customer's stores mostly in convenience stores and food chain restaurants which will be the collaboration between the marketing, sales, new business development division and research and development division of the Company and the Customer's marketing and purchase division. The products in this group can be summarized as follows;

Revenue from Sales 2022 (Milion Baht)



1. Cold Beverage Dispenser (Core Flavor)

This type of beverages generates the Company's main revenue in which a jointly research and development of this cold beverage dispenser since 20 years been conducted cooperatively with 7-Eleven convenience store under administration of the CPALL Public Company Limited. The product will be distribute to the 7-Eleven shop in the form of instant powder package of several size, i.e. 467 grams, 702 grams, etc., which the product will be merged in the dispenser and sold as cold drink to the customers.

In administering the cold beverage dispenser at the 7-Eleven convenience store, there will be both the core flavor, which is the main beverage that must be available in every 7-Eleven convenience store. The core flavor drinks that the Company jointly developed with 7-Eleven are ice-coffee with 7-Eleven trademark and milky ice-tea with the “Zenya” trademark of the Company.

The jointly developed of the Company with 7-Eleven team. The Company has work plan together for growth of cold beverage dispenser group. The Company developed the formula to reduce sweetness of Cold Beverage Dispenser for the solve sugar tax. By using raw material that provide more sweetness instead of natural sugar and adjusting the formula to reduce the sweetness of espresso coffee, latte coffee and iced tea.

Cold Beverage Dispenser (Core Flavor)



Nowadays, we ship cold beverage dispenser, including tea and coffee to be sold in 7-Eleven stores in Cambodia which is considered as a distribution channel in overseas. Cambodia has potential direction and future because its society’s growth is expanding. 7-Eleven branches significantly grow and receive great responses and for these reasons, some of them have more numbers of dispensers than Thailand does; 6 dispensers in Cambodia and 4 dispensers in Thailand. By the end of 2022, there are 40 branches throughout Cambodia’s main cities, for instances, Phnom Penh, Siem Reap, Kandal, Kompong Cham, Kompong Speu, and Sihanouk etc.



2. Instant Powder Drink

The Company develops instant powder drink containing 35 grams for distributed to fresh corner coffee All Café stores located at 7-Eleven. The product has been launched since June 2014. There are 13,000 stores including 4 flavors; Milk tea, Matcha green tea, Lemon tea and Taiwan Milk tea sugar. There are developed additional new group for make colorful for All Café such as Ruby Chocolate, Mango-Marian Plum, YUZU, and Toffee Nut.

In 2021, the Company has been upsizing the size of non-coffee beverages in All Café from 16 oz. to 22 oz., covering all branches with All Café corners nationwide. Which is an ongoing full-year revenue recognition there is also a higher purchase rate continuously.

Currently, the Company has delivered Instant Powder Drink (Non-Coffee) at All Café, 7-Eleven in Cambodia, which has received good feedback from consumers in Cambodia.



3. Product that the Company jointly developed to distribute on Seasonal Drink

This product is a choice that each store can be selected as appropriate to the area around the stores. The Company has jointly developed this product group with CPALL which will be switching by a specific period of time.

- Seasonal Drink as a choice of each 7-Eleven store which change cold beverage as a period. The product that the Company jointly developed to distribute of seasonal drink such as Raspberry Milky, Fruit Punch, Matcha Latte, Berry Prune, and Chocolate Butterscotch.

เครื่องดื่มปรุงสำเร็จชนิดผงพร้อมชง และเครื่องดื่มปรุงสำเร็จจัดจำหน่ายในร้าน All Café

Seasonal Drink

4. Hot Beverage Dispenser

The Company jointly developed Hot Beverage Dispenser group with CPALL for increase the convenience of consuming beverages with customers at 7-Eleven stores, which installed in late 2015. At present installed 500 units mostly installed at 7-Eleven in PTT gas station.

The Hot drink is priced at 17 baht per glass. Currently, there are three main flavors: coffee, chocolate and matcha green tea with the drink is pressed out of the automatic press. This machine has a new innovation. The mixer head rotates at speeds of up to 13,000 cycles, making it quick to mix drinks. The water pressure is consistent to get a hot drink with good taste and a seductive odor with soft milk foam.

Product group distribute under the Company's brand (Business to Customer : B2C)

The Company also develops products under its own brands which this group of products can be summarized in 4 category as follows;

1. Instant powder drink under the brand "Na-Arun"

A three-in-one drink mix containing 500 gram crates with 10 sachets per crated. This kind of product is produced under the aim that the customers or consumer may be impressed on this particular kind of Thai taste the drink refreshment in which screenings of good quality ingredients are made for the benefit of the customers themselves. This kind of ready-to-drink instant are 3 different flavors: Coffee category Tea category Beverage category are follow: 1) Instant Coffee Powder, espresso

Hot Beverage Dispenser



Instant powder drink under the brand "Na-Arun"



formula with a rich, full-bodied coffee flavor 2) Instant Coffee Latte Powder with a mellow 3) Thai Milk Tea ready-mixed powder 4) Matcha Green Tea Latte Premium taste Mild aroma of matcha 5) Thai Tea mixed with lemon flavor It is a black tea blended with Thai lemon flavor. 6) Brown Sugar Milk Tea, 7) Ready-made chocolate imported from France, and 8) Butterfly Pea Lime Drink Unique Thai drink menu. The company sells through international channels, namely Australia, especially Thai restaurants. Asian Grocery stores and domestic sales through various café business channels.

2. Licenses Business

The Company signed a licensing agreement with Ingram Japan, in order to become a licensing agent of San-X Japan (licensor). TACC deals with licensees cover 7 countries such as Thailand, Singapore, Malaysia, Cambodia, Myanmar, Laos, and Vietnam. The period of contract 5 years. San-X’s characters include Rilakkuma, Sumikkogurashi, Sentimental Circus, Kamonohashikamo, Mamegoma etc.

Licensing is an act of one party granting license to another party for production by using its trademark license and other market-related rights. Licensees have to pay an agreed licensing fee as a royalty fee.

Character “San-X” From Japan



Rilakkuma

“Rilakkuma” means “Bear in relaxed mood”. At all time and everywhere Rilakkuma goes Rilakkuma is continuously lazy and relaxed. Rilakkuma is totally stress-free and also doing things on his own pace. Rilakkuma is someone impossible to be hated by others. You will be dragged into Rilakkuma’s world and become lazy and relaxed while watching what everything Rilakkuma does.

Rilakkuma This bear costume, known as Rilakkuma came out of nowhere and visited Kaoru’s house one day. Even now without plans, this costume hangs out at her place and disturbs her by not doing anything every day, but gives her some life advice occasionally. Rilakkuma’s favorite is special sweets from local rice dumpling store and weakness is summer season.

Korilakkuma

Korilakkuma is a white bear cub, but nobody knows where it came from. Apparently, Korilakkuma was not acquaintances with Rilakkuma, but since there is a red button on its chest, it does not seem like a real bear. Korilakkuma was named by Kiiroitori. Korilakkuma loves to play tricks and is a mischievous cub with lots of energy

Kiiroitori

The yellow bird that Kaoru was keeping as a pet before Rilakkuma and the others came. Kiiroitori used to stay in a birdcage, but can now leave it freely. Every day Kiiroitori scolds Rilakkuma for laying around and fights with playful Korilakkuma for being too mischievous.

Chairoikoguma

Chairoikoguma lives in the Honey Forest and is friends with Korilakkuma. The chest hair is bushy, and when the mouth opens, there are fangs. There are bear prints on the soles of each foot. The body smells like sweet honey. There is honey on the butt.



Sumikkogurashi

“Sumikkogurashi” are the characters, living a quiet and solitary life in the corners. They might be able to settle down when they’re in the corners. But they don’t like being in the centers. When they’re taken to the center, they always rush back to the corners.



Shirokuma

is a shy bear who migrated south to avoid the cold. Shirokuma feels most calm while drinking hot tea in a corner.



Penguin?

Am I even a penguin? Penguin has no confidence. In the past, there might have been a plate on Penguin’s head...



Tonkatsu

The end of a tonkatsu. Made of 1% meat, 99% fat. Left behind for being too oily...



Neko

Shy and timid, Neko usually hides in corners. Neko worries about its body shape.



Tokage

is actually the last of the dinosaurs. Pretends to be a lizard to avoid being caught. Slowly warming up to Nisetsumuri.



Tapioca

They are the leftovers in the cup as only milk tea was drunk up earlier. I’m fed up with this” [Tapioca’s muttering]



Mogura

Used to live in a corner underground. Became curious about the commotion above ground and surfaced for the first time. Likes red boots.



Yama

A small mountain that looks up to Mt. Fuji. Appears at hot springs and poses as Mt. Fuji.



Furoshiki Shirokuma’s

Shirokuma’s luggage. Used to reserve corners and when Shirokuma is cold.



Hokori

A careless bunch that often piles up near corners.



Ebifurai no Shippo

Too hard to eat and left unfinished. Ebifurai no Shippo and Tonkatsu are friends who understand each other very well.



Nisetsumuri

s actually just a slug with a shell. I’m sorry for tricking you...



Zassou

A positive weed. Admires florists and dreams of being made into a bouquet one day.



Suzume

Just a regular sparrow. Likes Tonkatsu very much and comes to peck at Tonkatsu.



Obake

Lives in one of the attic’s corners. Stays quiet to prevent others from being scared. Enjoys cleaning.



Mamegoma

Mamegoma is a small seal who was only discovered recently. Mamegoma is a palm-sized, miniature seal. Mamegoma is very friendly and, after getting used to you, will respond when called to or ride on your palm. There are many varieties.



Sentimental Circus

Stuffed animals abandoned in room recesses and on street corners that sneak away at night to form a secret circus. Tonight, their strange friends will gather together before show time.



Kutusita Nyanko

Kutusita Nyanko is a cat that is actually wearing socks. Kutusita Nyanko will put various lost or precious items in the socks and carry them for you. Kutusita Nyanko might even find something precious for you.



Tarepanda

The origin of relaxing character styles, "Tarepanda." Following its name, Tarepanda's characteristic pose and movements express a personality that cannot be forgotten. Tarepanda is soft to the touch and surprisingly sturdy. Moves mainly by rolling around at 2.75 mph. Loves sweet mochi cakes



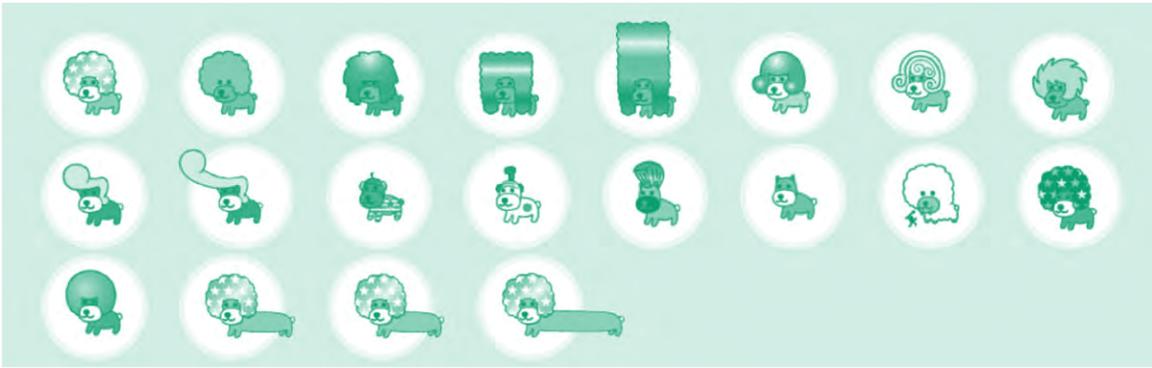
Monokuro Boo

"Boo" "Love?" "Enjoy?" "Happy!" It seems like Monokuro Boo will send us messages! Each day comes with various challenges, but sometimes it may be good to rest a bit and try to think simply.



Afro Ken

Afro Ken is drawn towards afro-shaped things and can transform into many different things. Always in a good mood. Has many friends with strange hair styles and transformations.



Jinbesan

Jinbesan has a body and heart as big as the ocean. Jinbesan always gathers together with many friends. Jinbesan is everyone's place to relax and rest.

Character “Dog Please” (Maaja)



In this year, the Company has representative agent of “Dog Please” with local popular character in Thailand. KhunNathawee Limpanilchart, former pocket book writer has brought the story between people and dogs, conveyed in a cute view through their own unique line and created as a “Maaja” page with a 2 years contract period covering 7 countries including Thailand, Singapore, Malaysia, Cambodia, Myanmar, Laos and Vietnam. The Company has continuously renewed its contract due to good feedback and continues to expand its customer base.



Character "Jay The Rabbit"



This year, the Company has been a license agent of cartoon copyrights as a Thai brand character, Jay The Rabbit, with a two-year contract period exclusively in Thailand, with more than 5,000,000 followers in the social world, one of the top 10 online influencers and a clear Unique presence, loved by the powerful single and office groups. Buying in bulk, Jay The Rabbit's starting point came from "Khun Tai" as a person who likes to set up a status on his own Facebook, with images illustrated as rabbit images, which are available on the Internet.

She posted until she couldn't find the illustration, so she started drawing herself to compose the posted status, and even her's friends who saw the ability suggested opening the "Jay The Rabbit" page, drawing various expressions that Jetty liked to post, and finally Jay The Rabbit officially took place on April 21, 2012, and then 8 years later, from the small community page, Jay The Rabbit has now become famous .A large community where many people meet, talk, and greet each other, from a typical line-up cartoon to a popular character business, many products come. It is also possible to export characters to foreign countries.



Character "Warbie Yama"

This year, the Company has been a license agent of cartoon copyrights as a Thai brand character, "Warbie Yama" with a two year contract period exclusively in Thailand. By Khun Arut Tantasirin as a creator and owner of the copyright character created by the short animation film "Cheez...z" and has awards from various international short film festivals. Later, it developed the character Warbie in to a digital sticker in LINE application until it became popular around the world, with the character of the year award, There are many fan groups overseas and with Warbie Yama attractive identity, which has a warm story and presents value, it penetrates positive feelings to fans through works born of attention in everything.



Character "LINE CREATORS"



This year, the Company has been a license agent of the Thai character brand "LINE CREATORS", consisting of 12 characters under LINE CREATORS, namely Dueb Dueb, Mao Whatta Pug, Onnie Bear, Gluta Bear, N9 Party Gang (Mhee gud gid, Cheer Rabbit, Chi Chi Chik), BearPlease, Shibung & Bingsu, minimal G, Boobib, Cotton, Mheenoom & Tainim and Tuagom. The contract period is 2 years only in Thailand.

3. Café Business and Food Service

The Company expanded the product of B2C to Café Business & Food service such as Café MuanChon, Jungle Café, Arabitia Café, Black Canyon and Punthai Coffee. Which the stores distributed throughout the country and abroad. Currently, the Café Business in which the Company delivers beverages has a total of approximately 1,000 stores, which helps to increase the distribution channels of the Company.

In both Lotus's Hyper Market and Lotus's go Fresh, last year saw a relatively rapid change in branches and branch layouts. Currently, Lotus's Hyper Market and Lotus's go Fresh with 83 branches and 1,780 branches respectively, it is considered an important business group to increase the Company's revenue.

Also in the Café Business group. The Company has developed products in many product groups, such as the addition of ice cream and confectionery menus, and other B2C products that the company sells raw materials such as puddings, Taiwanese milk tea, topping on beverages, brown sugar cream cupcakes, and being a contractor (OEM) of Thai tea, etc.



4. Concentrated Fruit Syrups “TRIVA”

This year, we launched a new brand, TRIVA, naturally concentrated fruit syrups that contain 30% of fruit pulp and are full of real fruit flavors and texture,

in order to respond needs and to differentiate itself for entrepreneurs, shops, cafés (Total solution service offering), and general consumers.



Marketing and Competition

Competitive Strategy

1. Establishing Business Partnership

The heart of Company’s business is to build business partnership with all the business partner, including customers, original equipment manufacture (OEM), material, packaging suppliers. The Company has its policy to establish long-term relationship with partners under business alliance concept. Apart from common business transaction, the Company has been working closely with its partners in exchanging the idea, determining business plan, as well as developing product and package that could satisfy customer’s needs and that could swiftly and effectively react to marketing situation. Moreover, the Company and its trade partners regularly exchange their views on new products and update the trend of beverage markets both in domestic and overseas market. Such business relationship is beneficial to not

only the Company but also its partner and lead to sustainable long-term business relationship. The Company has been one of 7-Eleven key strategic partners which enable the Company to constantly develop and introduce new products to customer. This result in a steady growth of Company’s revenue.

The Company was granted the Partnership Award 2013 “Best of Business Growth” form CPALL. The award has been bestowed to the trade partners, mostly large corporations in recognition of continuous collaboration and excellent business growth. As a result, demonstrates that the Company has been accepted by its customers and has been on par with leading companies of the country.



The Company was awarded “SME Sustainable 2016” Organized by CP ALL Public Company Limited cooperate The Office of SMEs Promotion (OSMEP) and Department of Industrial Promotion set “The 7- Eleven Thai SMEs Sustainable 2016. They were awarded to SMEs partners who sell products through the channels of 7-Eleven and 24 shopping. There are 8 categories, 13 award such as SME Sustainable, Rising star SME, Agriculture SME, community goods. Etc. The Company has received the Exclusive Contract for the duration of 3 years and this year the Company has renewed the contract continuously. Therefore, the Management is confident that the Company will be able to maintain a stable and lasting relationship with that customer.



The Company continued to increase the potential of being Tea and Coffee Creative Solution in Thailand by fully expanding the coffee market and signed the MOU agreement with an alliance partner, Boncafe (Thailand) Co., Ltd. or “BONCAFÉ” in order to jointly develop non-alcohol beverages, production equipment, and distribute beverages through strategic planning as partners under the objectives of becoming a product research and development center together and manufacturing a complete range of products for each

other. The company has a highly skilled team with a national talent of developing beverages, who produces beverages for 7-Eleven, Black Canyon, PunThai Coffee etc., while Boncafe (Thailand) Co., Ltd. is a well-known expert in coffee business, who has a complete range of products and equipment for coffee business operators from world-class coffee products to its own coffee brand.

Having to join BONCAFÉ will help the company to develop into a product developing center with high quality, full-ranged, and various products to respond to today’s consumer needs and to support the increasing competition in the beverage market. BONCAFÉ will help expanding the customer base in order to reach every consumer group, including the automatic hot beverage machine section by distributing through BONCAFÉ’s distributors in different provinces all over Thailand, and developing beverage products together. This cooperation will encourage the state of being a non-alcohol beverage development leader in Thailand and will expand the business to ASEAN in the future.

2. Developing unique and different products

Another factor contributing to the steady business growth is that the Company has placed its importance on product research and development, to create unique and distinct products both in appearance and taste; for example a green tea product without green color under the concept “The Colorful Green Tea” of which the idea has been further developed to “Super Power from Super Fruit” and a beverage with natural fruit chunk branded “Sawasdee”. This allows the Company to react itself appropriately and promptly to business opportunities, gaps, and change that evolve all the time, while being able to focus itself more on specific target market in order to thoroughly meet diverse consumer’s need and lifestyle. Such outcome stems from a cooperation among marketing team and research and development team. Initially, the marketing team will study and closely monitor beverage market trend both in domestic and overseas markets, as well as change in consumer’s behaviors. The business development team will conduct project feasibility study and then the product research and development team will create, develop, and design product that could satisfy the need. Since the product research and development team has long been experienced in the beverage industry, they could constantly create and develop new unique and differentiated

products to the market by differentiating its products, the Company could mitigate the risk from substitute products of the same category.

3. Maintaining Product Quality Standards

Apart from inventing and developing new unique products, the products the Company also gives its priority to the production of quality products to satisfy consumers need. The Company has set in place its product quality control policies in every stage of the production, starting from selection and procurement of necessary ingredients for each product type from high quality producers. Although most of the Company’s product are manufactured by OEMs who procure ingredients on their own, the Company ensures its product flavor and quality standards by determining the list of major ingredient producer/supplier. The OEMs Company will have to inspect the ingredient quality, so as to be compliance with the determined specification set by the Company, as well as asking suppliers to deliver samples of ingredient to quality assurance department for inspection every purchase order. Moreover, the Company also examines and controls its product quality in every state of production, from the beginning to the end, before delivering to its customer. All the processes aforementioned are made to ensure that the quality of products/ materials supplied meet our standards.

As the manufacturing of most products is outsourced to external OEMs, the Company put its great emphasis on the selection of such manufactures, starting from the quality standard inspection of their plants. Every contracted manufacture must be certified with various standard such as GMP and HACCP. Moreover, the Company inspects its OEMs of their production procedures and processes, in manufacturing of sample products and of the first batch production. The OEMs also have their own quality assurance teams to regularly inspect their own product quality and they have been requested to submit the sample of every batch of production of production for Company’s inspection to ensure that the product quality meet the requirements before delivering to customers. In addition to that, the random quality inspection of in store products is also employed.

Ban Bueng factory has also been certified FSSC 22000 (Food Safety System Certification), ISO 22000: 2018, HACCP Codex and GMP Codex. To certify the food safety management system for the food and beverage manufacturing industry to ensure quality, hygiene and safety for consumers.



Moreover, Ban Bueng factory received Halal certification. Halal food is food or food products that Muslims are allowed to consume or use under Islamic laws. For non-Muslims, consuming Halal food can benefit health as well because it is produced under the right manufacturing process according to the Islamic laws and it is free of forbidden things (Haram) and is nutritious (Toyyib)

In this year, The Company received the certification of quality standards at the international level are as follows:

- TACC received the Superior Taste Award from the International Taste Institute, Belgium for the 3rd years continuously.



The international level leader in evaluating and certified the taste of food and beverage. Part of the panel of judges was among those honored at the Chef & Sommelier competition or from prestigious institutions such as Le Guide Michelin, Gault & Millau. The Superior Taste Award is well recognized by major retailers worldwide and makes a significant difference to both domestic and international markets. The awarded beverage is available in 7-Eleven convenient stores, which are UJI MATCHA at All Café corner and Ceylon tea, Na-Arun Brand.

4. Continuous Public Relation and Sale Promotion

The Company places its great importance on sale promotion and public relation of products through its continuous arrangement of marketing activities in order to promote the products through its primary channels. This year, due to the epidemic situation of COVID-19 has become to normal, the Company has considered and reviewed even more in the public relations and sales promotion. By focusing on online channels, for examples, the campaign to increase sales, and regularly participating in domestic and overseas food and beverage exhibitions which create opportunities for the Company to exchange its view with groups of targeted customers, both direct customers and groups of distributors, importers, and wholesalers from all over the world. This helps promoting

the products and assisting in market expansion, as well as acting as a channel to receive customers' suggestion towards products which is crucial for product improvement and development to effectively satisfy customer's needs in each segment more precisely. Moreover, participating in such events also enables the Company to obtain information on food and beverage industry trend as well as innovate idea which allows the Company to timely evaluate and develop its product to satisfy customer's needs and lifestyles that evolve constantly.

Currently, the 7-Eleven Delivery channel has a relatively fast growth rate and responds to the convenience of consumers in the current situation.

7-Eleven Delivery Platform



- We had another public relation, including, Dog Please character and Department of International Trade Promotion (DITP) participated in Tokyo Gift Show 2022 event to promote the character. This event showcased product ideas, characters, and innovations of exhibitors from various countries in Tokyo Big Sight, Japan.
- Our brand "TRIVA" joined in a booth at FHA 2022 in Singapore, a food and beverage-related trade fair. Na Arun and TRIVA brand syrup to be more well-known

among distributors, importers, manufacturers and retails to expand the international market, which is the Food Service Channel.

- Warbie Yama held a special exhibition, It's Me, Warbie!, which is a heart-warming exhibition of fun, inspiration, and happiness. It divided into 9 zones that showed Warbie Yama's different perspectives and Arut Tantasirin's journey in the art world at River City Bangkok, on the 2nd floor Galleria.



Dog Please character and Department of International Trade Promotion (DITP) participated in Tokyo Gift Show 2022



TRIVA” joined in a booth at FHA 2022 in Singapore



Warbie Yama held a special exhibition, It's Me, Warbie!



Nature of Customer and Target Group

The Company's target customers' covers all group of consumer, all gender and all age. The difference is the type of product which are as follow:

Products	Target Customers
1. Cold Beverage Dispenser (Jetspray)	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .
2. Instant powder drink	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .
3. Hot Beverage Dispenser	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .
4. Instant powder drink Brand “Na Arun”	The working population aged 20-49 years that are mainly in the low to moderate income bracket.
5. License Business and Character product	Target customers ranges from teenagers to middle aged persons age 15-49 years that are mainly in the moderate income bracket to high income.
6. Café Business & Food Service	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .
7. Concentrated fruit syrups “TRIVA”	The working population across all occupational groups aged 20-49 years that are mainly in the low to moderate income bracket .

Proportion of revenue from sales separated into categories of customer in the year 2020-2022

Sale	2020			2021			2022		
	Million Baht	Mix (%)	Growth (%)	Million Baht	Mix (%)	Growth (%)	Million Baht	Mix (%)	Growth (%)
Domestic Sales	1,290.62	98.17	(14.77)	1,318.77	98.33	2.13	1,481.57	97.26	12.35
International Sales	1.18	0.09	(0.25)	0.38	0.03	(210.53)	15.88	1.04	4,078.95
License Business Sales	22.56	1.72	(1.47)	21.99	1.64	(2.59)	25.89	1.70	17.74
Total Sale	1,314.74	100.00	(16.46)	1,341.14	100.00	1.97	1,523.34	100.00	13.86

Note : International Sales sum to amount is Indirect Export

Price Setting Policy

The Company has the policy to determine its product price using the Cost Plus Margin approach in which the price of each product differs depending on its market price and distribution channel. The Company will consider the competition within each market as well as the acceptance of each customer segment. Moreover, the Company, in collaboration with its business alliances, might arrange promotion based on the market condition and marketing strategy of the Company. This might include giving discount, product giveaway or other promotional campaigns.

Policy and Practice toward Customers, Trading Partners, and Competitors

The Company has its policy and practice toward customers, trading partners, and competitors as follows:

1. To treat customers, trading partners, and competitors with good understanding and collaboration
2. To offer good quality service to customers with warm friendship and supportive manner
3. To reasonably and carefully advise or decide on behalf of customer in consideration of customer's appropriateness
4. To protect stakeholder's benefits
5. To support social activities as appropriate, as well as participating in public contribution, education, and activity that contributes toward national development.

Policy and Practice with Trading Partners

The Company gives importance to business partners, in which every business must rely on each other and choosing good business partners. So, Able to create a long-term business advantage for the Company by wanting to create mutual understanding have the same idea by taking care of as one of the growing trade practices. As well as supporting and providing opportunities for business partners equally by holding mutual benefits which will make the organization grow sustainably in the future

Criteria for selecting Trading Partners

The Company pays attention to selecting the right partner. By ensuring that the selection process and treatment of partners is equally and fairly. The Company will consider selecting partners with good reputation. with professionalism. There is no guarantee of quality or important standards, no violation of environmental and labor laws. The criteria for selecting Trading partners are as follows.

1. To consider the correct registration documents such as registration certificate VAT registration, etc.
2. The history of trading with important customer.
3. The Quality system certificate or industrial product standard certificates (if any)
4. Visiting the establishment to evaluate various capabilities
5. For the selection of OEMs in each case, there will be an evaluation of the selection of new production contractors.

Customer Satisfaction

- The Company's 7-Eleven Department has conducted a survey on the customer satisfaction of 7-Eleven customers, which is an annual survey. by customers answering such satisfaction surveys In order to be able to bring information to improve and increase the efficiency of operations in 10 areas, the overall was very satisfied. the details as follows
 - 1) Product and factory quality, it was found that the average included in the interpretation criteria was very satisfied.
 - 2) Research and Product development, it was found that the average included in the interpretation criteria was very satisfied.
 - 3) Product presentation, it was found that the average included in the interpretation criteria was the most satisfied.
 - 4) Sales (customer representative), it was found that the average included in the interpretation criteria was very satisfied.
 - 5) Delivery, it was found that the average included criteria were very satisfied.
 - 6) Information and documentation, it was found that the average included in the interpretation criteria was very satisfied.
 - 7) Customer Service, it found that the average included in the interpretation criteria was very satisfied.
 - 8) Strategic Partner management, it found that the average included in the interpretation criteria was very satisfied.
 - 9) The Company's reputation, found that the average included was the most satisfied interpretation.
 - 10) Overall satisfaction, 7-Eleven's customer satisfaction on overall satisfaction with TACC showed that the average was the most satisfied interpreted.
- International Business Department and the local sales department has prepared a customer satisfaction survey form. which is an annual survey by customers of foreign businesses and the local sales department

responds to the customer satisfaction survey form. In order to be able to use the information to improve and increase the efficiency of various operations, summarized as follows:

The results of the international business customer satisfaction survey are averaged very well. A total of 7 satisfaction areas were surveyed, in descending order: customer service; the criteria are very good. then, sales and information and document management. the criteria are equally good. then, the company's image. the criteria are very good. Next, product quality and overall satisfaction. the criteria are equally good, and the delivery side is very good. the criteria are very good.

The results of the domestic sales customer satisfaction survey are very good. A total of 8 satisfaction areas were surveyed, in descending order: Customer Service the criteria are very good. then, overall satisfaction. the criteria are very good. then, the sales. the criteria are very good. then, the company's image. the criteria are very good. then, in terms of product quality, delivery and partner management. and information and document management. the criteria are very good.

Sale and Distribution Channel

The Company distributes its products using both domestic and overseas channels. The dedicated sale team is tasked to contact and coordinate with different distribution channels to thoroughly and efficiently distribute products. In domestic market, products are distributed through large wholesalers and retailers, while in overseas market products are sold by importers and / or distributors.

The Company has two main distribution channels which can be summarized as follows:

1. Domestic Distribution Channels

Domestic sales are executed both in cash and with credit terms granted to customers. Most of which have a credit term between 30-60 days. Domestic channels can be divided into two types as follows;

A) Traditional Trade

- Van's Sales : At present, the Company has 1 van sales accompanied by its sales staff. The sales staffs visit retail outlets to survey the market as well as promote and sell the Company's products in order to build new customer base. Product distribution coverage areas include Northeastern, Eastern, Western and Bangkok region. This sales channel focuses on product distribution through specific channels such as factories, and schools.
- Sale through large wholesalers : The Company appoints one wholesaler per one territory to distribute its products to retail stores. Currently, there are three territories which are Upper Northeastern, Lower Northeastern and Central regions

B) Modern Trade

The Company distributes its products directly to modern trade outlets by focusing on distribution to Convenience stores such as 7-Eleven most of the products distributed to modern trade are dispenser drink available at 7-Eleven.

2. Overseas Distribution Channels

The Company distributes products via importers and/or distributors. At present, the Company has five distributors for overseas market. Overseas sales are conducted under an advance payment policy, whereby customers have to transfer in full payment before any product shipment.

For expanding distribution channels to overseas markets, the Company will consider market condition, competition, opportunities and threats in each market including the Company's capacity and strength. Currently, Cambodia is considered to be a strategic market of the Company since its size and population matches the Company's market expansion plan. Moreover, the competition in the beverage industry in Cambodia is relatively low and advertising expense is significantly lower than in Thailand.

Products	Distribution Channel	
	Domestic	Oversea
1. Cold Beverage Dispenser	✓	✓
2. Instant powder drink	✓	✓
3. Hot Beverage Dispenser	✓	-
4. Instant powder drink "Na Arun"	✓	✓
5. License Business and Character product	✓	✓
6. Café Business & Food Service	✓	✓
7. Concentrated fruit syrups "TRIVA"	✓	✓

Thai Economy's Overview in 2022

The data from Economic Intelligence Center (EIC) reported that Thai economy's projection in 2022 was 3.2% (from 3.0%) from a tourism's driving force that continually recovered, as well as the private sector's consumption that benefited from tourism and related services, and improved labor incomes.

Thai economy's overview continually recovered as a result of the recovery of tourism and the private sector's consumption and investment. Foreign tourists had a better recovery after Thailand opened its borders and loosened COVID-19 restrictions since July and the number might reach to 10.9 million tourists this year. Economic activities started to normalize, which led to the growth of the private sector's consumption from pent-up demands, because of supports from labor market's recovery, especially tourism and service sector incomes, increased farmer incomes from agricultural product prices, and this year's private sector investment that continually expanded. Manufacturing activities in some industries also already rose higher than before COVID-19, for instances, automotive and machinery. Private sector's investment in construction nicely expanded as well, especially in residences.

However, Thai economy in 2022 did not fully recover. Export, which used to be the main Thai economic drive, really decelerated in the end of the year according to low global demands. Government's stimulus also dropped and the Royal Decree on COVID-19 loans ended this year. Furthermore, inflation in Thailand rose from energy and food prices which resulted in pressure in some households that incomes were lower than expenses and debts. Even though, the general inflation already reached its peak in the 3rd quarter from declined energy prices, it still widely expanded to other category prices. Manufacturer also let consumers bear the cost burden which kept the general inflation's level high. For general business conditions, they had not fully recovered. Business activities that were related to consumption recovery and suitable for global megatrends rapidly recovered, but ones that got affected by high global commodity prices, decelerated global economy, and other megatrends slowly did.

Thailand's interest rates increased slower than other countries as they were increased only 3 times in the 2nd half of the year, from 0.5% to 1.25% by the end of the year. According to the slow recovery of Thai economy and the high inflation which was mainly from supplies, the interest rates were projected to gradually and continuously increase to 2% in 2023. The long-term yield of Thai government bonds would also increase in accordance with monetary policy and tighter global liquidity. The U.S. Dollar highly appreciated in the beginning of the year mainly because the Federal Reserve spiked the interest rates, which pressured other currencies around the world, including Thai Baht, rapidly depreciated. It was projected that Thai Baht might appreciate to THB 34.5 - 35 for USD 1 by the end of this year and THB 33 - 34 for USD 1 by the end of 2023.

Source : Economic Intelligence Center (EIC), Economic Outlook in 2022-2023, the 4th Quarter, 2023 and EIC Monthly Year-end-issue December 2022

Thai Economy's Outlook in 2023 - 2025

The data from Krungri Research reported that the recovery of the tourism sector and economic activities within the country would relieve global economic slowdown's effects.

- **Thai economy is expected to annually grow with the average growth of 3.5% in 2023 - 2025** which is better than 2023 with 3.2% growth. This growth rate is higher than the core of country economy. The main drives are from (1) the accelerated growth of the tourism sector that positively affects employment. Even though, it will take time, the tourist number is expected to return to the normal level before COVID-19 outbreak by 2025. (2) the consumption of the private sector that starts to grow in accordance with consumer trust in spending, labor market's recovery, and spending among high-income earners. Spending among low-income earners will be limited by high cost of living and a

household debt problem that might create additional burdens from increase interest rates. (3) the private sector’s investment, especially in the service sector that is affected by the recovery of the tourism sector and other related businesses, as well as the industrial sector’s investment that starts to grow in accordance with related businesses and business performance upgrade. (4) Export can still grow even the growth rate will slow down from 2023. Its pressure comes from the global trade slowdown and deglobalization trends from conflicts among superpowers. However, the export in some markets may relieve its slowdown, for instances, ASEAN market that is still growing, agricultural and food exports which are essential goods and can be substitutes for products affected by Russo-Ukrainian War. Thailand’s monetary policy for controlling the inflation may not be strict enough because the economic recovery is still weak but the interest rate policy is likely to slowly increase to 1.75% in the 1st quarter of

2023. However, the inflation will still be high in the beginning of 2023 before returning to the inflation targeting in the middle of the year. Thai Baht is still highly unstable from the strict monetary policy and international risks. Nevertheless, tourism incomes may support Thai Baht appreciation in some periods.

- Challenges of Thai economic growth in the next 3 years** include financial market volatility, global recession risks that should be followed, risks from Chinese economy that might grow lower than expected, prolonged Russo-Ukrainian War that can continue the inflation, tensions between the U.S. and China over Taiwan that can cause more severe conflicts, and political instability within the country, especially from election results and government formation in 2023 that may affect economic policy continuation. While COVID-19 effects still create financial vulnerability for some groups, for instances, SMEs and low-income earners.

Thailand's Real GDP



Source : NESDC, Krungsri Research

Source : Krungri Research, Thai Economic and Industrial Overlook in 2023 - 2025

Beverage Industry in 2022 - 2024

The data from Krungri Research reported that the beverage industry was likely to slightly grow which was in line with the economy. The beverage markets of soft drink, beer, and liquor would be pressured by consumers' wellness trends. The authorities also remained measures that reduced unhealthy drink consumption, for instances, alcohol and sugary beverages.

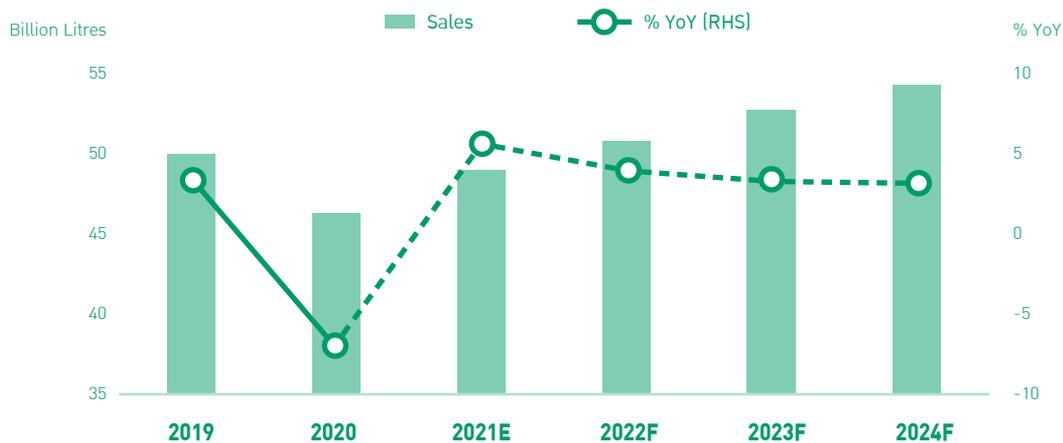
Non-alcohol beverage market is likely to slightly grow after shrinking in 2021 from purchasing power according to the economic recovery and urban expansion as following;

- Bottled Water Situation:** The domestic consumption is likely to annually grow 2 - 3% as bottled water is an essential good and it also responds a current consumer lifestyle concerning clean and safe drink, especially the one with certifications as ISO 9001 and HACCP. Moreover, drinking water market, like small water bottles targeted to general consumers and gallon water bottles targeted to households and companies, is likely to grow. The competition among entrepreneurs tends to be more aggressive because of healthy drinks, especially vitamin water.

Therefore, marketing strategies will be applied in order to expand distribution channels which will push the entrepreneurs' costs to be higher.

- Soft Drink:** The domestic consumption is likely to grow in a fluctuating manner. It is expected to grow by 1-2% in 2022 as restaurants will reopen after the nationwide vaccination and it also improve the economic activates. Some consumers, wholesalers, and retailers will stockpile soft drink before the sugar-sweetened beverage tax increase at phase 3 (in October, 2022, it will be 3 times higher than phase 2), which will shrink the demand by 1-2% in 2023 before it grows back by 1-2% in 2024. Nevertheless, the entrepreneurs may face aggressive competition risks from increased market share demand, tax measure response by launching new products, and more substitutes to compete with, for instances, functional soda, sparkling drinks, instant tea, and healthy drinks from some manufacturers who wish to catch the wellness trend like low-sugar beverages and beverages made of sweeteners.

Sales of Non-alcoholic Drinks in ASEAN*



Source : Euromonitor

Note : *ASEAN 7 consists of Thailand, Vietnam, Philippines, Indonesia, Myanmar, Laos, Cambodia

Source : Krungri Research, Industrial Business Overlook in 2022 – 2024 Beverage Industry

Coffee Industry in 2022 and Its Trends in 2023

The data from KASIKORN Research Center projected that global coffee production might be consistently low for 3 years starting from 2022, until a new production batch from Brazil was released in 2025 in order to compensate damaged production. Aggressive climate variability was also a crucial factor that would trigger the coffee production and push global coffee prices to remain high which would affect Thailand as a coffee importer. During the depreciation of Thai Baht when compared to U.S. Dollar, processing operators and coffee shops might face a higher cost of coffee. However, coffee beans might not be insufficient as the main ingredient in a short-term period because they were offset by domestic production that was distributing to the market. Yet, the coffee price per glass might be higher for consumers to pay in the future because of other additional production costs from the manufacturers. Even the coffee production in Thailand was actually low, coffee prices in the global market was increasing so it would balance the coffee prices in Thailand to be line with the demand in the market that was recovering. In additional, KASIKORN Research Center forecasted that the value of Thailand’s coffee import would be around USD 163 million or grow by 27% (YoY) in 2022.

Moreover, Matchon online news on September 10th, 2022 reported that coffee and bakery trends remained the popular business types among investors and

entrepreneurs and they were in the market-leading business group in 2022. Their total market value was up to THB 90,000 million, divided to THB 60,000 million from the coffee business or 3-5% annual growth and THB 30,000 million from the bakery business or 7% annual growth. However, both of the businesses might face many risks this year, including, higher ingredient costs, inflation rate that affected consumer purchasing power, and more aggressive business competition.

Source : KASIKORN Research Center, Trend Outlook Issue No. 3356 and Matchon online news on September 10th, 2022

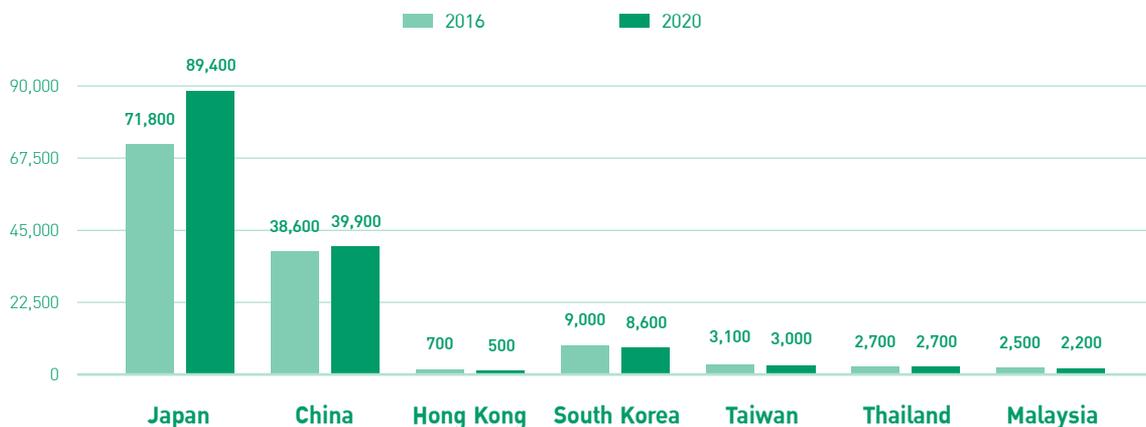
Character Business Industry

The data from Department of International Trade Promotion, Ministry of Commerce (DITP) reported that after characters, including characters in cartoons, animations, series, movies, games, and books, had been designed, presented, and advertised in diverse ways, their market value would be increased and incomes would be generated from character licensing.

Character licensing market in Asia-Pacific was rapidly growing, especially in Japan, China, Hong Kong, South Korea, Thailand, and Malaysia. The market value in Hong Kong was quite high as character merchandises were sold at HKD 38,600 million (about THB 179,820 million) in 2016 and at HKD 39,900 million (about THB 185,880 million) in 2020. Its average growth in 2016 - 2020 was 2.41% per year with the details following;

The Value of Selling Character Licensed Products in the Asia-Pacific Region

Unit : Hong kong Dollar Millions



Source : Department of International Trade Promotion, Ministry of Commerce (DITP), Economic Report in October, 2022, Situations of Chinese Digital Content Industry, Character Business, Games, and E-Commerce

Product Procurement

The Company mainly outsources manufacturers (OEMs) to produce products, which is 83% and 82% of its total finished good purchase in 2021 and 2022, respectively. This model includes both cases that OEMs purchase raw materials, and also the Company purchases raw materials and deliver these raw materials to OEMs. Since the Company values on product quality, it must select manufacturers/suppliers for the main raw materials, including tea, coffee, and milk. For the first step of any new product research and development, the Research and Develop Department is the one who selects the raw materials from various sources of high-quality manufacturers/suppliers, in order to develop production formulas of tasty beverages with different features as required. There's also a process for controlling the raw material quality, especially for the Company's main raw materials, as new manufacturers must be visited and audited before approving them to become one of the Company's manufacturers/suppliers. This also includes an annual audit that the Company reviews assessment results every 6 months by considering the quality and the history of raw material delivery.

For the case that the raw materials are purchased by the OEMs themselves and if it's one of the main raw materials, they must purchase only from the manufacturers/suppliers indicating by the Company. This is because the raw materials from different sources or different manufacturers/suppliers require different producing formulas, in order to acquire the same tastes and features. Therefore, the Research and Development Department has to develop alternative producing formulas for 2 - 3 different raw material sources for the purpose of being independent on one raw material manufacturer/supplier.

The main raw materials that the Company must provide to the OEMs and to its own instant powder drink factory include coffee, tea, sugar, and milk, which it sources from domestic manufacturers and/or suppliers. Those manufacturers and/or suppliers must submit raw material samples to its Research and Development Department to conduct a raw material quality inspection and to have a taste and feature test. This is intended to ensure that the raw materials meet the quality standard before actually purchasing them from each manufacturer and/or supplier. Moreover, the Company and the OEMs will randomly check the raw material quality every time the manufacturers and/or suppliers deliver the raw materials after the purchase has been made, in order to

ensure that these raw materials, which will be used in the beverage production, meet the Company's standards.

For the raw materials that are agricultural products, for examples, coffee, sugar etc., the Company will negotiate the trade in advance with the manufacturers and/or suppliers, based on its annual sales plans and production plans. As for the sugar, an annual sales agreement will be made to determine the volume and price of the trade, in which this said trading price will include transportation costs. Therefore, if there's a change in the diesel price up to the specified price range, the sugar's trading price plus the transportation costs will be adjusted according to the agreement. As for the coffee, needed amounts of the raw material will be negotiated with the manufacturers and/or suppliers one year in advance and the trading price will be set in writing, aiming to reduce the risk of the Company's raw material shortage for producing as it has first planned.

Environmental Impacts

The Company's production process has no pollution that affects the environment. However, the Company has also strictly followed Department of Industrial Works and Provincial Industry regulations, as well as other requirements of different organizations.

Research and Development

The Company values on product research and development, which is the main strategy for differentiating products with a variety of forms and flavors, intending to effectively meet consumer needs and lifestyles. The Company has a laboratory for researching and developing its own products, together with a Research and Development team of 26 people with skills and long-time experience in the beverage industry. This makes it possible to continuously invent and develop new products with uniqueness and difference to the market, for instance, giving a character to green tea that doesn't have to be green, under "Super Power from Super Fruit" concept. The Company's research and development can be divided into two types, following

1. Researching and developing products with customers in order to develop beverage formulas to be distributed in their stores.
2. Researching and developing of products that the Company invents and develops producing formulas in order to be distributed under its own brand.

The Company’s research and development process is a collaboration between the Marketing Department, Sales Department, and Research and Development Department. The Marketing Department will study and follow both domestic and international beverage market trends, in order to closely study business opportunities, and to survey consumer needs and consumer behavior changes. The Research and Development Department will study of the project feasibility, then it will invent and develop products which includes product design that can deliver according to given requirements. Then the Sales Department will present these new products to customers for their consideration.

As of the year 2021 and 2022, the Company researched and developed the new products in the food and beverage category, following

- The Company adjusted the jet spray cold drink formula to be the sugar reduction one and to use a natural sweetener as well in espresso, latte, and iced tea. It also solved sugar tax problems collected by the government.
- The Company launched a new brand, “TRIVA”. Naturally concentrated fruit syrup, which is a concentrated fruit syrup that contains up to 30% of the fruit pulp.



In term of the Company’s research and development expenses, they consist of new product research and development expense, production test (Test Run) expense, biological examination expense for products produced by its factory, consumer test expense, and product sample expense. The research and development expenses in the past three years can be summarized as following

Unit : Million baht

Year	Research and Development Expenses
2010	5.81
2021	5.81
2022	8.70

The Company's Factory Production Process

The Company’s factory produces instant powder drink. The production process is called “Dry Mix”, which is a process of mixing prepared raw materials through a high-speed mixer and Ribbon Mixer in order to combine the raw materials. The Company’s production process can be divided into 5 main steps as following



1. Raw Material Inspection

The Quality Control staff will inspect raw materials that are accepted to the warehouse by checking from the seller's Certificate of Analysis (CoA), analyzing various chemical numbers according each raw material attribute, and checking the packaging if it meets required standards. From there on, the warehouse staff will count the raw material number to be in accordance with the purchase order and will store them in the warehouse according to the First In First Out (FIFO) and First Expire First Out (FEFO) principles to facilitate the use those raw materials.

2. Raw Material Preparation

The inspected raw materials will be prepared before being mixed. This process starts by sifting out any impurity with a vibration screen sieve. Then the raw materials will be weighed according to specified formulas and will be stored in sealed bags. Each type of raw materials will be coded and organized into a batch to be ready for mixing in the next step. The Quality Control staff will then check the weight of every raw material batch, as well as checking ingredients according to each formula before processing to the next mixing step.

3. Mixing

The inspected raw materials will be sent to the mixing process with a high-speed mixer. Which takes about 3 minutes to mix and the Ribbon Mixer Machine, which takes about 15 minutes to mix. The humidity in the mixing room must be controlled for it must not more than 55% and so must the temperature of not more than 25 degrees Celsius. After the raw materials are completely mixed, the mixture will be poured into sealed tanks for packaging.

In the process, the Quality Control staff will take a random sample of the mixed product for quality

inspection. Physical aspects will be examined, for instances, product appearance, any impurity or extraneous material, mixture compatibility etc., as well as chemical numbers, for instances, sugar content (% brix), pH number, moisture content (% moisture), bulk density, and sensory test in order to check the flavor etc.

4. Packaging

The mixed product will again be filtered through a sieve for extraneous materials, then small metal remnants will be checked by a magnetic trap. The product will be packed by the Auto Packing machine and the production date, expiration date, and production time will be stamped on the packaging.

In the process, the Quality Control staff will randomly check the product weight after it has been packed and they will weigh the product according to specified standard. They will then randomly check the package seal to prevent product leakage and they will also randomly collect product samples for the physical examination and chemical analysis according to specified standard.

5. Packing

Products that have passed quality assurance will be packed into boxes with the production batch number and expiration date on them. Then, the boxes will be arranged onto pallets and will be taken to the warehouse for further distribution.

In the process, the Quality control staff will randomly check the package number that are packed into a box, weight, box placement on the pallets, and random product samples for a microbiological testing. They will then collect the results of each production cycle's quality check to compare with the finished product specification, in order to get the product that meets required standards.

DIVIDEND POLICY

The Company has a policy to pay dividend at least 30% of its net profit after deduction of corporate income tax and legal reserve. However, the dividend payment may differ from the mentioned rate subject to result of the operation, financial position, liquidity of the Company and necessary of working capital usage to manage and expand the Company's business including economic condition.

Section 1 Business Operation and Operating Results

2. RISK MANAGEMENT

RISK MANAGEMENT

Policy and Risk Management Plan

The Company realizes the importance of risk management which is the basis for helping the Company to achieve its business it is also part of the mechanism of driving to Good Corporate Governance and to achieve corporate goals and sustainable growth. The risk management must be consistent with the Business Plan and Operation plan of organization under the current situation. To achieve corporate objective, well-decided and it can be used well for other elements of corporate management.

The Company has established a Risk management committee to perform supervisory duties on overall risk management for maximum effectiveness. This is to appropriately reduce the impact on the Company's business as well as to appoint Risk management subcommittee are in-house working group that comes from representatives of each department to jointly establish risk assessment, risk management frameworks and guidelines and prepare an key risk indicator in line with the goals of the organization and the scope of responsibility.

Risk Management framework

Risk Management framework is provide effective and efficient risk management and support the implementation of the goals and strategies of the organization, the Company has established the structure and responsibility for risk management according to the diagram below:



The Audit Committee/Internal Audit

The Audit Committee is a representative of the Board of Directors which assesses the adequacy, efficiency and effectiveness of the organization's risk management. To review the Company's internal control system and internal audit system that are appropriate. The Internal auditor has been assigned to assess the sufficiency reliability and timeliness of the Company's internal control system in accordance with COSO principles and reviewed the audit report and followed up on the performance according to the recommendations and reported the quarterly audit results to the Audit Committee.

Composition of the Risk Management Committee

Including 2 group as follows:

- Group 1 The Risk Management Committee from The Board of Directors
- Group 2 The Risk Management from The Management as position as follows:
 - Managing Director
 - Head of Marketing Department
 - Head of Accounting and Finance
 - Secretary of Risk Management Committee

The Company has Risk Management Sub Committee from representative of each department act in framing and risk management guidelines, risk assessment, key risk indicator and suggest ways to control and reduce risks for reporting to the Risk Management Committee.

Risk Management Process

The Company has prepared a risk management manual by referring to the risk management framework in accordance with international standards to serve as a risk management guideline for all department of the company as follows:

1. Compliance Risk is the risk arising from non-compliance with the regulations or relevant laws or rules or hinder the performance.
2. Financial Risk is the risk the unavailability of finance budget such as exchange rates, interest rates, credit, investment, etc.
3. Operation Risk is the risk from work every the operation covers factors related to processes, equipment, information technology, personnel in operations.
4. Strategic Risk is the risk from the plan of strategies and management policy and implementation that is inappropriate or inconsistent with the goals of the organization

RISK FACTORS

The Company has analyzed the environment caused by both internal and external factors including economic, social, political, technological, industrial and other trends related to identify the key risk factors of the Company as follows:

1. Risk Form Key Customer Dependency

The Company's total revenue in the year 2021 and 2022, 95% and 93% come from transactions with CPALL Public Company Limited. Therefore, if the Company loses the said customer or the customer reduces its orders, it will significantly have an impact on the Company's revenue and financial performance. At present, the Company consider decreased risk from high to medium level.

Due to the fact that CPALL Public Company Limited ("CPALL") operates a retail business under the brand "7-Eleven" convenience stores in Thailand which has many distribution channels all over the country and continues to expand its branch every year and to the fact that as year 2022 Total about 13,838 branches (refer: www.cpass.co.th). The Company has witnessed the high and steady growth of its product demand as well. CPALL is also a company with stable and strong financial position. As one of CPALL suppliers under a Key Strategic Partner, the Company is given the opportunity to continuously develop its new products.

Furthermore, as the Company's products have been with 7- Eleven customers for a long time 20 years, the customers have become fond of the taste of the drinks thus they are not likely to shift to other products. This creates a competitive advantage for the Company. Both parties can gain mutual benefits, in which the Company also works closely with the its customer, apart from ordinary business transaction, in exchanging ideas, determining business plans, developing products as well as packaging in order to quickly and effectively satisfy the needs of customers and the changes in market situation. It can be seen that the Company's revenue from CPALL does not only come from existing products, as the Company works together with its customers to develop new products to cover a wide range of customer group. The Company expanded to other business. From then till now, the Company manage the Beverage business only at present, Beverage business has grown more such as Instant Powder for All Café at 7-Eleven, Hot Beverage Dispenser etc. Moreover, the Company manage Bakery business, Stationary, Non-Food and Character business. Which these businesses as above will be cover the main product categories of CPALL and considered to be a risk diversification as well

Milestone of product group at 7-Eleven since 2015-2022

	2015	2016-2017	2018	2019	2020	2021	2022
Cold Beverage Dispenser							
	<ul style="list-style-type: none"> • Milk Tea • Espresso • #4 Bowl 	<ul style="list-style-type: none"> • Milk Tea • Espresso • #4 Bowl ➔ Latte 	<ul style="list-style-type: none"> • Milk Tea • Espresso • #4 Bowl • Latte ➔ Hershey's 	<ul style="list-style-type: none"> • Milk Tea • Espresso • #4 Bowl • Latte • Hershey's 	<ul style="list-style-type: none"> • Milk Tea • Espresso • #4 Bowl • Latte • Hershey's 	<ul style="list-style-type: none"> • Milk Tea • Espresso • #4 Bowl • Latte 	<ul style="list-style-type: none"> • Milk Tea • Espresso • #4 Bowl • Latte
All Café							
		<ul style="list-style-type: none"> • Green Tea • Milk Tea • Lemon Tea 	<ul style="list-style-type: none"> • Green Tea • Milk Tea • Lemon Tea • Yogurt Menu, ➔ Supply use 	<ul style="list-style-type: none"> • Green Tea • Milk Tea • Lemon Tea • Supply use ➔ Taiwan Milk Tea 	<ul style="list-style-type: none"> • Green Tea • Milk Tea • Lemon Tea • Supply use • Taiwan Milk Tea • Topping and ➔ Upsizing 22 Oz 	<ul style="list-style-type: none"> • Green Tea • Milk Tea • Lemon Tea • Supply use • Taiwan Milk Tea • Topping and • Upsizing 22 Oz 	<ul style="list-style-type: none"> • Green Tea • Milk Tea • Lemon Tea • Supply use • Taiwan Milk Tea • Topping and • Upsizing 22 Oz
Hot Beverage Dispenser							
		<ul style="list-style-type: none"> • Hot Beverage Dispenser 	<ul style="list-style-type: none"> • Hot Beverage Dispenser 	<ul style="list-style-type: none"> • Hot Beverage Dispenser 	<ul style="list-style-type: none"> • Hot Beverage Dispenser 	<ul style="list-style-type: none"> • Hot Beverage Dispenser 	<ul style="list-style-type: none"> • Hot Beverage Dispenser
Bakery							
		<ul style="list-style-type: none"> • A Smile 	<ul style="list-style-type: none"> • A Smile 	<ul style="list-style-type: none"> • A Smile 	-	-	-
Stationary							
		<ul style="list-style-type: none"> • TACC Stationary 	<ul style="list-style-type: none"> • TACC Stationary 	<ul style="list-style-type: none"> • TACC Stationary 	<ul style="list-style-type: none"> • TACC Stationary 	-	-

Company Risk Management

The extensive relationship with CPALL for over 20 years has been an evidence of confidence and trust given by the customer and in the year 2013 the Company was given a Partnership Award under the category “Best of Business Growth” from CPALL, which is an award granted to the partner who is well-cooperated and has an outstanding growth performance. The majority of the award winning corporations are large enterprises which show that the Company is viewed by the customer as equal to the country’s leading corporations. The Company was received Exclusive Contact three years and renew a contract. Hence, the management is certain that the relationship with the customer can be maintained firmly and sustainably.

The B2B group, the Company has always been given the opportunity to grow together with Key Strategic Partner. The B2C group, Business is growing but the proportion may growth not to catch up B2B group due to the very large market size. The detail are as follow:

- The B2B Group, There is additional menu as a signature menu is Milk Tea Brown Sugar which is launch all year and all the All Café stores and upsizing strategy of beverage from 16 oz. to 22 oz. This is a full year income recognition this year and it is another part that has continued to grow.
- The B2C Group has License Business, Café Business and Food Service groups with joint business plans and develop new beverages

or products for customers of Café Business and Food Service continually. In addition, the Company has expanded the distribution beverages to Lotus's in Lotus's Hyper Market and Lotus's go Fresh, which has changed branches and branch formats quite quickly. It is considered an important business group for increasing the Company revenue to grow in another way.

- Business cooperation with BONCAFE, Hot Beverage Dispensers have been sent for sale through BONCAFE's channels such as BONCAFE Shop, Hotels, Car Centers, etc., and there is also a joint development of beverages sent to MAKRO.
- License Business group, collaborated with LINE Thailand to take care of the first copyright in 12 popular characters created by Thai people under LINE CREATORS to enhance the portfolio in the licensing business, Both Merchandising and Premium widely with customer network and strong allies both in Thai and international markets.

The Company realizes the said risk and thus set its policy to reduce the risk of dependency towards the aforementioned customer by having developed dispenser beverages for Food Chain businesses with the customer. In addition, the Company also emphasizes on selling products under the Company's own brand in which the Company advertises the products in both domestic and overseas exhibitions every year. This creates product recognition as well as expanding its market to cover a wide range of customers.

2. Risk Form Dependency Original Equipment Manufacturer

The Company outsources most of its production to OEM. At present the Company utilizes OEMs compare with 8 major OEMs from the prior year, which accounts for 83% and 82% of the Company's total finish product purchase volume of the year 2021 and 2022 respectively. The Company has launch new product by purchase finish product from OEMs. In case the OEM is unable to deliver products of the specified quality and standard or unable to supply produce within the ordered quantity and in a timely manner, as well as in the case that the OEM can no longer produce for the Company which could adversely have an impact on the Company business.

Company Risk Management

The Company has placed its importance on the selection of OEMs and assigns practice for the selection and evaluation of OEM clearly by preliminary taking into account OEM's expertise in manufacturing, production capacity, reputation and financial situation. If the OEM passes all of the stated preliminary quality the related department will inspect the OEM's standard quality, manufacturing procedure and process as well as conducting a trial production followed by First Batch Production. Every OEM's manufacturing plant must be certified by manufacturing standard such as GMP and HACCP from a Certified Body. Up to now, the OEMs are able produce according to the Company's qualities and standards as well as being able to deliver finished products on time. Furthermore, as the Company has maintained a good relationship with most of the OEMs for over 3-10 years, the management is certain that the Company can continue to maintain a long term relationship with OEMs.

Moreover, the Company has set key OEMs by the letter of cooperation for emphasize Key Strategic Partner and shown commitment between two companies for business cooperation in the future. In addition to the main OEMs stated, the Company also hires other OEMs from time to time in order to maintain relationship with them and reduce the risk of relying on a few major OEMS. The Company's products especially instant powder beverages do not require complicated process or advance technology; therefore, it is not difficult to find a manufacturer with the required standards. In addition to that, In 2013 the Company has invested in a manufacturing plant for the production of instant powder beverages which allows the Company to gain a better understanding of the production process and procedure, cost control as well Yield Loss. This also allows the Company to have more bargaining power when negotiating with the OEMs. In this year, the Company establish factory at Chonburi for support the production capacity of B2B business. The Company has diversifies risk to the BanBuang Factory with and add production line and standard of the high production to giving the company more potential. The BangBung Factory entered into international standard with food safety management system certification with Food Safety System Certification (FSSC 22000) by the combination of ISO 22000: 2018 and HACCP Codex as well as GMP Codex. All of these standards are world-class commercially accepted standards that cover all the requirements for food quality and safety of food products to consumer.

On the contrary, the management's policy to hire those major OEMs, in which their plants are located in Ratchaburi, Ayutthaya, Rayong Samut Prakarn, and Nakhon Pathom, to produce most of the products, as opposed to having own processing plants is a way to reduce risk. In the event of natural disaster such as flooding and earthquakes, the Company can shift the production to other unaffected OEMs in order to continue delivering products to customers and it also allows the Company to utilize different OEM's potentials and strengths for the utmost benefits of the Company.

3. RISK FROM FLUCTUATING RAW MATERIALS PRICES AND SHORTAGE OF RAW MATERIALS

Due to the Company accounts for 79% and 78% of the Company's total finish product purchase volume of the year 2020 and 2021 respectively. This model includes both cases that OEMs purchase raw materials, and also the company purchases raw materials and deliver these raw materials to OEMs. Since the company values on product quality, it must select manufacturers/suppliers for the main raw materials, including tea, coffee, and milk. For the first step of any new product research and development, the Research and Develop Department is the one who selects the raw materials from various sources of high-quality manufacturers/suppliers, in order to develop production formulas of tasty beverages with different features as required. There's also a process for controlling the raw material quality, especially for the company's main raw materials, as new manufacturers must be visited and audited before approving them to become one of the company's manufacturers/suppliers. This also includes an annual audit that the company reviews assessment results every 6 months by considering the quality and the history of raw material delivery.

For the case that the raw materials are purchased by the OEMs themselves and if it's one of the main raw materials, they must purchase only from the manufacturers/suppliers indicating by the company. This is because the raw materials from different sources or different manufacturers/suppliers require different producing formulas, in order to acquire the same tastes and features. Therefore, the Research and Development Department has to develop alternative producing formulas for 2 – 3 different raw material sources for the purpose of being independent on one raw material manufacturer/supplier.

The main raw materials that the company must provide to the OEMs and to its own instant powder drink factory include coffee, tea, sugar, and milk, which it sources from domestic manufacturers and/or suppliers. Those manufacturers and/or suppliers must submit raw material samples to its Research and Development Department to conduct a raw material quality inspection and to have a taste and feature test. This is intended to ensure that the raw materials meet the quality standard before actually purchasing them from each manufacturer and/or supplier. Moreover, the company and the OEMs will randomly check the raw material quality every time the manufacturers and/or suppliers deliver the raw materials after the purchase has been made, in order to ensure that these raw materials, which will be used in the beverage production, meet the company's standards.

Company Risk Management

The Company recognizes the said risk and thus has a strategy to negotiate with the supplier in advance for an annual volume and the price of raw materials to be used in the production and the Company's performance. Additionally, if there is a shortage of main raw materials in could affect the taste of beverages and also increase the cost of production. The Company recognizes the said risk and thus has a strategy to negotiate with the supplier in advance for an annual volume and the price of sugar to be used in the production by the Company and OEMs, by taking into account the forecasted sale and production plan and enters into a contractual agreement with the supplier and key supplier make risk management plans together. Research and Development Department jointly with Procurement Department to planning select and test second source of raw materials used in large quantities.

Nevertheless, the Procurement Department monitors supply quantities and prices of main raw materials closely in order to ensure that the Company can source sufficient raw materials with a competitive price. It is the procurement duty to search for new raw materials for the Research and Development department to analyze and evaluate the substituted raw materials that have similar qualities to the raw materials being used currently. The raw materials are sought from different are sought from different regions in order to get new sources that provide the same quality raw materials which can be used as substitutes. This provides the Company with more options when procuring raw materials as well as enabling the Company to develop alternative recipe in case of a shortage of main raw materials. Thus, it can reduces the impact from materials shortage and ensure the taste and quality of product.

4. RISK FORM NEW PRODUCT DEVELOPMENT AND RISK OF RESEARCH AND DEVELOPMENT PERSONNEL DEPENDENCY

The Company places its importance on research and development of new products which is the key strategy used to differentiate products by means of diversified forms and tastes in order to meet the continuously changing consumers' life styles and increase Company's competitiveness.

Company Risk Management

There are many processes involved in research and development of a new product. It is time consuming and requires high investment. The Company has more involves gathering of information for product development, conducting a research on consumers' needs, finding ingredients and packaging, production and consult with agencies or experienced people to help design, develop products and production. The Company plan to development of new products by rotating projects in a variety of groups for each individual. To increase the capabilities of the individual personnel and the formula was tested by using a lab with equipment and machines that are close to the actual production process. To obtain a product that is representative in quality close to the actual product process. Moreover, all the way to putting together a marketing campaign through advertising and promotion to create consumers' brand awareness. For these reasons, the Company faces a risk of launching an unsuccessful product to the market which could have an impact on the Company's business operation and performance.

Nevertheless, the Company has a research and development team with knowledge, expertise and many years of experience in beverage industry as well as a good understanding of consumer's behaviors. They are able to constantly develop products that serve the needs of consumers. It takes cooperation among marketing department, sales department, business development department and research and development department in the development of a new product beginning with a market research and identifying business opportunities, conducting a Project Feasibility study, product research and development, market testing, as well as conducting a consumer needs research. This is to ensure that the Company's new product will receive a positive response from the consumers. In 2016, the Company joined the government project "Food Annapolis" is will bring science technology and innovation for develop economy and society of Thailand. Therefore, the Company has more knowledge.

In addition, the Company has a policy to retain human resources in research and development field as they are the key workforce by, for instance, providing scholarships to increase employees' skill and knowledge. The majority of the personnel in research and development have been with the Company since its establishment. The Company has evaluate performance system and promote employee as a potential and contributions. Therefore, the management is confident that with the mentioned policy the company can retain the key workforces for many years to come, and that the Company would be able to develop successful products that serve the needs of consumers.

5. RISK FROM LEAKAGE OF SECRET RECIPE

The Company outsources most of its production to OEM to produce tea and coffee beverages. It is very crucial that the Company keeps its formula a secret. Leakage of recipes could have an impact to the Company's business; therefor, The Company has policies and practice for preparation of raw materials, packing and finish goods and only restricted personnel have access to the recipes.

Company Risk Management

As the Company relies on OEMs, the Company has set up codes for key ingredients and flavors used in the production for the purpose of keeping its recipes undisclosed. For some products, the Company delivers pre-mixed ingredient to OEMs. In addition, a confidentiality clause is clearly stated in all OEM contracts. For personnel in research and development department and other department who are involved in the formulation and development of products, the Company has arranged for a memorandum of understanding for keeping confidential information to be signed by all employees involved. This is to prevent the disclosure of information related to formulas, ingredients, product information and other relating information to external parties.

6. RISK FORM INDUSTRY COMPETITION

Due to the growth trend in the beverage industry, many entrepreneurs find it attractive to enter into the industry. This causes high competition among current and new players. Large enterprises may have more advantage on access to source of investment funds or opportunity of a joint venture with foreign companies. Besides, they have more advantage on cost of production as they benefit from the Economy of Scale and from the use of more advanced machinery, in addition to the ability

to conduct research and development applying high technologies. Furthermore, large enterprises adopt various strategies to boost sales and to acquire more market share. This leads to intense competition in the industry. In this year, the Company has consideration of Indirect Competitors as a having a product that is similar to us or that consumers can substitute for our products.

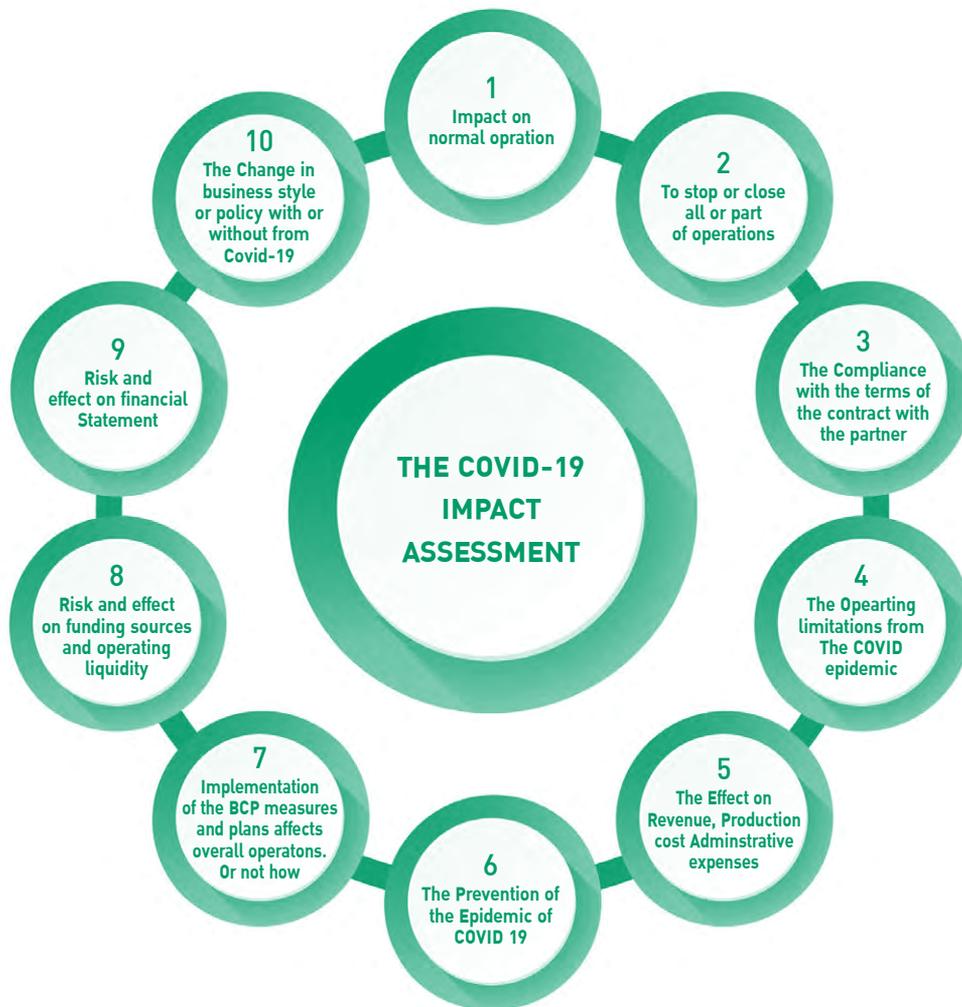
Company Risk Management

As the Company’s management has more than 20 years of experience in beverage industry, they have thorough understandings of beverage industry especially non-alcoholic beverages. They also possess comprehensive understanding of consumers’ behaviors allowing them to set effective marketing strategies and appropriate management policies of various aspects. The Company’s key strategies are to focus on developing unique and different products as well as giving high importance to working closely and sincerely with Business Partnership in order to build strong relationship and to grow together. Moreover, as an SME the Company faces limitations in terms of investment funds, thus the management must analyze the competitive situation

thoroughly in order to find new opportunities and market thus the management must analyze the competitive situation thoroughly in order to find new opportunities and market that the Company is able to compete. For the said reasons, the Company is able to continuously expand its business and and consider the risk of indirect competitors is considered, the availability of products that are similar to ours or that consumers can substitute our products. The management is certain that there will be no significant impact derived from the aforementioned competitiveness.

Company Risk Management

The government has declared COVID-19 to be an endemic disease However, in recent situation it is also important to constantly focus on risk management from the COVID-19 outbreak. The Company has considered, assessed and monitored the impact of the COVID-19 situation, It's starting with an assessment of the impact on each department of the Company and is gathered to assess the organization’s overall impact to determine future business direction. Example of the COVID-19 assessment of impact are as follows:



The Company has a Safety officer professional level for safety, occupational health and legal working environment in order to provide more comprehensive coverage by following up and updating and clear. The COVID-19 situation is the COVID-19 situation and making announcement from the IMCR team, HR and government agencies.

The Company has managed operations to achieve the highest efficiency in 3 parts: Production efficiency, R/M P/M efficiency and Operation efficiency, resulting in continuous growth in performance.

7. Personal Data Breach Risks (Data privacy)

In the digital age, data has become a crucial tool for gaining business advantages. Companies can analyze data and add value to their businesses. As a consequence, they intend to collect every data that can benefit their future businesses even, sometimes, they violate consumer privacy, which may fall into a crime under the Personal Data Protection Act B.E. 2562 (2019) that may affect the company image and reputation.

Company Risk Management

The way that the Company manages the infringement risk of personal information is to start from realizing the importance of personal data protection by focusing on respect, the importance of personal data rights, and personal data protection which is a personal fundamental right that must be protected under the Personal Data Protection Act B.E. 2562 (2019). For those reasons, the Company has established a policy as a principle for personal data protection and as a guideline for executives and employees of all levels when using personal data. It covers from personal data collection, or personal data use or disclosure, personal data quality, to security measures for personal data and data subject for a proper use of personal data, no privacy violation according to the Personal Data Protection Act B.E. 2562 (2019).

8. The new risk

In addition to the risk management, the Company also takes into new risks. As a result of the risk analysis and assessment, the Company has found that the risk of cyber threats is at risk. Details of the new risks have been taken into account, the Company has taken into consideration of the risk factors affecting and risk management guidelines are as follow:

Cyber Threat Risks

As a result of advances in information technology, which are utilized in internal transactions or communications, the organization has created an environment that is conducive to threats and cybercrime activity that can have a rapid impact, and is now becoming increasingly violent, damaging both at the individual level and national levels. Preventing or responding to cyber threats or risks requires speed and coordination with all relevant organizations to prevent, respond quickly and continuously secure cyber-security.

Company Risk Management

The Company is aware of the variety of cyber threats and has a more serious impact. The company is currently conducting Cyber Security Awareness about cyber threats to all levels. Cyber threat alerts regarding malware and scam emails are issued with strictly defined guidelines, aiming to create understanding about organizational information resource's maintenance and usage in a safe way for employees. For the prevention and countermeasure, the company has provided tools and continually developed its technology, intending to prevent attacks or cyber threats with its Information Technology Department under surveillance, auditing, and reviewing the security of the organization's information technology system. The Company has an information security policy and emergency response plan.

In 2022, the Company improved its information technology systems such as the server system, backup system and recovery data systems to protect against data loss and security and to ensure that it is supervised for improvement in operations. The emergency response plan is tested quarterly.

Section 1 Business Operation and Operating Results

3. SUSTAINABLE BUSINESS DEVELOPMENT

SUSTAINABILITY MANAGEMENT POLICIES AND GOALS

The Company recognizes the importance of sustainability supervision to be in accordance its vision, which is “We will be a leading Company who specializes in creating lifestyle products and beverages and to be known in the ASEAN market in order to meet needs in a timely manner by creating mutual returns and building lasting relationships with all stakeholders.”. The food quality and safety policy, which shows its commitment in the process management for obtaining high-quality and safe products according to relevant laws is “We are committed to producing and selling high-quality and safe

beverages according to legal requirements and customer requirements, as well as to continuously develop for a good quality of life and to create the highest customer satisfaction.”. There are also a production process design to be eco-friendly and a relationship building with the community around the factory. Additionally, it operates with social responsibility towards sustainability according to the international principles of Un Global Compact. It has policy ideas for sustainability according to the Sustainable Development goals (SDGs) as following,

Human Development Dimension



Gender Equality:

The Company encourages employees to bond with the organization through its operations and activities, in order to make them feel as they're a part of the growth. Employee development policies are continuously conducted. In 2022, there was a change in employee development from onsite to online learning models by developing knowledge skills and attributes, intending to increase knowledge, skills, expertise, and performance efficiency in the employees of all levels. It also thoroughly and fairly takes care of the employees' career growth to be in accordance with their knowledge, skill, and ability levels. There is also a system for fairly evaluating work performance in an overall organization aspect and personal aspect. For the salary, it always reviews the salary and welfare benefits for the employees, in order to ensure that its salary is in a competitive level within the same industry, to be in accordance with its strategies and goals, and to provide appropriate welfare benefits for all employees.

Environmental Dimensions



Responsible Consumption and Production:

The Company's policy in quality and food safety policy is that it is committed to produce and sell high-quality and safe beverages and products that are in accordance with regulations and customer requirements. It also continuously develops for a good quality of life and a maximum customer satisfaction. It emphasizes product research and development and focuses on producing high-quality products in order to meet customer needs and it never stops to develop creativity in products. Moreover, a message is passed to consumers how the Company's products and packaging deliver value to society and the environment, for instance, the use of green packaging as an alternative etc. This is to emphasize its intention in preserving the environment and to realize all stakeholders.



Climate Actions:

Due to limited resources of today's increasing demands, climate change crisis that directly and indirectly affects economic, social, and environmental systems, risks of the COVID-19 epidemic, PM2.5 particle issue, flood impacts, and drought crisis etc., the Company has studied and used alternative resources, for instance, using sweeteners instead of sugar in order to reduce sugar in the beverage production process, following the consumer trend of consuming less sugar as they provide low calorie and are healthy. Additionally, the Company also uses eco-friendly packaging as an alternative.

Economic and Wealth Dimensions



Decent Work and Economic Growth:

The Company has established a sustainable development policy in its business plan which is in line with its vision. It teaches and encourages employees and stakeholders an understanding in many sustainable aspects, including Profit, People, Portfolio, Partner and Planet, and creates valuable employment that meet the employees' needs in their work life, for instance, being accepted, getting justice, having rights in various parts etc.



Industry, Innovation and Infrastructure:

The Company values the production process development to be modern and to reduce the waste emissions to the nature. As for the 3-in-1 beverage production process, waste is barely generated. Also, its Ban Bueng factory is certified under FSSC 22000 (Food Safety System Certification), ISO 22000: 2018 standard, HACCP Codex, GMP Codex, and Halal Certificate which is a step towards becoming an international standard and being accepted in a global trade, in term of the food safety management system for food and beverage manufacturing industry that ensures quality, hygiene and safety for consumers. For transportation, it has a policy to deliver products on time by using a direct transport with the full truck load (FTL) methods. It plans an efficient transport in order to reduce energy consumption or environmental impacts. Moreover, it also promotes researches in new innovations to increase the work potential to be social and stakeholder responsibility. The Company joining the government sector in the Food Innopolis project preparation. This is a project that will bring science, technology, and innovation to benefit the economic and social development in Thailand.

Partnership and Development Dimension



Partnership for Goals:

The main Company's business operation is to build relationships in a form of business partnership with business partners, customers, Original Equipment Manufacturer or OEM, and raw materials and packaging distributors. It has a policy to build long-term relationships with business partners by working together under the concept of business alliances. Apart from trading with each other, it will closely work with them as ideas are exchanged, business plans are set together, products and packaging are quickly and effectively developed and designed to meet customer requirements and market situations, and the environment is preserved. Additionally, it has received the "Sustainable SME" award from the main business partner and awarded to SME partners.

IMPACT MANAGEMENT ON STAKEHOLDERS IN THE BUSINESS VALUE CHAIN

Business Value Chain

T.A.C. Consumer PCL. sources, manufacture, and distribute tea and coffee beverages and lifestyle products in order to sell to customers through domestic and international distribution channels. The Company also develops the organization value chain in order to strengthen confidence in products that are high-quality and safe. Its growth is sustainable because it pays attention to every value chain process, which is divided to primary activities as following,

1. Inbound logistics We values on the product design and research and development to be high-quality and safe that strictly follow regulations and customer requirements.

2. Operation We select the raw material quality, high standard and eco-friendly packaging, manufacturers or OEMs with a system that meets international food safety standards, including GHP, HACCP, ISO22000, BRCGS, FSSC 22000 and Halal Certificate in order to produce high-quality and safe products for consumers. Also, we pay attention to the production process of natural resource use that does not cause environmental pollution.

3. Outbound logistics We have a partner like Blue & White Logistics Co., Ltd. with more than 30 years of logistics experience. We have a standardized storage and transportation system that prevents hazards that may cause product damages before delivering to our customers in every step. We also use modern technology in the management and distribution plans, as well as the transportation system, for instance, controlling safe driving disciplines for drivers and fuel efficiency management.

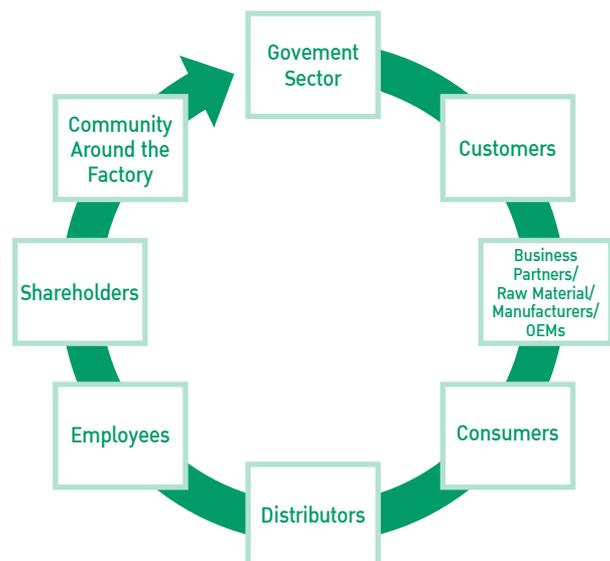
4. Marketing and Sales We have a marketing team with at least 20 years of management experience in global leading food and beverage companies. As a result, I have a profound knowledge and understanding of the beverage business and market conditions, especially non-alcoholic beverages. Including having a thorough understanding of the behavior of the company's customer groups, enabling them to formulate marketing strategies and management guidelines in various areas

efficiently and appropriately for each situation. It is responsible for overseeing product development from concepts to tangible business plans for the marketing and sales to suit target groups and cost-effectiveness distribution channels that give profits and sustainable growth. The main strategy that the company gives importance to is research and development of products to be unique and different and has developed a variety of products for various consumer groups to be in line with the needs of consumers Including the importance of working with business partners in the form of business partners closely and sincerely to build strength and grow together.

5. After sales services, We have a sales team that closely pays attention to our customers and their feedbacks. A survey is conducted to collect opinions, suggestions, or complaints regarding products in order to develop and improve them to quickly and effectively meet customer needs.

STAKEHOLDER ANALYSIS IN BUSINESS VALUE CHAIN

The Company recognizes the importance of stakeholder relationships in related activities of its business operation. It is committed to create value for its products in order to meet stakeholder needs and expectations of every part. Therefore, the guideline for impact management on stakeholders in the business value chain is established for strategy formulation, action plan, and sustainable business development benefits.



Stakeholder	Expectation	The Company's Response	Communication Channel
Customers	<ul style="list-style-type: none"> Product Value Production and delivery with efficiency, quality and on time. Data security and privacy. Environmentally friendly. 	<ul style="list-style-type: none"> The Company pays attention to and is responsible for customers by focusing on the high-quality and standardized The production that can fully meet customer needs. Treats customers with understanding, good cooperation between them Customer confidentiality It also values on setting appropriate selling price and conditions. Customer satisfaction surveys, both domestically and internationally, conducted annually. It provides a process that allows customers to report product problems or complaints. Create products with social responsibility, and environment 	<ul style="list-style-type: none"> Company's Website, Facebook, Line Telephone and e-mail One report Annual customer satisfaction survey Annual meeting to acknowledge policies and business plans with customers. Channels for receiving complaints
Business Partners/Raw Material Manufacturers/OEMs	<ul style="list-style-type: none"> Fair Treatment Potential Development and business growth together. Business Ethics and transparency Respect Intellectual Property and Copyright. 	<ul style="list-style-type: none"> The fair trade policy The fairly selecting trading partners. Partners are compared Product quality is supported. Some OEMs There is a contract manufacturing company that is a major partner . Agreement terms are strictly followed. Assistance measures in the situation of COVID-19. Treat all trading partners with equality and equality. 	<ul style="list-style-type: none"> Company's Website, Facebook, Line Telephone and e-mail One report The Supplier audit Channels for receiving complaints The Meeting
Consumers	<ul style="list-style-type: none"> Product Value 	<ul style="list-style-type: none"> Set goal to deliver products with a high standard It has received the Superior Taste Awards for the Third year in a row. This year, the award-winning. It is a guarantee of international standard quality. It also responds consumer needs in a timely manner. 	<ul style="list-style-type: none"> Company's Website, Facebook, Line Telephone and e-mail One report The Supplier audit Channels for receiving complaints The Meeting
Distributors	<ul style="list-style-type: none"> High-Quality Product Delivery Trade Support 	<ul style="list-style-type: none"> presents and delivers valuable and high-quality products that are desired by consumers Agreeing on appropriate commercial terms. 	<ul style="list-style-type: none"> Telephone and e-mail One report The Meeting

Stakeholder	Expectation	The Company's Response	Communication Channel
Employees	<ul style="list-style-type: none"> • Fair Remuneration • Welfare benefit • Work-life balance. • Progress in the field • Work safety 	<ul style="list-style-type: none"> • Realizes the importance of all employees/labors who are a part of driving the Company to develop its business operation in the future. • Promote employee welfare to be appropriate. • Promote a suitable working environment. • Focuses on continuously developing employees' potential, knowledge, skills. It supports gender equality and human dignity • Support gender equality. and human dignity • Wages are paid. and fair evaluation • Have an annual performance appraisal plan. 	<ul style="list-style-type: none"> • Intranet • Company's Website, Facebook, Line • Telephone and e-mail • One report • Comment Box • The Meeting
Shareholders	<ul style="list-style-type: none"> • Business Growth, • Business Value Development • Fair Information Disclosure • Company sustainability • Investor Relations Services 	<ul style="list-style-type: none"> • The Company intends to operate its business with efficiency, honesty, and transparency • The Disclosure by accurately, completely, timely, and equitably disclosing information to shareholders under ethical principles and good corporate governance guidelines • It maintains good relationships with stakeholders • The business plan goals are clearly set. Although, during the Covid-19 situation that affected the Company, it could manage costs and operation at its maximum efficiency. • It also equally treats all shareholders by disclosing information. 	<ul style="list-style-type: none"> • Company's Website, Facebook, Line, IG • SET's Website • Telephone and e-mail • One report • Channels for receiving complaints • The Annual General Meeting of Shareholder • Opportunity Day • Press release
Community Around the Factory	<ul style="list-style-type: none"> • Environment Around the Factory. • Coexistence Between the Community and the Factory. 	<ul style="list-style-type: none"> • The Company's Ban Bueng factory, it received the Food Safety System Certification: FSSC 22000. • It follows environmental control laws and has no illegal action. • Waste emissions from production process are always controlled and monitored. As for the 3-in-1 beverage production process, waste is barely generated. • New technologies are used to reduce resource use. • Supporting activities are continuously supported to help the community around the factory and problems are handled and solved in a timely manner. 	<ul style="list-style-type: none"> • Company's Website, Facebook, Line, IG • Telephone and e-mail • One report • Channels for receiving complaint • Site visits to survey the needs of the community.
Government Sector	<ul style="list-style-type: none"> • Law Compliance 	<ul style="list-style-type: none"> • The Company always follows up on new relevant regulations. • In order to accurately, completely, and timely follow the law. 	<ul style="list-style-type: none"> • Company's Website, Facebook, Line, IG. • Telephone and e-mail • Monitoring government policies from various channels. • Channels for receiving complaint.

SUSTAINABILITY MANAGEMENT IN ENVIRONMENTAL DIMENSIONS

Environmental Policies and Practices

T.A.C. Consumer PCL. runs a business in sourcing, manufacturing, and distribution of beverages including, tea, coffee, and lifestyle products. It is determined to operate the business with high-quality products to satisfy customers, along with preserving the environment and developing sustainable natural resources, in order to reach sustainable development goals which are in accordance with international standards based on environmental responsibility and to ensure an efficient operation in environment and safety. It also operates the business according to the laws, rules and regulations. As for its production process, there is no pollution that affects the environment. It strictly follows Department of Industrial Works regulations and other requirements to show that it is committed to reduce and control environmental impacts.

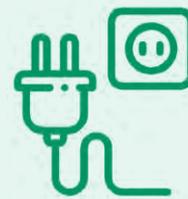
Energy Management

The Company has continuously focused on energy efficiency and energy conservation, such as promoting the efficient and cost-effective use of resources. Employees are required to pay attention and work with a sense of safety and environmental consideration. There is a preventive maintenance system on a monthly and yearly basis, with data storage to analyze and plan energy control for maximum efficiency and minimal energy consumption. Action details as follows;

1. To promote efficient and cost-effective use of resources and require employees to pay attention and operate with a sense of safety and environment.
2. To regularly provide a maintenance system for machines (Preventive Maintenance) on a monthly and yearly basis, as well as for production equipment, in order to maximize efficiency and to count as an efficient use of energy.

3. The Company has campaigned and promoted indirect energy savings, such as the use of LED lamps that save electricity. The use of cloth bags instead of plastic bags, the use of reuse paper, paperless data collection, reducing the use of plastic straws. The Company has a policy for employees to work from home (WFH), which saves electricity and costs, as well as reduces environmental impact.

The Company has disclosed its electricity consumption data for the first year and aims to reduce electricity consumption in the next year.



**Electricity consumption in 2022
amounted to 790,185 kWt.**

Water Management

The Company places importance on water resources by formulating water management plans to be the most efficient and promoting the corporate culture to have water conservation consciousness. Use water efficiently and manage water efficiently. The most cost-effective, such as using water-saving equipment, turning off water after every use or after work. There is an efficient wastewater treatment system to prevent contamination in the water source, as well as an analysis of effluent discharged from the factory, etc.

The Company has disclosed water consumption data for the first year and aims to reduce water consumption in the next year.



**Water consumption in 2022
amounted to 3,163.89 cubic meters.**

Waste and Pollution Management

The Company has established measures on environmental responsibility and the reduction of waste in the production process. It has an environmental contamination prevention system from storage, transportation and disposal. Waste sorting in each area, including the establishment of an internal management system, accounting for the amount of waste generated each month. Collecting and storing in the right way

disposal by persons authorized by the Department of Industrial Works Ministry of Industry, which can trace the entire work system. To develop sustainable business operations along with pollution prevention.

The Company has disclosed waste and waste management information from the production process for the first year and aims to reduce waste and waste from the production process in the next year.

The amount of waste and waste from the production process

Unit: tons per year

Amount of waste and waste from the production process	2022
Contaminated containers	0.025
Contaminated material	0.080
The electric lamp was in use	0.003

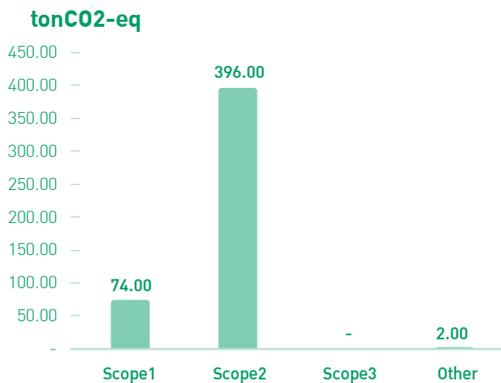
Greenhouse Gas Management

The Company has focused on reducing the impact of climate change. This includes managing greenhouse gas emissions in accordance with international standards based on environmental responsibility and in line with the Company's business policies and Business plans.

The Company has disclosed greenhouse gas emissions for the first year and aims to reduce greenhouse gas emissions in the next year.

The Company has measured the emissions of scope 1 and scope 2 greenhouse gases, of which scope 1 is direct emissions and extraction of greenhouse gases, i.e. burning fuel in equipment and stationary combustion from diesel fuel of generators and water pumps, mobile combustion from diesel fuel and gasoline oil for cars, methane leakage from Septic Tank system, refrigerant leakage of air conditioners. Refrigerant leakage of refrigerator/drinking water dispenser Refrigerant leakage of freezer Air Dryer refrigerant leaks and refrigerant leaks in company vehicles Scope 2 is the indirect emission and recovery of greenhouse gases from energy consumption, i.e. the use of electricity by organizations from external agencies.

Greenhouse gas emissions in 2022



Remark: Scope 1 is direct greenhouse gas emissions and reabsorption.

Scope 2 is the emission and indirect absorption of greenhouse gases from energy consumption.

From the graph, it can be seen that the Company emits a total greenhouse gas emission of 470 tons of CO₂ equivalent, of which scope 1 is 74 tons of CO₂ equivalent and scope 2 is 396 tons of CO₂ equivalent, which has higher greenhouse gas emissions than scope 1. Due to the Company uses electricity in the production process and every process of work indirectly from energy consumption, the Company has been reviewed by the Phayao University.

SUSTAINABILITY MANAGEMENT IN SOCIAL DIMENSIONS

Social Policies and Practices

The Company operates its business by adhering to and emphasizing on duties and responsibilities to society and stakeholders, including, shareholders, customers, business partners, employees, communities and surrounding society. This is to create business sustainability, to be able to manage the business to stably grow, to be accepted in the society, as well as to plant these ideas among employees at all levels, including, the Board of Directors, the Management team, department managers, employees and other stakeholders to act in the same norm. The guidelines include,

1. Conducting Business with Fairness

The Management that ensures sustainable and stable business growth is operated by the company under careful operation, honesty, professionalism, transparency, and also complies with legal criteria and regulations. It adheres to corporate governance principles set by the Stock Exchange of Thailand.

The Company fairly and equitably treats business partners and creditors without taking advantages by strictly following trade conditions and/or agreement terms made together, in order to develop business relationships that benefit both parties. It also fairly treats competitors without any action that is considered as an attack, fabrication, or reputation damage.

2. Respect for Human Rights

The Company values and respects human rights as it equitably, equally, and fairly treats employees regardless of differences in race, religion, gender, or physical condition. It adheres to the organizational culture that all employees follow this guideline at work, in order for them to work under a happy working environment together and also to accept each other. In addition, it also encourages the employees to participate in directly and indirectly helping society.

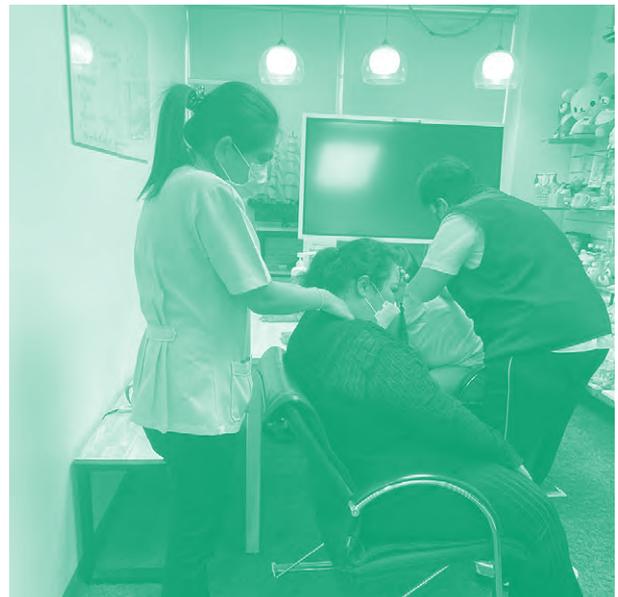
3. Fair Treatment of Employees

The Company highly values and cares its employees. Fair treatment towards them has been conducted and there is an aim to manage people by selecting, developing, promoting, and maintaining the effective ones, which allows it to effectively operate the business and achieve goals. It provides appropriate pays based on their knowledge and skills that can be compared with other companies with the same business. As well as a proper care, assistance, and welfare benefits for employees are provided. Moreover, it develops people by continuously providing training courses that enhances working skills, which is an opportunity for them to progress at work and to improve work efficiency. It encourages them to directly and indirectly express their opinions that will benefit in solving problems together.

Employment

Detail	Employee Number (Person)	
	Male	Female
Full-time Employees	40	103
Disabled People (Independent Contractor)	-	2
Total	40	105

In 2022, the Company employs the visually impaired to provide relaxing massages for employees.



In 2022, the Company organized training courses for the employees to increase skills and potential in work as following, 6 internal courses with a total of 4,542 hours and 14 external courses with a total of 343 hours.

Training courses for the employees in 2022



Safety, Occupational Health, and Environment in Workplace

In 2022, the Company continuously developed and improved safety in its operation to reduce risks of illness, injury, or death, which includes the ongoing COVID-19 epidemic. The proper actions that took place in order to take care of the quality of life for employees include,

- Safety rules in workplace and fire prevention and extinguishment plans are prepared and trained in accordance with relevant standards and laws. There were also a watch-out, follow-up, and assessment in the working environment in which all employees cooperated and followed the safety and hygiene practice guidelines in the workplace.
- In 2022, an accident caused by employees in the factory occurred. The company came up with the measures to prevent such accident by having the employees study the safety manual, recommendations, guidelines for safety practices in work and creating safety awareness among them.

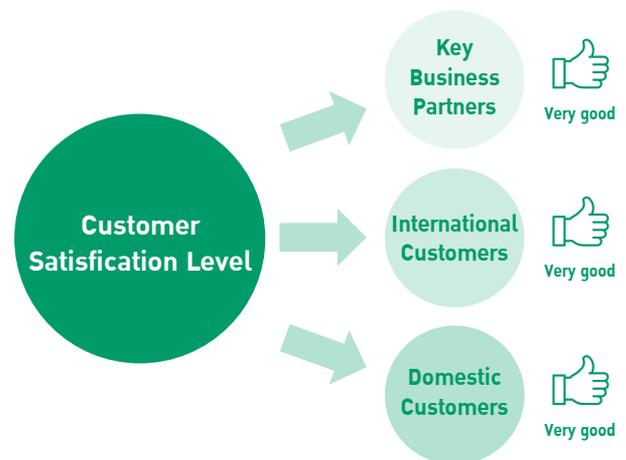
Relationship with Employees

In 2022, the rate that employees voluntarily quit (Turnover rate) was 6.4%, which decreased by 3.17% from the previous year. The Company continuously applied Engagement Mobile Application Assessment in order to measure the bond between the employees, to understand, and to directly solve employees' problems. Important information was reported to the Executive Committee on a monthly basis. This project aimed to make everyone to be happy at work and to increase maximum work productivity. This year, the relationship and employees'

happiness survey were at 68.5%, which was within the criteria and met the target of 60-80%.

4 Relationship with Customers and Business Partners

The company emphasizes on high-quality production with standards that can fully meet customer needs. It fairly and equitably treats business partners, operates the business with honesty, maintains mutual benefits with partners, and conducts business ethics. It intends to develop and maintain a sustainable relationship with the partners, as well as to indicate OEMs to be its important key partners.



The Company continuously developed products to satisfy customers with responsibility, honesty, and ethics. In 2022, the company received a very good level of customer satisfaction. However, there were 8 complaints from customers on important issues, including 6 cases of packaging and labeling problems and 2 cases of packing problems, in which the company already dealt with these complaints by set standards, correct, prevent and communicate to customers.

5. Co-Development in Community and Society

The Company operates its business with responsibility towards the community and society and always recognizes that a strong community and society have sustainable development, which is a crucial contributing factor to business operation. Therefore, it has set a goal to continuously contribute to community and society development and has participated in various promoting activities as following,

- We supported a project, Care the Wild Plookpong Plant & Protect and we also engaged in the organization's carbon footprint with mai Listed Companies Association by recently supporting 1 Rai of reforestation at Ban Aoi forest and Ban Bun Roeng, Rong Kwang District, Phrae. The other 53 MAI listed companies also supported this project and the total forest area is 91 Rai or 18,200 trees.
- The Company donated 200 packs of natural alkaline drinking water under brand eight plus x Jay The Rabbit to Siam Piwat Co., Ltd. as part of the Siam Ruamjai Thai Help Thailand project. In order to help people who were affected by flooding in various areas in the country.
- The Company donated old calendars to the Foundation for the Blind of Thailand under the Royal Patronage of H.M. the Queen Bangkok as teaching materials for blind students. It has continuously donated every year.
- The Company donated boxes of beverages to Department of Corrections, Muang District, Nonthaburi Province to donate to Medical Correctional Hospital.
- Volunteered employees donated blood to National Blood Center and Thai Red Cross Society, in order to help patients to receive more blood for regular treatments and to alleviate blood shortages.
- Since 2015, the Company has donated drinking water purification machines to the project sharing water (heart) to the community. The management team led T.A.C. Consumer PCL. employees to donate ready-to-install drinking water purification machines at Ban Nong Pla Lai School and Wat Nong Kanam School in Chonburi, which are in the same area with its factory at Ban Bueng District, Chonburi. It also offers the water filter replacement support nowadays. The main purpose was to support and promote the ideology of giving service and caring out valuable activities towards the society.





Section 1 Business Operation and Operating Results

4. MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

SUMMARY TABLE OF FINANCIAL POSITION AND OPERATING RESULTS

Statement of financial position	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	203.57	20.13	136.49	12.80	150.80	12.76
Trade and other receivables	241.62	23.89	261.80	24.56	310.09	26.25
Inventories	34.92	3.45	57.22	5.37	50.33	4.26
Other current financial assets	396.46	39.20	446.63	41.90	504.15	42.67
Other current assets	2.86	0.28	2.45	0.23	5.90	0.50
Total current assets	879.44	86.94	904.60	84.86	1,021.27	86.44
Non-Current assets						
Investment in associate	-	-	30.00	2.81	30.00	2.54
Property, plant and equipment	98.35	9.72	90.56	8.50	93.93	7.95
Right-of-use assets	20.84	2.06	22.42	2.10	18.65	1.58
Intangible assets	0.06	0.01	0.99	0.09	0.23	0.02
Deferred tax assets	8.54	0.84	13.12	1.23	12.87	1.09
Other non-current financial assets	4.28	0.42	4.31	0.40	4.50	0.38
Total non-current assets	132.07	13.06	161.39	15.14	160.18	13.56
Total assets	1,011.51	100.00	1,065.99	100.00	1,181.45	100.00
Liabilities and shareholders' equity						
Current liabilities						
Short-term loans from financial institutions	-	-	-	-	30.00	2.54
Trade and other payables	214.43	21.2	236.39	22.18	299.62	25.36
Advance received from customer	5.29	0.52	5.71	0.54	6.23	0.53
Portion of liabilities under lease agreements due within 1 year	4.99	0.49	5.63	0.52	6.47	0.55
Income tax payable	23.49	2.32	31.64	2.97	28.76	2.43
Other current liabilities	6.32	0.62	6.49	0.61	6.10	0.52
Total current liabilities	254.52	25.16	285.86	26.82	377.18	31.93

Statement of financial position	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Non-current liabilities						
Liabilities under finance lease contracts - net from the portion due within 1 year	-	-	-	-	-	-
Lease liabilities – net of portion to due within one year	15.66	1.55	14.96	1.40	11.90	1.00
Provision for long-term employee benefits	18.63	1.84	21.36	2.00	26.73	2.26
Total non-current liabilities	34.29	3.39	36.32	3.41	38.63	3.26
Total liabilities	288.82	28.55	322.18	30.22	415.81	35.19
Shareholders' equity						
Share capital						
Registered	152.00	15.03	152.00	14.26	152.00	12.87
Issued and fully paid up	152.00	15.03	152.00	14.26	152.00	12.87
Share premium	426.99	42.21	426.99	40.06	426.99	36.14
Retain earning						
Appropriated-statutory reserve	15.20	1.50	15.20	1.43	15.20	1.29
Unappropriated	128.50	12.70	149.63	14.04	171.45	14.51
Total shareholder's equity	722.69	71.45	743.81	69.78	765.64	64.81
Total liabilities and shareholder's equity	1,011.51	100.00	1,065.99	100.00	1,181.45	100.00

Statement of comprehensive income	2020		2021		2022	
	Million Baht	%	Million Baht	Million Baht	%	Million Baht
Revenues						
Sales Revenues	1,314.74	99.85	1,341.14	99.13	1,523.34	99.15
Gain on exchanges	-	-	7.03	0.52	3.79	0.25
Other Income	2.00	0.15	4.73	0.35	9.24	0.60
Total Revenues	1,316.74	100.00	1,352.91	100.00	1,536.37	100.00
Cost and Expenses						
Cost of sales and service	869.49	66.03	831.25	61.44	987.10	64.25
Selling and distribution expenses	140.92	10.70	164.31	12.14	169.47	11.03
Administrative expenses	72.31	5.49	88.06	6.51	83.55	5.44
Loss on exchange	0.13	0.01	-	-	-	-
Total Expenses	1,082.85	82.24	1,083.62	80.10	1,240.12	80.72
Profit before Loss on sales investment in associate financial expenses and income tax expenses	233.89	17.76	269.29	19.90	296.25	19.28
Loss on sales investment in associate	-	-	-	-	-	-
Profit before Loss financial expenses and income tax expenses	233.89	17.76	269.29	19.90	296.25	19.28
Finance Income*	1.99	0.15	0.61	0.04	0.84	0.05
Finance Cost	(1.19)	(0.09)	(1.08)	(0.08)	(1.15)	(0.07)
Profit before income tax expenses	234.69	17.82	268.82	19.87	295.94	19.26
Income tax expenses	(46.31)	(3.52)	(53.19)	(3.93)	(59.42)	3.87
Profit for the year	188.38	14.31	215.62	15.94	236.52	15.39
Other comprehensive income						
Transactions that will not be subsequently recorded in profit or loss						
Actuarial Profits	-	-	-	-	(2.40)	(0.16)
Less : effect of income tax	-	-	-	-	0.48	0.03
Transactions that will not be subsequently recognized in profit or loss - net of income tax	-	-	-	-	(1.92)	(0.13)
Other comprehensive income for the year	-	-	-	-	(1.92)	(0.13)
Comprehensive income for the year	188.38	14.31	215.62	15.94	234.60	15.27
Profit (loss) per share (Fully Diluted) (Baht)	0.31		0.35		0.39	
Profit (loss) per share (Weighted Average) (Baht)	0.31		0.35		0.39	
Far value (Baht)	0.25		0.25		0.25	
Profit (loss) per share (Fully Diluted) (Baht) – Change ¹⁾	0.31		0.35		0.39	

Note : 1) Calculated by adjusting the par value to 0.25 baht per share for comparison.

(Unit : Million Baht)

Cash flow statement	2020	2021	2022
Cash flows from operating activities			
Profit before tax	234.69	268.82	295.94
Adjustments to reconcile profit before tax to net cash Operating activities			
Depreciation and amortization	23.09	23.81	21.78
Allowance for doubtful accounts (reversal)	(0.43)	(0.09)	1.48
Increase (decrease) in allowance for expected credit losses	0.56	6.18	-
Reduction of inventories to net realizable value	(3.94)	1.06	(3.19)
(Gain) loss on sales of other current financial assets	-	-	-
Gain on fair value adjustment of other current financial assets	6.29	(1.10)	(6.21)
Gain on fair value adjustment of other current financial assets	(0.51)	(6.48)	(1.24)
Gain on disposals of equipment	-	(6.55)	(1.24)
Unrealized (gain) loss on exchange	0.21	(2.02)	(0.06)
Loss on write-off of equipment and intangible assets	0.05	0.04	-
Provision for long-term employee benefits	3.09	3.02	2.96
Interest received	(1.99)	(0.61)	(0.84)
Interest paid	1.19	1.08	1.15
Profit from operating activities before changes in	262.32	293.85	312.47
Operating assets decrease (increase):			
Trade and other receivables	61.16	(20.52)	(49.64)
Inventories	8.65	(23.36)	10.07
Other current assets	8.82	0.41	(3.45)
Other Non-current assets	(0.03)	(0.02)	(0.20)
Operating liabilities increase (decrease):	(52.89)	21.13	63.21
Trade and other payables	(2.12)	0.42	0.52
Advance received from customers	(2.13)	0.17	(0.40)
Other current liabilities			
Advance received from customers	283.78	272.08	332.60

Cash flow statement	2020	2021	2022
Cash paid for long-term employee benefits	(3.04)	(0.29)	-
Interest received	2.29	0.87	0.77
Interest paid	(0.03)	-	-
Corporate income tax paid	(48.55)	(49.63)	(61.56)
Net cash from operating activities	234.45	223.03	271.81
Cash flows from investing activities			
Cash paid for purchase of other current financial assets	(1,698.93)	(1,362.25)	(1,544.21)
Proceed from sales of other current financial assets	1,837.07	1,321.67	1,494.14
Increase in investments in associate	-	(30.00)	-
Acquisitions of plant, equipment and intangible assets	(15.73)	(17.46)	(18.25)
Proceeds from disposals of equipment	-	0.01	1.10
Net cash from (used in) investing activities	122.36	(88.03)	(67.22)
Cash flows from financing activities			
Cash received from short-term loans from financial institutions	-	-	30.00
Repayments of lease liabilities	(5.96)	(8.41)	(7.53)
Dividend paid	(163.38)	(193.66)	(212.75)
Net cash from (used in) financing activities	(169.34)	(202.07)	(190.28)
Net increase (decrease) in cash and cash equivalents	187.47	(67.07)	14.30
Cash and cash equivalents at beginning of year	16.09	203.57	136.49
Cash and cash equivalents at end of year	203.57	136.49	150.80

KEY FINANCIAL RATIO

List		2020	2021	2022
Liquidity				
Current Ratio	(x)	3.46	3.16	2.71
Quick Ratio	(x)	3.31	2.96	2.57
Cash flow liquidity ratio	(x)	0.82	0.83	0.82
Account Receivable Turnover	(x)	4.91	5.41	5.35
Average Collection Period	(Day)	73.37	66.55	68.19
Inventory Turnover	(x)	21.79	16.66	18.36
Average sales lead time	(Day)	16.52	21.61	19.88
Liabilities Turnover	(x)	5.58	6.67	6.76
repayment period	(Day)	64.55	53.94	54.00
Cash Cycle	(Day)	25.33	34.22	34.07
Profitability Ratio				
Gross profit margin	(%)	33.87	38.02	35.20
Operating Profit Margin	(%)	17.64	19.20	18.59
Other Operating Profit Margin	(%)	0.15	0.87	0.85
Cash-to-profit ratio	(%)	100.25	86.61	95.97
Net profit margin	(%)	14.16	15.94	15.44
Return on Equity	(%)	26.23	29.41	30.89
Operating efficiency Ratio				
Return on Asset	(%)	18.27	20.76	20.02
Fix Asset Turnover	(%)	206.74	249.33	227.80
Total Asset Turnover	(x)	1.29	1.30	1.29
Financial Policy Analysis Ratio				
Debt/Equity Ratio	(x)	0.40	0.43	0.54
Interest Coverage	(x)	238	254.19	257.79
Dividend payout ratio	(%)	97.86	93.05	92.54

MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2022

Sales and service income

For the year 2022, the company achieved a sales and service income of Baht 1,523.34 million. This had an increase of Baht 182.20 million or equivalent to 13.59% from the same period of previous year (Baht 1,341.14 million). The revenue has grown from (A) revenue from sales in 7-11 rebound because the COVID-19 pandemic situation is better from last year resulting in people, business sectors and organizations are back to operate normally, including an increase in the number of tourists, (B) increasing in Co-develop new B2B products (7-11 and non 7-11) and expanded of modern trade customers and Food service, and (C) expansion to new market in Cambodia in conjunction with expansion of branches of 7-11.

Other income and gain on exchange rate

For the year 2022, the company achieved other income of Baht 9.24 million, which increase at Baht 4.51 million or equivalent to 95.25% from previous year (Baht 4.73 million), because of gain from selling of domestic and oversea private funds. Meanwhile, the company achieved gain on exchange rate of Baht 3.79 million, which decreases at Baht 3.24 million from previous year (Baht 7.03 million), because the company sold investment in private fund held in US Dollar during the year.

Cost of Sales and services

For the year 2022, the company had the cost of sales and services amounting to Baht 987.10 million, which increase Baht 155.85 million or equivalent to 18.75% from the same period of previous year (Baht 831.25 million). The portion of cost of sales and services to sales and services income increase by 2.82% from last year (2022: 64.80%, 2021: 61.98%), resulting to decreasing of gross profit margin by 2.82% from last year (2022: 35.20%, 2021: 38.02%). The gross profit margin for year 2022 decreases from the year 2021 is because increasing in raw material cost during the year.

Selling and distribution expenses

For the year 2022, the selling and distribution expenses increase amounting to Baht 5.16 million or equivalent to 3.14% from previous year (2022: Baht 169.47 million, 2021: Baht 164.31 million), and the portion of selling and distribution expenses to sales and services income is decrease by 1.13% from previous year (2022: 11.12%, 2021: 12.25%). This because the increasing in expenses amount was from promotion and advertising expenses to boost sales after the relaxation of COVID-19 situation, meanwhile the portion of expenses to sales decrease because of increasing of sales amount from last year.

Administrative Expenses

For the year 2022, the company has administrative expenses amounting to Baht 83.56 million, which decrease Baht 4.50 million or equivalent to 5.11% from previous year (Baht 88.06 million). This because the company setup allowance for impairment of equipment amounting to Baht 6.2 million. In addition, the employee-related expenses increase from last year, which in line with increasing in number of employees in this year.

Share of loss from investment in joint venture

For Financial statements in which the equity method, the company have realized the share of loss from investment in joint venture from take equity in TCI, that invested at 1 April 2021.

Finance income

For the year 2022, the company has finance income amounting to Baht 0.84 million, which increase Baht 0.24 million from previous year. This was due to increasing in cash at bank balance and interest rate.

Finance Costs

For the year 2022, the company has finance costs amounting to Baht 1.15 million, which increase Baht 0.01 million from previous year as a result of a deferred interest for a financial lease.

Net Profit

For the year 2022, the company has net profit in financial statements in which the equity method and separate financial statements amounting to Baht 235.15 million and Baht 236.52 million respectively, which increase Baht 20.91 million and Baht 20.89 million or equivalent to 9.76% and 9.69% from the same period of previous year at Baht 214.24 million and Baht 215.62 million respectively. The company achieved net profit margin of 15.44% and 15.53% respectively, which decrease 0.54% and 0.53% from last year at 15.97% and 16.08% respectively. The main reason for the increase in net profit amount from last year was due to the COVID-19 pandemic situation is better than last year, and expansion of both domestic and international markets in year 2022. However, net profit margin slightly decrease from last year because of increasing in raw material price during the year.

Financial Position

Asset

At the end of 2021-2022, the company had total assets of Baht 1,065.99 million and Baht 1,181.45 million, respectively, of which the Company's key assets were (1) other current financial assets, (2) accounts receivable and other receivables, (3) cash and cash equivalents, (4) land, buildings and equipment, and (5) inventories. The details of the Company's key assets can be summarized as follows:

Cash and cash equivalents

For the end of 2021, the Company had cash and cash equivalents of Baht 136.49 million. This represented 12.80% of total assets, a decrease due to the Company's allocation of some bank deposits in short-term funds in respect of other current financial assets with higher interest on deposits than other fixed deposits.

For the end of 2022, the Company had cash and cash equivalents of Baht 150.20 million. However, the Company still allocates some bank deposits to short-term funds in other current financial assets in order to obtain higher returns than bank deposits.

Accounts receivable

At the end of 2021-2022, the Company had accounts receivable before deduction of allowance for doubtful debts amounting to Baht 261.51 million and Baht 309.56 million, respectively, representing 24.53% and 26.20% of total assets, respectively.

The Company has a policy to provide a credit term to domestic customers of approximately 30-60 days, but if it is a new customer, the Company will require the customer to pay for the product in cash before delivering the goods. For international customers, the Company requires customers to pay for goods in cash before delivering the goods and provide a repayment period of 60-90 days to foreign customers, which may be considered for credit term from time to time depending on the Company's promotional policy.

Inventories

At the end of 2021-2022, the Company had inventories before deducting allowances for the decrease in inventories. 74.56 million baht and 64.48 million baht, respectively. The Company's main inventories are finished goods and raw materials and packaging materials, accounting for 72.91% and 25.47% of total inventories (before deducting allowances for decrease in product value). Inventories at the end of 2022 decreased from the end of 2021 due to the relaxation of the COVID-19 pandemic. In 2022, the Company will be able to sell more products than in 2021. This is based on slow-moving inventories. Expired or discontinued/discontinued products in accordance with the policy set by the Company on a monthly basis.

Other current financial assets

At the end of 2021-2022, the Company had temporary investments and other current financial assets. 446.63 Million Baht This represents 41.90% of total assets and 504.15 million baht. This represented 42.67% of total assets, an increase due to the Company's allocation of some bank deposits in short-term funds in respect of other current financial assets, an increase in the amount of cash received as a result of increased sales during the year.

Land, plant and equipment

The Company had land, plant and equipment net of Baht 90.56 million at the end of 2021 and Baht 93.93 million at the end of 2022, representing 8.50% and 7.95% of total assets, respectively.

For the year 2021, the Company has land, plant and equipment, net of 90.56 million baht. The ratio to total assets was 8.50%, down from 7.79 million baht at the end of 2020. The Company increased its investment during the year to 16.45 million baht. While there was depreciation for the year of 18.06 million baht and impairment of unused equipment of 6.75 million baht.

For the year 2022, the Company has land, plant and equipment, net of 93.93 million baht. The ratio to total assets was 7.95%, up from 3.37 million baht at the end of 2021. The Company's investment increased during the year to 18.42 million baht. While there is depreciation for the year amounting to 15.24 million baht.

Liquidity

Cash flow

The Company's cash flow from operating activities amounted to Baht 223.03 million in 2021 and amounted to 271.81 million baht. In 2022, the Company's profit before tax in 2021-2022 amounted to Baht 268.82 million and Baht 295.94 million, respectively.

If considering cash flow from investment activities in 2021 and in 2022, net cash used from investment activities amounted to (88.03) million baht and (67.22) million baht, respectively. - Net of (40.58) million baht and (50.01) million baht, respectively, (2) cash payments for buildings and equipment, (16.45) million baht and (18.10) million baht, respectively, (3) in 2021, 30 million baht in cash payments for investments in associated companies, and (4) 1.10 million baht in 2021.

In 2021-2022, the Company had net cash flow from financing activities. These include (1) repayment of lease liabilities of Baht 8.41 million and Baht 7.53 million, respectively, and (2) dividend payments to shareholders of Baht 193.66 million and Baht 212.75 million, respectively, and (3) cash receipts from short-term loans from financial institutions of Baht 30.00 million. To manage the Company's credit line.

Sources of funding

Liabilities

At the end of 2021-2022, the Company had total liabilities of Baht 322.18 million and Baht 415.81 million, respectively, with the majority of the Company's debt structure being current liabilities, which if proportional to total liabilities would be 88.73% at the end of 2021 and 90.71% at the end of 2022. By the nature of trade creditors and other creditors. This is due to the purchase of goods and advertising, public relations and promotion.

Equity

At the end of 2021-2022, the Company had shareholders' equity of Baht 743.81 million and Baht 765.64 million, respectively. This was an increase of Baht 21.13 million at the end of 2020 due to the Company's increased retained profit from the 2020 operating results of Baht 215.62 million. At the end of 2022, the Company had shareholders' equity of Baht 765.64 million. This was an increase from the end of 2021 of Baht 21.83 million due to the Company's increased retained profit from the 2022 operating results of Baht 236.52 million. Meanwhile, the Company paid dividends of Baht 212.77 million.

Suitability of capital structure

The Company has a debt-to-equity ratio of 0.43 times at the end of 2021 and 0.54 times at the end of 2022, an increase from the end of 2021. From (1) an increase of 63.23 million baht in trade creditors and other creditors due to an increase in purchases of goods and advertising, public relations and promotions during 2022 and (2) in 2022, the Company has short-term loans from financial institutions of 30 million baht. To manage the Company's credit line.

THE MAIN FACTORS AND INFLUENCES THAT MAY AFFECT THE OPERATING RESULTS AND FINANCIAL POSITION IN THE FUTURE

1. Impact from the risk of relying on large customers

In 2020-2022, the main income of the Company from selling products to a large customer, accounting for approximately 93 - 97% of the total sales revenue. Therefore, if the Company loses such customers or such customers reduce the amount of purchases from the company may affect the revenue and operating results of the Company. Significantly, however, from the fact that the Company having a long-standing commercial relationship with such customers together with the company. It is one of the distributors that operate with customers under a Key Strategic Partner will be able to maintain a stable and sustainable relationship with such customers.

The part of B2B group the Company has always been given opportunities to grow with its key business partners. In the B2C group, the business has grown more, but the proportion may not be able to grow in line with B2B due to the huge market size as follows.

- B2B has increased upsize of the beverages from 16 oz. to 22 oz., which is a full year of revenue recognition this year. And it is another part that has continued to grow.
- B2C has a character business group. This year, there is 1 new characters from Thai brands and the Caf茅 Business group (Arabia, Jungle, Black Canyon, and, Pun Thai Coffee) have a business plan together and continually develop new beverages or products for Caf茅 Business customers.

In the past year, 7-Eleven's store has been expanded in Cambodia. There has been significant growth. Currently, there are 40 branches spread throughout Cambodian cities and plans to increase to 80 branches by 2023.

The Company demonstrates its potential as a tea and coffee creative solution in Thailand and to complement its portfolio by collaborating with BON CAFE to develop non-alcoholic beverages and production and distribution equipment through strategic planning as a partner under the common objective of jointly developing and becoming a comprehensive research, development and production center for each other.

The Company plans to drive brand sales "TRIVA", which currently includes natural concentrated fruit syrup products and ready-to-drink ready-to-drink powders, and has added online sales channels: Shops, Caf茅s, and general customers are more accessible.

Section 1 Business Operation and Operating Results

5. GENERAL INFORMATION AND OTHER SIGNIFICANT INFORMATION

Core Business

T.A.C. Consumer Public Company Limited (“the Company”) engages in the business of sourcing, manufacturing, and distribution of beverages and lifestyle products. The Company focuses on managing and executing marketing and sales strategies along with beverage product development. The developed products possess distinctive unique selling points and varieties in both formats and flavors.

Head Office

9/231-233, UM Tower, 23rd Floor, Ramkhamhaeng Road, Suanluang, Bangkok 10250
 Tel : 0-2717-2898
 Fax : 0-2717-2899
 Website : www.tacconsumer.com
 E-mail : contact_info@tacconsumer.com
 TAX ID : 0107558000369

Factory

99/112, 9/114 Moo 1, Nongbondaeng Sub District, Banbung District, Chonburi 20170
 Tel : 0-3811-0812 Ext. 4

Registered Capital

Common Shares Baht 152 million (608 million shares)

Paid-up Capital

Common Shares Baht 152 million (608 million shares)

Company Secretary

Tel : +66 27172898 Ext. 77
 Fax : +66 2717 2899
 E-mail : panjaporn@tacconsumer.com

Investor Relations

Tel : +66 2717 2898 Ext. 77
 Fax : +66 2717 2899
 E-mail : ir@tacconsumer.com

Corporate Communication

Tel : +66 2717 2898 Ext. 77
 Fax : +66 2717 2899
 E-mail : icontact_info@tacconsumer.com

Reference

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400, Thailand
 Tel : +66 2009 9000
 Fax : +66 2009 9991
 SET Contact Center : +66 2009 9999
 Website: <http://www.set.or.th/tsd>
 E-mail : SETContactCenter@set.or.th

Auditor

- Ms.Satida Ratanurak
Auditor’s License No.4753 or
- Mr.Wichart Lokatetekrawee
Auditor’s License No. 4451 or
- Ms.Siriwan Suratepin
Auditor’s License No.4604

EY Office Limited

33rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road Klongtoey, Bangkok 10110, Thailand.
 Tel : +66 2264 0777,+66 2261 9190
 Fax : +66 2264 0789-90, +66 2661 9192

Legal Consultant

Pow & Associates Law Office

19th Floor, ITF Building 140/40A, Silom Road, Suriyawongse, Bangrak, Bangkok 10500 Thailand.
 Tel : +66 2634 4995
 Fax : +66 2238 2574, +66 2634 4998

ZicoLaw (Thailand) Limited

17th Floor, Q House Lumpini unit 1702 1, Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
 Tel : +66 2677 7588 Ext. 4411
 Fax : +66 2677 7589

INFORMATION ON THE SECURITIES AND SHAREHOLDERS

Stock and Shareholders Information

1. Registered Capital and Paid-up Capital

As at 31st December 2022, the Company has registered capital of Baht 152,000,000 and issued and paid-up share capital at Baht 152,000,000 separated into ordinary share at 608,000,000 shares at par value of 0.25 Baht.

2. Shareholders Structure

The list and percentage of shareholding of the first 10 major shareholders that are listed on the latest shareholder's registration as at 26th August 2022.

Name of Shareholders	No. of Share	%
1. Mr.Chatchawe Vatanasuk	120,459,825	19.810
2. Mr.Thanutum Kiatphaibool	345,793,43	5.687
3. Thai NVDR Company Limited	30,007,933	4.936
4. Ms.Charunee Chingwongworakul	18,280,000	3.007
5. N.C.B.TRUST LIMITED-NORGES BANK 33	12,763,600	2.099
6. Mr.Nuthajak Liengchayetz	10,500,000	1.727
7. Mr.Chanaphan Piriyaphan	10,983,700	1.699
8. K Mid Small Cap RMF	9,502,500	1.563
9. Ms.Pawenee Suwanmethanont	9,320,000	1.533
10. Mr.Nantana Suwanparin	8,933,572	1.469

Note: Mr.Thanutum Kiatphaibool is the Company's co-founder shareholder and did not participate in the management.

3. Issuance of Other Securities

-None-

The Comparison to changed shareholding of Directors and Managements for the year 2021 and 2022

Name	As of 31 December 2021			As of 31 December 2022			Change increased (decreased)
	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	
1. ADM Apichart Pengsritong Chairman of the Board of Director and Independent Director	-	-	-	-	-	-	-
2. Assoc.Prof.Kitti Siripullop Chairman of the Audit Committee and Independent Director	-	-	-	-	-	-	-
3. Mrs.Paktra Suriyapee Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee	-	-	-	-	-	-	-
4. Mr.Komsak Watanasriroj Audit Committee, Independent Director, Nomination and Compensation Committee and Chairman of the Risk Management Committee	-	-	-	-	-	-	-
5. Mr.Chanit Suwanparin Director, Nomination and Compensation Committee and Risk Management Committee * Spouse's Mrs.Nantana Suwanparin	-	8,923,572	8,933,572	-	8,923,572	8,933,572	-
6. Ms.Trithip Sivakriskul Independent Director and Risk Management Committee	-	-	-	-	-	-	-
7. Mr.Chatchawe Vatanasuk Director, Chairman of Executive Committee and acting Managing Director * Spouse's Ms.Pawenee Suwanmethanont	149,707,998	9,720,000	159,427,998	120,459,825	9,320,000	129,779,825	(29,648,173)

Name	As of 31 December 2021			As of 31 December 2022			Change increased (decreased)
	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	Number of Shareholding by Director/ Executive	Number of Shareholding by related person	Total	
8. Mrs.Chirapan Khotcharit Choosang Director, Risk Management Committee, Executive Committee and Deputy Managing Director, Corporate Strategy Division	4,071,793	-	4,071,793	4,135,694	-	4,135,694	63,901
9. Mr.Suphot Leenanurak Director, Risk Management Committee, Executive Committee and Deputy Managing Director, Sales & Marketing Division.	406,468	-	406,468	451,779	-	451,779	45,311
10. Mrs.Suveeraya Ansavananda Executive Committee and Assistant Managing Director, Strategic Partner and Integrated Marketing Communication.	201,570	-	201,570	233,802	-	233,802	32,232
11. Ms. Hatsaya Charuwitayanan Executive Committee, Assistant Managing Director, Operation Support Division	59,293	-	59,293	89,695	-	89,695	30,402
12. Mr. Atid Tragoondet Executive Committee, Director Accounting and Finance Department	-	-	-	-	-	-	-

Note: * Number of shareholding by related person are Number of shareholding by related person with reporter under section 89/1 of the Securities and Exchange ACT B.E.2535 such as Spouse, Child or adopted child Underage.

Section 2 Corporate Governance

6. CORPORATE GOVERNANCE POLICY

CODE OF CONDUCT AND BUSINESS ETHICS OF DIRECTORS, EXECUTIVES AND EMPLOYEES

The Company has established and announced the Code of Conduct and Business Ethics for Directors, Executives and Employees and to be used as the principles and guidelines. Which are as follows:

Basic Principles of Code of Conduct and Ethics

1. Perform duties with integrity, morality and responsibility.
 - 1.1 Maintain confidential information and not to use inside information or confidential information to seek benefits for oneself or others in a wrongful way.
 - 1.2 Prevent or avoid actions that may lead to conflict of interest.
 - 1.3 Conduct oneself as professionals with knowledge, expertise and prudence.

Code of Conduct and Ethics

The Company's personnel namely directors, executives, staff, employees, consultants and agents or authorized persons acting on behalf of the company or on behalf of the persons mentioned above should adhere to the code of conduct and business ethics as follows:

Self-Conduct

- 1) Carry out duties in compliance to the law relating to business operation, objectives and Articles of Association of the Company as well as principles of Good Corporate Governance and the shareholders' meeting resolutions.
- 2) Gain knowledge and experience to enhance oneself to be knowledgeable and skillful individuals in order to carry out duties efficiently and effectively.
- 3) Adhere to morality and not seek for position, favor or any other benefits from commanders or other persons by dishonest means.

4) Refrain from all kind of addictions and prevent behaving in any improper manner that may harm the reputation and dignity of oneself and the Company – such as, not become a person with unmanageable debts, avoid becoming obsessed in every type of gambling, or not associate with the use of all kind of drugs and etc.

5) Not take on any other occupation or profession or any act which may adversely impact the performance of duties or reputation of oneself and the Company.

6) Avoid having financial obligation with those persons, who are involved in doing business with the Company or between colleagues. This means and includes loaning money, demanding for soliciting contributions, playing share and etc. except for charity and public events.

7) Not seek for benefits that are improper or unlawful either directly or indirectly.

8) Not to undertake any activities that are considered as managing or taking charge of any other business which might undermine the Company's benefits or facilitate any persons or juristic persons either for the benefit of oneself or others.

9) Maintain and co-create to ensure unity within the group.

Conduct Towards Colleague

1) Strengthen teamwork by cooperating and helping each other for the benefits of the Company as a whole.

2) Treat colleagues with politeness, generosity, good human relations. Adapt oneself to be able to get along well with others and refrain from concealing necessary information in carrying out duties of the colleagues.

3) Respect others by not stealthily claiming other's performance as one's own performance.

4) Supervisors should behave so as to gain respect and become a positive role model for the subordinates, as well as be polite towards the subordinates and all level of the coworkers.

5) The subordinates should behave towards the supervisors with respect.

6) Subordinates shall listen to the supervisor's suggestions and to not perform duties which amounts to bypassing one's superior, except where one's superior with higher level ordered of such act.

7) Avoid disclosing information and stories of other employees both in terms of work and personal issues or criticize in such a way that may damage the employees or destroy the Company's image as a whole.

8) Not to act in any way that is immoral or take any action that constitute sexual harassment against other employees as such action might lead to trouble, nuisance or undermine morale in the work environment, hostile or aggressiveness; as well as unreasonably interrupting the work of other employees. Such behavior includes molestation, indecent acts or sexual harassment whether verbally or physically.

Conduct Towards the Company

1) Perform one's duties with responsibilities, integrity, commitment and dedicating oneself both physically and mentally in working; including to perform in comply with the Company's regulations, policies, values and culture, for the best interest of the Company significantly.

2) Perform one's duties in accordance with safety, occupational health and the working environment policies.

3) Strictly maintain the confidentiality of customers and business partners as well as those of the Company by ensuring not to let the Company's confidential documents or news leak out or fall into the hand of any unrelated persons which may cause damage the Company.

4) Not to falsely accuse others or to undertake any actions that will create disunity or cause damage within the Company or for those persons who are involved with the Company.

5) Maintain one's own dignity, so that you are well-accepted within the Company.

6) Create positive relationships through collaborating with society, community, Government

agencies and other related organizations by providing information to employees at all levels to perform their duties with due care for the benefits of the Company and the public.

7) Pay attention and help maintain the environment and atmosphere in the workplace as well as develop the organization to excellence.

8) Refrain from giving and/or receiving presents, give or receive any receptions from trade partners or any persons related to the Company's business except for honest events that will benefit the Company's business, festivals or according to cultures at an appropriate value/price. In the event that the gift received is in the form of cash or has a total value exceeding three thousand Baht one should refuse to accept and return such gift immediately,

9) Not to be involved or participated in any acts or to conceal the acts which may have conflict of interest with the Company or participated in the concealing of any illegal acts.

Conduct Towards Customers, Business Partners or Competitors

1) Treat customers, partners and competitors with understanding and good cooperation between each other.

2) Offer quality services to customers with warm friendship and support.

3) Use precautions reasonably in giving advises or making any decision on behalf of the customer by taking into account the appropriateness in the case of the customer.

4) Oversee and safeguard the interests of shareholders.

5) Promote the social mission on an opportune occasion, along with participating in activities for public service, education and create progress for the nation.

The Company determines that it is the duties and responsibilities of directors, executives and all employees to learn, understand and strictly follow the Code of Conduct and Business Ethics Handbook. Ask for advice

from the supervisor, if the staff has any question on the guidelines. The staff who violate the code of conduct and business ethics or allow the subordinates to violate the code of conduct, such individuals will be disciplined which may include termination, compensation for damages and be charge with civil or criminal penalties.

CORPORATE GOVERNANCE POLICY

The Company has importance in good corporate governance as it is considered to be the significant mechanism that leads to effective management system, transparency and accountability. These factors will enhance the confidence among shareholders, investors, stakeholders and all related parties. Good corporate governance is a tool that helps increase value, create competitive advantages and boost the Company's sustainable growth, which would build long term benefits.

Moreover, the Company significant to the Internal Control system and Risk Management closely.

The monitoring of compliance with the Good Corporate Governance policy

The Company has promoted and communicated information to all level of employees via the intranet, Orientation for new employees and Staff manual. There are focusing on enhancing knowledge and understanding to lead to the implementation of the Corporate Governance Policy and business ethics. The Board of Directors, Executives and employees of the Company have complied with the Good Corporate Governance Policy and monitor the result. There is a review and adjustment to be in accordance with the ASEAN CG Scorecard to be implemented and implemented as appropriate. As well as explaining the reasons for not being able to comply with the above principles are as follows:

The Item has not been execution	Reason
<p>Section : The Rights of Shareholders and The Equitable Treatment for Shareholders</p> <ul style="list-style-type: none"> The Company should educate Directors, Executives and Employees on the prevention of use of information within each year. The Company should educate Directors, Executives and Employees on the prevention of conflicts of interest annually. 	<p>The Company shall conduct training and knowledge on the prevention of use of inside information and the prevention of conflicts of interest to directors, executives and employees. Such action shall be taken to ensure that it is reviewed annually.</p>
<p>Section : Taking into account the roles of stakeholders and the business development for sustainability</p> <ul style="list-style-type: none"> The Company should disclose information about employment opportunities equally without discrimination that covers the disability and other disadvantaged groups. The Company should disclose the results of the last year's follow-up on whistleblowing notification and complaint handling procedures. The Company should establish and disclose energy management targets, water resources, waste management and/or pollution reduction, reduction of greenhouse gas from their business operations. 	<p>In the area of social sustainability management, fair treatment of employees is of great importance and attention to employees, fair treatment of employees. For the past year, the Company has employed and provided equal employment, and covers the disability by two full-time employment.</p> <p>The Company has established procedures and procedures for the proper implementation of fraud or corruption information and to provide internal and external stakeholders with the opportunity to report fraud or corruption concerns and to provide a channel for reporting complaints that have been raised in the past year. The Company is not notified of the complaint, however, will proceed with the disclosure in the event that the complaint has not been notified.</p> <p>The Company has its environmental policies and practices, with preliminary disclosure of energy management, water resources, waste management and/or pollution reduction, reduction of greenhouse gas from operations, but because the Company is at the beginning of such environmental management, This year, the goal will be set to a greater level of clarity.</p>

The Item has not been execution	Reason
<p>Section : Responsibilities of the Board of Directors</p> <ul style="list-style-type: none"> The Risk Management Committee should produce a report that fully discloses the performance of duties. 	<p>The Company will typically provide reports of the Risk Management Committee each year, which reveal the performance of the Risk Management Committee and the opinions of the Risk Management Committee in the past year. However, if there is further information that must be disclosed, the Company will study the details and disclose it.</p>

In 2022, the Company received evaluation results on Corporate Governance and various awards from external agencies as follows:

- TACC received Corporate Governance Report of Thai Listed Companies 2022 was a Excellent score continuation from last year from Institute of Director for 3 year consecutive
- TACC was excellent score (100 Point) in 2022 AGM checklist program from Thai Investor Association and Securities and Exchange Commission, Thailand.
- The Stock Exchange of Thailand and Money & Banking Magazine jointly hosted SET Awards 2022, the announcement and award presentation ceremony aim to recognize companies on the Thai capital market with excellent and outstanding performances in various areas. TACC was award "Outstanding Investor Relations Awards" from Business Excellence group. (The sixth consecutive year). This award presentation ceremony to listed companies that have outstanding performance of Investor Relations activities. Which important to emphasize that the participation of the whole organization in carrying out the activities and was voted by 4 analysts/ institutional investors of the group's 4.29 average votes who selected the Company as the best company in this category of awards.
- TACC was rating in ESG 100 by Thaipat Institute announcement 100 Listed Companies outstanding environment, Social and Corporate Governance.

The Company has established good corporate governance principle, which is in accordance with the guideline set by the Stock Exchange of Thailand. The principles are in 5 categories, which are as follow:

Section 1: The Rights of Shareholders

The Company recognizes and values all the fundamental rights of shareholders. It encourages shareholders to exercise their rights and not to violate the rights of shareholders, whether it is fundamental rights, to receive timely and sufficient information namely the rights to sell, buy or transfer shares, the rights to receive shares of the Company's profits, the rights to adequately access the Company's information, the rights to attend shareholders meetings wherein they can exercise the rights to vote for the resolution of the appointment or removal of Directors, appointment of auditors, and significant matters affecting the Company such as allocation of dividends, specification or amendment of Articles of Association and Memorandum of Association, and reduction or increase of capital. In addition to the above-mentioned fundamental rights, the Company supports and facilitates, in various matters, shareholders in exercising their rights.

Action year 2022

- Invitation letters will be distributed to the shareholders at least 7 days prior to the meeting date. The letter shall contain clear details of the date, time, venue and agenda of the meeting as well as the Board of Directors' opinions. Related documents such as annual report, financial statements, support document for each agenda and proxy statement, will be attached with the invitation letter. The notice of the meeting shall be sent to all shareholders listed in the shareholders' registration book. The notice should be sent on the day the Company announced the closing date of share transfer registration, as well as publish the notice of the meeting along with the mentioned meeting agenda on the Company's website not less than 30 days prior to the meeting. This also includes continuously advertise the invitation notice on the Newspaper not less than 3 days before the

meeting date to inform shareholders to prepare in advance before participating in the meeting, which is in accordance with the Public Limited Companies Act, B.E. 2535(1992).

- In 2022, the Company scheduled an E-commerce Annual General Meeting of Shareholders on April 21, 2022 at 10.00 am under the Emergency Decree on 2020 Electronic Conference.
- The Company offers shareholders the rights to propose agenda items for the Annual General Shareholders Meeting and Nominations of Directors candidates in advance period 17 January to 17 February 2023. There are disclosing information via SET Link and notification the criteria of practice via www.taconsumer.com under shareholder information, shareholder's meeting. The Company secretary will collect all the proposed agenda and present to the Board of Directors Meeting as well as collect all the nomination of Director candidates and present to the Executive Committee. The Executive Committee will consider the list and qualification of the candidates and present the results to the Board of Directors to consider. In the case where the proposed agenda is approve by the Board, the Company will include such agenda in the next General Shareholders' Meeting.
- In case that shareholders are unable to attend the meetings in person, the Company shall provide the shareholder an opportunity to appoint an independent Director of the Company or any other person to attend the meeting on their behalf. The Company shall enclose a proxy form together with the meeting invitation letter.

- Notification of voting methods and vote counting before the meeting of shareholders and ballots were used. Since this year is an electronic meeting (E-AGM), the Company will count the votes of the shareholders attending the meeting via electronic media and the votes of the shareholders who appoint proxies.
- Allowing shareholders to vote for election of Directors individually by nominating the Directors to shareholders one by one.
- At every General Meeting of shareholders The Company has an independent auditor who has no interest in the Company. Which is responsible for checking the vote counting and the result of the vote for the meeting to be transparent Legally and company regulations.
- The Company does no additional agenda or change key information without notifying shareholders in advance the 2021 Annual General Meeting of Shareholders. The Company shall provide opportunities for shareholders to independently and fully make inquiries, suggestions or expression of opinions.
- After the meeting of shareholders, The minutes of the shareholders meeting shall be prepared after the meeting date wherein complete and information shall be presented. The shareholders meeting resolution shall be disclosed to the Stock Exchange of Thailand within 9:00 a.m. of the day after the end of the, which also includes the resolution results of each agenda item; the number of votes that are in favor, against, abstentions and void ballots. The minutes of the shareholders' meeting will be publicized on the Stock Exchange of Thailand website and the Company website within 14 days commencing from the meeting date.





U.T.A.C.C.

การประชุมสามัญผู้ถือหุ้นประจำปี 2565

ผ่านสื่ออิเล็กทรอนิกส์ (E-AGM)

บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)

วันที่ 21 เมษายน 2565

เวลา 10.00 น.

Section 2: The Equitable Treatment for Shareholders

The Company holds the policy to equitably and fairly treat and protect the rights of all shareholders, whether they are Executive or non-Executive shareholders, Thai or non-Thai, major or minor. The Company also provide additional for shareholders who's unable to attend the meeting themselves to authorize independent Directors or other persons as proxies who may attend the meeting and vote on behalf of the shareholders. Minor shareholders will also be given the opportunity to propose the General Annual Meeting agenda and nominate candidates for Directors in advance at an appropriate time.

Action year 2022

- The shareholders meeting is properly conducted according to the scheduled agenda and is in comply with the Company's Articles of Association. In each agenda, related information is clearly and completely presented for the meeting's consideration. If unnecessary, no un-informed agenda shall be introduced to the meeting without prior notice to the shareholders, especially any important agenda, which requires considerable time for the shareholders to make a prudent study before making any decision. The Company has established invitation letter for the Annual General Shareholders Meeting and Annual Report both in Thai and English to facilitate foreign shareholders.
- Providing the equal right of voting for shareholders base on the number of share held.
- The Company attached Proxy form B with the Invitation of the Meeting of Shareholders. Which is the form shareholders can specify their own voting as each agenda. For

shareholders who are not convenient to attend the meeting by themselves able to authorize an Independent Director or another person to attend the meeting and vote on his behalf by disseminating on the company's website.

- The Board of Directors has set up a measure to prevent the insider trading by related persons, which include Directors, Executives, staff and employees, as well as spouses and minor children of such persons working in the area related to the inside information. Disciplinary measures with regard to disclosure or use of information of the Company for personal interest have also been determined in accordance with the policy on prevention of exploitation of inside information. Directors, Executives, their spouses and minor children are prohibited to trade the Company's securities one month before publicly disclosed the financial statements. Directors and Executives of the Company have also been informed and acknowledge of their duties and responsibilities to report their holding of the Company's securities by them, their spouses, and their minor children, as well as the change in such holdings, to the Office of the SEC in accordance with Section 59 and the penalties under the Securities and Exchange Act of B.E. 2535 (1992).

Section 3: The Role of Stakeholders

The Company has importance on the rights of all Company's stakeholders both internal and external.

Action year 2022

- **Customers:** The Company is attentive and shows responsibilities toward the customers by emphasizing on producing quality products that are up to the standard and are able to fully satisfy consumers demand as keeping customers information confidential. Moreover, the Company also places great importance in setting appropriate conditions and selling price. There are customer satisfaction surveys both at Domestic Business and International Business by improving the criteria for more surveys. To put in place a feedback and complaint procedure for customers.
- **Partners and Account Payable:** The Company has the policy to treat both the trading partner and the creditors fairly, equitably and to maintain honesty in operating business, does not take advantages along with strictly practice in accordance with the trading condition and/or trading agreements. In order to enhance good business relationship that benefits both parties. The Company is intent on developing and maintaining sustainable relationships with the suppliers mutual trust including set key supplier as a strategic partner.
- **Competitors:** The Company conducts its business within the good competition framework and within the specified law. The Company also supports and maintains an ethical code of competition, and refrains from acting in bad faith to the detriment of its competitors.
- **Staff:** The Company recognizes the importance of all the staff, as they help drive the Company to be able to endlessly improve the business operation further into the future. Therefore, the Company emphasized on continuously developing the staff's potential, knowledge, capability, and skills. Appropriate remuneration is appraised base on each individual knowledge, capability and skills, which can be compare with other Company in the same industry. To keep the working environment safe for the lives and properties of its employees. From the situation of the epidemic

of COVID-19. The company has looked after and cares for employees very well, such as announcing measures to prevent the spread of COVID-19. To comply both inside and outside the organization and work from home practices (WFH) provide something to prevent such epidemic in a timely manner. The Company has procurement of vaccines against COVID-19 to employees and their families and treats all staff equitably and fairly.

- **Shareholders and Investor:** The Company focus on the Company management for capability, honesty and transparency. Disclosure the data to shareholders correctly, completely, timely and equality under the ethics and good corporate governance. There are providing opportunities for all relevant parties to access and query information. The Company reports on corporate position, operating results, financial and accounting status along with other report are prepared and presented regularly and accurately. By communicate the story or point of sale of the company to stakeholder. The operating results must be consistent with the information disclosed and treats all shareholders equally in the shareholders' meeting.
- **Community and society:** The Company values the importance of sustainable development of its neighboring communities, the society and environment. So, the Company consistently focuses on instilling awareness of responsibility toward community and society in the Company, supports activities beneficial to society as a whole, and avoids any illegal or unlawful action. To adopt a clear corporate social responsibility (CSR) policy, which is implemented across-the-board.

In 2022, the following activities with the stakeholders were conducted:



Shareholders and media

Information is provided to shareholders, retail investor, institutional investors, analysts and stakeholders in various activities of investor relations by providing accurate and equal information, such as organizing Opportunity Day activities, organizing shareholder meetings, Analyst Meeting, etc.



Employee care

Promote and support the development of employees in on-the-job training to enhance their knowledge, skills and cope with changing situations through more online learning activities. There is an exchange of knowledge between each other in the organization. and have joint activities



Social

There is support and development of the quality of life of the disabled according to the Promotion and Development of the Quality of Life of Persons with Disabilities Act B.E. Occupation to generate income



Environmental

The Company focuses on environmental friendliness, has a process of managing waste generated by manufacturing processes, and has energy-saving programs in the company, using alternative packaging, etc.

Internal and External communications

The Company has importance on internal and external communications by procedure as cover the both. There are communicate with stakeholder of the Company such as Director, Executive, Customer, Consumer, Shareholder, Investor etc.

Internal communication is the disseminate necessary information to Executives and employees. Which may be the focus of the participation of all Executives and employees to achieve the goals of the organization via various media such as Line Group, Line official, Intranet, E-mail and PR board of the Company

External communication is the reporting of information, Public relations and News delivery to outside the organization through various communication channels of the Company such as company website, Facebook, Instagram, E-mail, sending news via the SET LINK.

Internal and External communication as communicate normal information and urgent information to stakeholder. It is correctly understanding to internal corporate which strengthen Ethics and Code of Conduct to employee, Management. To raise awareness about the significance of Good Corporate Governance, Risk Management and internal control.

Whistleblowing on any fraud or corrupt

The Company has set procedure of whistleblowing on any fraud or corrupt to pattern appropriately. the Company provides its stakeholders an opportunity to report or give information on irregularities in business operations of the Company via provided channels, whereas:-

Corruption

refers to Any act of unlawful exploitation for itself or others.

Fraudulent

refers to Using fraudulent deception by giving false claims to others.

Corruption

refers to The receipt or acceptance of requests for or receipt of property or property. Any other benefits to government officials. Government Sector Staff of private agencies Private Sector To the person or agency. They use their power to act, not to act, to precipitate or to act in any way contrary to the power and duty of the Company. Unless it is customary law and customary law.

Complainant recipient
refers to The Managing Director or Chairman of
the Executive Board

Complaints coordinator
refers to Company secretary

Complaints inspector
refers to Corporate Affairs Manager

Complainant
refers to The Director, Management, Employee or
any person who has been charged or accused by a
complainant about fraud or corruption

Whistleblowing channels

The whistleblower can inform complainant via
channels as follow;

1. Letter Send to:
Chairman of the Executive Board
and Managing Director
T.A.C. Consumer Public Company Limited
23rd Floor, UM Tower, 9/231-233
Ramkhamhaeng Road, Suanluang, Bangkok
10250.
2. Website: www.tacconsumer.com
3. Facebook: Tacconsumer
<https://th-th.facebook.com/TACConsumer/>
4. E-mail: whistleblower@tacconsumer.com
This e-mail direct to Managing Director or
Chairman of the Executive Board only.

Whistle blowing procedure regarding fraud, corruption, or complaint.

1. Upon receiving a complaint on fraud or
corruption from the above channels, the report receiver
shall examine the complaint and submit it to the case
coordinator within 3 working days to proceed.

2. The case coordinator gather sufficient
clarification of the initial evidence received from the report
receiver, including data storage, record progress and
summary results. This includes tracking and summarizing
the status of the complaint.

3. Coordinate the complaints, submit complaint
that has been approved by the Managing Director or
Chairman of the Executive Board to the complaint
inspector within 5 working days.

4. The complaint inspector conducts a complaint
investigation. Complaints regarding to misconduct, fraud,
violation, not in comply with the law or Company's work
regulations such cases should be submitted to the
Managing Director or Chairman of the Executive Board
for consideration within 1 month.

5. The Managing Director or Chairman of the
Executive Board shall approve the complaint regarding
to fraud or corruption within 1 month.

5.1 In case of approval, the Managing Director
or Chairman of the Executive Board will
present to the Board of Directors to
consider further.

5.2 In case of disapproval submit the complaint
back to the complaint inspector for review.

6. If the case has a significant impact on business
operations, the Managing Director or Chairman of the
Executive Board shall present such case to the board of
Director to consider and determine the punishment as
deemed appropriate.

7. Summary of operation and opinions from the
resolutions of the Board of Directors meeting and the
corporate affair department will report the results of the
consideration to the complainant or whistleblower. (In
the event that the complainant or the whistleblower
discloses himself)

8. Save information and documents about
complaints about fraud or corruption in a file folder. The
storage period is 5 years.

Protection Measures for Whistleblowers, related persons and maintain confidentiality

Whistleblowers and related persons of process
Whistleblowing on any fraud or corrupt are protection
appropriately from the Company such as do not change
the position, nature of work, place of work, work break,
intimidate, Interfering with the performance and
termination of employment or any other unfair treatment
of such person. Include information about the complaint.
It is kept secret. Not disclosed to non-related persons.
Except as required by law.

Any person who is aware of the complaint or
information related to complaints under this procedure.
There is must protect the complaint information or related
to the complaint keep secret and not to anyone else.
Taking into account the safety and damage of the
complainant, Data Source or persons involved except

where necessary in the implementation of this procedure or as required by law. If the information is deliberately violated, the Company will disciplinary and / or legal action against the violator, as the case may be.

This year, the Company was not informed about fraud or complaints.

Anti-corruption

The Company realizes the importance of good corporate governance by adhering to business transparency. The meeting of Board Director No.5/2015 held on 5 August 2015 has approved the Anti-corruption policy. This aims to let all the management and employee be aware of the impact of corruption, to cultivate rightful values attitudes of employees to work with honesty while avoiding seeking benefits from one's position or providing such benefits to others for both directly and indirectly. This also prohibits employees from seeking personal or family interests using Company's position while aiming to increase the confidentiality of all stakeholders. Moreover, the meeting has agreed to disclose such Anti-corruption policy towards employees to comply. However, the Company sent employee to seminar Anti-corruption basic course for to know rule and procedure of Anti-corruption in organization.

Policies that are in comply with laws regarding intellectual property and copyright

The Company has established policies that are in comply with laws regarding intellectual property and copyright. The guidelines are as follow:

1. Every employee has a duty to protect the confidentiality and security of information related to the Company's intellectual property; to prevent the leaking of those information. All employees shall not use Company's intellectual properties for personal or others benefits without permission.
2. All employees shall respect and honor other intellectual property and shall not use other intellectual property, in part or in whole, without permission.
3. The Company monitors the registration trademarks, patents, copyrights and intellectual property to protect the interests and prevent piracy from others
4. Policies has been established for all employees on agreeing to accept the terms of use of the Company's information system; with the purpose for users of the Company's information systems to be aware of

prohibitions and practices in order to reduce the risks caused by personnel and from infringement of information security, both intentionally and unintentionally.

Section 4: Disclosure and Transparency

The Board of Directors is committed to disclosing accurate, complete, and transparent information, both in terms of financial reports and general information, in accordance with the rules of the SEC and the SET, as well as essential information that impacts the price of the Company's shares, which affects the decision-making process of investors and stakeholders of the Company so that all relevant persons equally acknowledge such information. The Company will disclose information to shareholders and the public through the channels and information sharing media of the SET and the Company's website.

Action year 2022

- The Board of Directors recognizes its responsibility in providing accurate, complete, true, and reasonable financial statements, which are prepared in accordance with generally accepted accounting standards. The Board of Directors applies appropriate accounting policies and regularly put into practice as well as carefully exercises its discretion. Adequate information is provided in the notes to the financial statements.
- The Board of Directors arranges maintenance of effective internal control to reasonably ensure that accounting data is accurately, completely, and adequately recorded to maintain assets, and to determine weaknesses in order to prevent misconduct or significantly irregular practices. The Board of Directors will also appoint an audit committee consisting of Directors not holding managerial positions, whose duty is to examine the financial reports, related party transactions, and internal control system. The audit committee will report directly to the board of Directors.
- Submit financial reports to the Securities and Exchange Commission and the Stock Exchange of Thailand within the time limit. There are no conditional items for which the auditor has expressed opinions and has no history of being ordered to amend financial statements from the Stock Exchange of Thailand and the Securities and Exchange Commission.

- The top management have emphasize with investor relations relation with participating in meeting and providing information, and exchanging ideas with shareholders, investors, analysts, and the media.
- The Company has established an Investor Relations unit responsible for disclosing information to shareholders, investors, and stock analysts through its website www.tacconsumer.com under the tab entitled Investor Relations. Which contain the information sent to the Stock Exchange of Thailand and the Securities and Exchange Commission, shareholders information, quarterly performance, corporate governance and stock price movement. The information

is regularly updated to investor and interested person can access information quickly and equally. The information obtained from the Company is accurate, complete, transparent, and timely, especially important information that may have an impact on the Company's stock price. Those who receive the information can use the information to make an investment decision more efficiently. Which will reflect the true value and suitable according to the situation in each period

- The Company reported performance of Investor Relations to Board of Directors by quarterly and set Investor Relations plan. In 2022, IR activities for disclosing corporate information to investors can be summarized as follows:-

Forms of Activities	TIME
Investor/Analyst Visit, Company VISIT and conference call	6
Analyst Metting	3
local roadshow	1
SET Activities such as opportunity day, mai forum	2
company snapshot by quarterly	4
interview/media	2
press release, BUSINESS UPDATE, operating results and activities	REGULARY



- The disclosure and transparency in the year 2022. The Stock Exchange of Thailand and Money & Banking Magazine jointly hosted SET Awards 2022, the announcement and award presentation ceremony aim to recognize companies on the Thai capital market with excellent and outstanding performances in various areas. TACC was award “Outstanding Investor Relations Awards” (The sixth consecutive year) from Business Excellence group. This award presentation ceremony to listed companies that have outstanding performance of Investor Relations activities. Which important to emphasize that the participation of the whole organization in carrying out the activities and was voted by 7 analysts/institutional investors who selected the Company as the best company in this category of awards.
- TACC was rating in ESG 100 by Thaipat Institute announcement 100 Listed Companies outstanding environment, Social and Corporate Governance.



- Disclose information regarding the shareholding of Directors and Executives. By comparing the changes in the shareholding of Directors and

Executives each year and requiring Directors and Executives to report connected transactions and reports of interest of Directors and Executives to prevent conflicts of interest.

- Disclose fairly complete information in the annual report and website of the Company such as investor information, Shareholder information, Financial data, Reports Corporate Governance Policy, Code of Ethics and Business Ethics of the Company Shareholders' meeting, various news rooms etc.

Contact Investor Relations

Contact: Ms. Panjaporn Roeksomboon

Tel: 0-2717-2898 # 77

Fax: 0-2717-2899

E-mail: ir@tacconsumer.com

Section 5: Responsibilities of the Board of Directors

1. Board of Directors structures

The Company's board of Directors comprised of Directors who possess management-level knowledge, ability, and experience from a various organizations. The Directors can then apply the experience, knowledge, and ability to efficiently develop and determine the direction of the Company's business operation for the best interests of the Company and its shareholders. The board of Directors holds an important role in determining the policies and overview of the organization along with governing, inspecting, and monitoring the performance of the management, and evaluating the Company's operation based on the plan set.

The Board of Directors structure consisted of more than one-third of Independent Directors of the total board member. At present the Company has 9 Directors, consisting of 3 Executive Directors, 1 non-Executive Directors and 5 Independent Directors (including Chairman of the Board of Directors). Such Board of Directors structure allows check and balance in voting to contemplate in various issues.

Moreover, the roles, duties and responsibilities of the Board of Directors and the management have been clearly separated in order to create check and balance together with examining business administrative. Various set of committees have been appointed to support good corporate governance, which are as follows:

- 1.1 The Audit Committee comprised of 3 members who are assigned to perform specific tasks and propose to the Board of Directors for consideration and acknowledgement. The audit committee's rights and duties are specified in the audit committee charter. At least one audit committee member shall possess sufficient knowledge and experience in accounting to be able to inspect the credibility of the Company's financial statements.
- 1.2 The Nomination and Compensation of 3 members has consider the structure configuration and quantification of Director with the duty to recruit and select person include the appropriate knowledge that will benefit Company. When a Directorial position in Company become vacant for submitted to the Board of Directors and Annual General Meeting of shareholders include offer the structure of compensation of Director and Chief Executive officer (CEO) and evaluation performance of Board of Director.
- 1.3 The Risk Management Committee of 5 members has set strategy of risk management consistent with risk management policy which can be assessment, follow up and quantity of risk. Especially, the key risk of the Company to be the level set by the organization.
- 1.4 The Executive Committee consisted of 7 members. The Executive Committee determines the business operation policies and strategies to be in accordance with the goal set by the Board of Directors to ensure the flexibility of management.
- 1.5 The Risk Management Sub-Committee consisted of 10 members. The Character is consider problem or risk factor may happen with the operation of the company and reduce risk or risk management to lowest. The Risk Management Sub-Committee report to Executive Committee, Risk Management Committee to consider and acknowledged as usually

The Company established the policy that separated the position of Chairman, the Board of Director and managing Director to be different individual. This is to prevent any individual from holding unlimited power in any circumstances. The Board of Directors is responsible for determining the authority, duties and elects the candidate to fill in these positions.

The Board of Directors has appointed Company's secretary to perform their duties and responsibilities in accordance with the Securities and Stock Exchange Act, which are as follows:

- 1) Supervise and give advice to the committee and the Executive on practicing in accordance with the Company's law, regulation and criteria as well as to supervise and ensure that they correctly and regularly put into practices.
- 2) Responsible for the Board of Directors meeting and Shareholders meeting as well as supervise and coordinate to ensure that such resolutions are put into practices.
- 3) Ensure that the disclosed information and reports, in the responsible area, are in accordance with the related laws, rules and regulation of Stock Exchange of Thailand and Securities and Exchange Commission.
- 4) Prepare and maintain documents such as Director registration, Board of Directors' meeting invitation letter, minutes of the Board of Directors meeting, shareholders' meeting invitation letter, minutes of the shareholders meeting, annual report, conflict of interest of Executives Committee report and other tasks as specified by the law or the notification of the Capital Market Supervisory Board.

2. Roles and Responsibility of the Board of Directors

The Company requires the Board of Directors to comply with the Code of Best Practices in accordance with the guidelines of the Stock Exchange of Thailand. The Directors must understand and recognize their roles, duties, and responsibilities, and perform their duties in accordance with the law, the Company's objectives and the Articles of Association, and shareholders resolutions with integrity and honesty, with priority given to the best interests of the Company and its shareholders. Furthermore, The board of Directors also responsible for determining the policies, business goals, business plans, and the budget of the Company, along with governing the management division to efficiently and effectively perform in accordance with the policies, plans, and budget specified, for the best interests of the Company and its shareholders.

Chairman of Board of Directors Scope of Duties and responsibilities

The Company's regulation no.27:

"In the meeting of the Board of Directors, Chairman or the authorized person shall send the notice of the meeting to the director not less than 7 days prior to the meeting date. Unless urgent need to maintain the rights or benefits of the Company. The meeting will be informed by other means and the meeting date will be earlier than that.

In the event that two or more directors request to convene the meeting. The Chairman has set the date and assign the meeting shall be held within 14 days from the date of such request. "

And to segregate the authority on the policy and management of the company for separate clearly. The Company requires the Chairman of the Board of Directors and Chairman of Executive Committee as a different person. The Scope Duties Chairman of the Board has the following:

1. Notification of the Board of Directors Meeting, as a Chairman of the Board of Directors and the shareholders' meeting and they are role in setting the agenda with the Chairman of the Executive Committee.
2. Have a role in controlling the meeting effectively. As a comply with the Company's regulations, support and allow the directors to express their opinions independently.
3. Support and promote the Board of Directors act as fully as possible, the scope of authority, responsibility and good corporate governance.
4. Supervise the management of the Board of Directors and other committees to achieve the objectives.
5. To be the casting vote of the meeting of the Board of Directors and both votes are equal.

Board of Directors Scope of Duties and responsibilities

1. The Board of Directors has the authority, duty, and responsibility in managing and operating Company business to be in accordance with the law, objectives, Articles of Association, and resolution of the shareholders' meeting with integrity and prudence, in order to maintain the interest of the Company.

2. Manage the preparation of balance sheet and profit and loss statement as at the end date of the Company's Accounting period, which the auditor shall audit and propose to the shareholders meeting for consideration and approval.
3. The Board of Directors will determine the goals, guidelines, policies, business operation plans, and budgets of the Company, and monitor and supervise the management and administration of the management division to ensure compliance with the specified policies, plans, and budgets with efficiency and effectiveness.
4. The Board of Directors will review, audit, and approve the Company vision, policy, direction, strategy, and business operation plan that is proposed by the management division.
5. The Board of Directors will continuously monitor the Company's operation to be in line with the operation plans and the budget.
6. The Board of Directors shall ensure that the Company implement appropriate and efficient accounting system as well as ensure the reliability of financial report and account auditing. Moreover, to ensure that the Company maintain adequate and appropriate internal control system and internal audit system.
7. The Board of Directors will determine a comprehensive Risk Management policy and monitor to ensure that the Company implements a system or procedure for managing risks with appropriate measures for dealing with and minimizing impact on the business of the Company.
8. The Board of Directors will determine the Management structure and have the authority to appoint the Executive Committee, Managing Director, and other Subcommittees as seen appropriate and to determine the scope of authority of the Executive Committee, Managing Director, and Subcommittees appointed. Authorization given under the scope of authority and duty specified shall not constitute authorization or sub-authorization that causes the Executive Committee, the Managing Director, or the committees to have the authority to consider and approve a

transaction which may have conflict, interest or conflict of interest with the Company (if any), except in the case of approval of transactions consistent with the policy and criteria previously considered and approved by the Board of Directors.

9. Prepare annual report of the Board of Directors and will be responsible for preparing and disclosing financial statements to reflect the financial status and operating results of the previous year, and present to the shareholders meeting for consideration and approval
10. Supervise and manage the Company's operation to be in accordance with the policies that defined the law on securities and stock exchange, Notification of the Capital Market Supervisory Board and the terms of the Stock Exchange of Thailand such as conducting related transaction and acquisition or disposition of significant assets, as long as it does not goes against or contradict with other laws.
11. The Board of Directors may authorize one or more Directors or any other person to take any action on behalf of the Board of Directors under the supervision of the Board of Directors, or may authorize such person to have the authority deemed appropriate by the Board of Directors for the period deemed appropriate by the Board of Directors. The Board of Directors may cancel, revoke, change, or amend such authorization as deemed appropriate.

Such authorization shall not constitute authorization or sub-authorization in a manner which causes the person to have the authority to consider and approve a transaction in which they have a conflict, interest, or a conflict of interest in any other manner to be made with the Company or a subsidiary (if any) as defined in the notifications of the Capital Market Supervisory Board or the SET, and/or any other notifications of relevant agencies, except in the case of approval of transactions consistent with the policy and criteria previously considered and approved by the Board of Directors.

Authority of the Board of Directors

1. To approve preparation and announcement of organization chart.

2. To approve the changes in duties and responsibilities of the level of Assistant Managing Director upwards.
3. To approve the annual action plan and budget and operation plan (Including budget and expense budget).
4. To approve of investment budgets and fixed asset purchases in the amount exceeding the authority of the Executive Committee.
5. To approve the investment budget outside the budget plan in the amount exceeding the authority of the Executive Committee.
6. To approve the appointment of the Audit Committee and Executive Committee.
7. To approve the workforce that is not in the annual budget from the level of Assistant Managing Director upwards.
8. To approve the determination of the employment rate that is / is not in the annual budget of the level of Assistant Managing Director upward.
9. Approve the employment and recruitment of employees who are not in the annual budget from the level of Assistant Managing Director or higher.
10. To approve the performance evaluation and consideration of salary / bonus adjustment and annual promotion, level Chief Executive Officer.
11. To approve the appointment of the transfer of employees at the level of Assistant Managing Director upward.
12. To approve for termination of the position of Chief Executive Officer.
13. To approve of termination in case of compensation according to law Chief Executive Officer and no termination of employment compensation for the Managing Director and Chief Executive Officer.
14. To approve of purchase of machinery according to the investment budget and purchase other assets in an amount exceeding the authority of the Executive Committee.
15. To approve of advance payment to employees to be a company expense in the amount exceeding the authority of the Executive Committee.

16. To approve other expenses in the business of the Company in an amount exceeding the authority of the Executive Committee.
17. To approving expenses outside the budget plan in the amount exceeding the authority of the Executive Committee.
18. To approving the formulation or change of financial policy.
19. To approve the appointment / change of authorized signatory of disbursements with banks / financial institutions and opening / closing deposit account with banks / financial institutions.
20. To approval for setting / changing policies / accounting rules.
21. To approve write-off / disposal from bad assets of fixed assets and obsolete / depreciated assets in The amount exceeding the authority of the Executive Committee.

Scope of Duties and Responsibilities

1. To review the accuracy and sufficiency of the financial reports of the Company.
2. To review the Company to ensure that the internal control and internal audit systems are suitable, and effective, and to review the independence of internal audit section, including approving the appointment, transference, or termination of internal audit section supervisor (heads) or those of other workgroups responsible for internal audit.
3. To review the Company to ensure that its operation is in accordance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
4. To consider, propose, appoint and lay-off independent persons who shall be assigned as the Company's auditor, to propose auditor's remuneration, and to participate in a meeting with the auditors at least once a year without management team.
5. To review connected transactions or any other transaction that may cause potential conflicts of interest in accordance with SET laws and SET regulations in order to ensure that those

items are reasonable and of utmost benefits to the Company.

6. To prepare the Report of the Audit Committee and disclose the report in the Company's Annual Registration Statements. The Report of the Audit Committee must be signed by the Chairman of the Audit Committee and must at least contain the following information.
 - (a) Opinions on accuracy, completeness and credibility of the Company's financial reports;
 - (b) Opinions on sufficiency of the Company's internal control system;
 - (c) Opinions on the Company's compliance with the laws governing Securities and Exchange, regulations of the SET and laws concerning the business of the Company.
 - (d) Opinions on suitability of auditors of the Company;
 - (e) Opinions on transactions of possible conflicts of interest
 - (f) The number of audit committee's meetings, and attendance of each audit committee member;
 - (g) Opinions or observation by the audit committee during their auditing practice according to charter; and
 - (h) Other transactions that shareholders and public investors should be informed under the scope of work and responsibilities assigned by the Company's board of directors.
7. To take care of any other action assigned by the board of directors with the consent of audit committee.

Independent Directors Qualification

Independent Director is an individual who possess a complete qualification imposed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) as follows:

1. An Independent Director holds not more than 1% of all shares with voting rights of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority. This is inclusive of shares held by anyone who is affiliated with them.

2. An Independent Director is a Director, who is not involved in the management of work, Employees, staff, consultants with monthly salary or Entities with Controlling Authority over the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, either at the present time or within two years prior to his/her appointment as an Independent Director. Unless the foregoing status ended at least 2 years.
3. Has no blood relation or legal registration under the status of father, mother, spouse, sibling, son/daughter or spouse of son/daughter of other Director. Further, an Independent Director has no connection with an Executive, a Major Shareholder, an Entity with Controlling Authority or an individual who will be nominated as Director, Executive or Entity with Controlling Authority over the Company or the Subsidiary.
4. Have no or never had business relationship with the Company, its parent company, subsidiaries, a Joint/Associated Company, major shareholders, or entity with controlling with controlling authority in such a manner that may obstruct their exercise of independent discretion. Further, an Independent Director is not being or never been the significant shareholder or an Entity with Controlling Authority over a party of any person having business relationship with the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, unless the foregoing status ended at least 2 years.
5. Is not or has never been the auditor of the Company, the Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority, and is not a Significant Shareholder, an Entity with Controlling Authority or a partner to the auditing firm which is the auditor of the Company, Parent Company, a Subsidiary, a Joint/Associated Company, a Major Shareholder or an Entity with Controlling Authority are associated unless the foregoing status ended at least 2 years.
6. Is not or has never been a person rendering any professional service or a legal or financial consultant with received service fee of more than 2 million Baht per year from the Company, the Parent Company, a Subsidiary, a Joint Company, a Major Shareholder or an Entity with Controlling Authority, and is not the Significant Shareholder or an Entity with Controlling Authority over the Company or a partner to such professional service provider unless the foregoing status ended at least 2 years
7. Is not the director who is nominated to be the representative of directors of the Company, major shareholders, or any other shareholder related to the major shareholders.
8. Does not engage in a business of the same nature and is significantly competitive to that of the Company or its subsidiaries, or is not a significant partner to a partnership or a Director with involvement in the management of work, Employees, staff, consultants with monthly salary, or, who holds more than 1% of the total shares with voting rights of any other company which is engaged in a business of the same nature and which is significantly competitive to that of the Company or a Subsidiary.
9. Does not have any other characteristic which prevents him or her from giving independent opinion regarding the business operation of the Company such as business partner, creditors and trading partner which may cause conflict of interest.
10. Knowledge and understanding in Nature of Business and also has ability to business benefit of the Company.
11. Independent Directors has report to the Board of Director Directly, If any events that may be lacking qualification of independence as an Independent Director.
12. Independent Director has year of directorship not more than 9 years.
13. Independent Director has not as a Director in listed Company more than 5 Companies.

After the appoint as a Independent Director is according to the above characteristics. The Independent Director may be assign from Board of Director to decide for operation of the Company, Subsidiary, Associated Company, Affiliate, Major shareholder or controlling Authority and the decision can be made in a faculty.

Duties and Responsibilities of the Nomination and Compensation Committee

1. Review the structure, composition and the qualifications of the Board of Director.
2. Select and recruit individuals with knowledge and capabilities, suitable with Company's business; then propose to the Board of Director or Annual General Shareholders Meeting to consider and appoint. In case where the position is vacant such individuals should also be suitable to be nominated as the Directors.
3. Review development plan for the Board of Director succession plan.
4. Review and propose the structure of remuneration for the Board such as remuneration, pension, bonus, welfare, meeting allowance and other benefits both financial and others as agreed.
5. Assess the performance of the Board of Director and submitted the report to the board of director annually.
6. Consider and propose the chairman of the Executive board remuneration structures such as salary, bonus, provident fund, and social security.
7. Responsible for any other tasks related to the nomination and remuneration as assigned by the Board of Directors.

Guidelines for Nomination of Director

Guidelines have been set for determining and screening of candidates who will be nominated as Director of Nomination and Remuneration Committee. The following compositions are to be considered:

1. Required characteristic in each director
The Nomination and Remuneration Committee has considered and specified characteristic of the individuals to be selected and nominated as a director in various field, such as
 - Integrity and responsibility
 - Making decision with information and reason
 - Being a prudent and mature person and a good listener who is able to advance constructive debates and independent opinions
 - Adhere to practice professionally with principle and standard
 - Other significant characteristics
2. Knowledge and expertise required to have on the Board
The Nomination and Compensation Committee should consider and formulate specific elements of competencies that the Board of Directors need, for the board to excel in formulating the business strategies and policies and implementing the devised strategies effectively.
3. Board Diversities
In addition to the formulating of Directors' characteristics and Board's competencies, the Nomination Committee may consider and formulate guidelines related to the diversity of other characteristics of the Board of Directors. For example, the Board of Directors may consist of representatives from a variety of stakeholders, education backgrounds, age, gender and etc.

Board Diversity Policy

The Board of Directors is aware of the benefits of the diversity of the Board of Directors and sees it as an important factor in increasing the efficiency of decision making and the work of the Board of Directors

The diversity is not just limited to gender but also Age, Education, Professional experience, Skills and knowledge. Therefore, the recruitment and consideration of the Company's Directors will be based on knowledge and capability and use of criteria for selection. Which takes into account the benefits of diversity.

Proportion of Board of Director

Famale



3 People

Male



6 People

Proportion

Independent Directors : **5 : 9**

Non Executive Directors : **6 : 9**

Date of Appointment of Director in 2022 average **5.33** Year

Board Expertise



Accounting & Finance

3 Peole



Marketing

5 Peole



Strategy/
Business Management/
Corporate Management

9 Peole



Human Resource

3 Peole



Military Security

1 Peole

Criteria for Selecting New Director

In recruiting Director, the Company will consider the diversity of the Board of Directors' characteristics. This is to support the operation to be in accordance with the business strategy and sustainable development of the Company. The Selection of the Board of Directors will base on the capability of the applicants. The criteria for determining are as follow:

- The applicants will be considered on the diversity of the Board characteristic which includes gender, age, qualification, experience, knowledge and expertise.
- Consider the leadership role, vision, ethics and integrity by upholding the highest principles of Good Corporate Governance.
- The applicant must not be blacklisted by any organization (Including The Securities and Exchange Commission) or have been convicted of a criminal offense.

- Applicant applying for independent directors must meet the criterion of independent directors.
- Consider from other qualifications that may be related, as appropriate.

Process of appointing new Director

When appointing new Director (vacant in the director position or to increase the number of director in the Board of Director) the Board of Director will follow the procedure in selecting and appointing new director. The procedures are as follow:

- The Nomination and Compensation Committee will evaluate the skills, experience, expertise and the diversity of each member of the Board of Directors; as well as specified other qualification as they see appropriate. This is to be in comply with the organization's

business operation strategy and to fulfill other necessary qualifications that is still lacking. This is done by considering the appropriate number of independent directors in the board of director as well as considering the Corporate Governance principle specified by Stock Exchange of Thailand

- Nomination and Compensation Committee may select appropriate individuals to sit in the position of Director through the Board of Director members' and the Chief executive officers' personal channel. The Company may hire outsources in recruiting or uses committee database from IDO.
- When Nomination and Compensation Committee has screen the applicant, each eligible candidate will be selected.
- Nomination and Compensation Committee propose the name of new directors to the Board of Director to propose to the shareholders' meeting to approve and appoint. In the case where the position is vacant due to other reasons apart from retirement by rotation, propose to the Board of Director for consideration, approval and temporary appointment.

Moreover, If the Company has strategy of operate new business without from the original business. The nomination director is necessary nomination who has attribute and direct experience with new business will proceed. To consider to Board of Director and/or shareholder meeting to approval as the case.

The Orientation of New Director

The Board of Director assign the orientation of new director to create knowledge and understanding of the nature of business and to prepare for the duties of the Board of Directors. Meanwhile, to be enhance knowledge and new perspectives for all directors. Whether the good corporate governance, business, industry conditions, new technology or innovation for support the effective performance of the directors. The Company secretary is the coordinator for various matters are as follows.

- 1) Nature of Business, Business Structure, Director Structure include scope, authority and various laws that should be known.

- 2) Operation guidelines, Historical performance overview.
- 3) The prepare meeting with Chairman, Chairman of Executive Committee and Managing Director to inquire in-depth information about the business operations of the company.

In 2565, the Company did not seek additional new directors.

Scope of Authority, Duties and Responsibilities of Executive Committee

1. Consider and determine the proposal of Management team and propose goals, policies and business plan, including the Company's annual budget to the Board of Directors for consideration and approval.
2. To supervise and monitor the Company's operating results to be in accordance with the policies, goals, business plan and specified budgets as well as supervise the operation to maintain quality and efficiency.
3. To consider approving tasks related to normal business transactions such as investing according to the investment budget or the budget as approved by the Board of Directors and etc. Financial limit of each transaction shall be in accordance with the table of authority of approval, which was approved by the Board of Directors.
4. Propose organization structure appropriate for the Company operation to the Board of Directors to consider and approve, including to consider the raise of salaries and bonuses of employees ranging from the Assistant managing Director down.
5. To consider profit and loss of the Company, proposal for payment of interim dividend or annual dividend for submission to the Board of Directors for approval.
6. Has the authority to appoint or hire consultants that are related to the internal management of the Organization to achieve maximum efficiency.
7. To have the authority to authorize any one or more persons to take any action under the

- supervision of the executive committee or to assign authority to such person as deemed appropriate by the executive committee, and for the period deemed appropriate by the executive committee. The executive committee may cancel, revoke, replace, or change the authorized person or the authorization as deemed appropriate.
8. To perform other actions or operations as assigned by Board of Directors from time to time. Authorization of duty and responsibility of the executive committee shall not constitute authorization or sub-authorization that enable the person authorized by the executive committee to approve a transaction in which they or other persons likely with a conflict (as defined by the notifications of the Capital Market Supervisory Board and/or the SET and/or relevant organizations) have an interest or any other conflict of interest with the Company, subsidiary, and/or related company. The executive committee does not have the authority to approve such matter but shall propose to the board of directors meeting and/or shareholders meeting (as the case may be) for approval, except for approval of transactions with respect to normal business, with normal commercial conditions in accordance with the notifications of the Capital Market Supervisory Board, and/or the SET, and/or relevant organizations.
 3. Review risk management strategy to be in conform to risk management policy. The committee should be able to assess, monitor and control risk at the appropriate level, especially significant risk.
 4. Monitor, measure and evaluate risk management as well as ensure that the company operates in accordance with the specified risk management policies; along with performing in accordance with the formulated regulatory.
 5. Consider adjust and revise as well as give opinion on the policies, work plan and risk management process on different aspect; including to propose to the Board of Director to consider and approve.
 6. Regularly report the Company's risk status and the guidelines that need to be rectified to the Risk Management Committee and notify the audit committee of the things that need to be rectified in order to be in confirm with the formulated policy and strategy.

Duties and Responsibilities of the Risk Management

1. Support the company to maintain Good Corporate Governance procedure, to perform transparently and to have sufficient, appropriate and effective internal control system.
 2. Formulate policies for risk appetite level and risk tolerance level as well as propose risk management policies to the Board of Directors to be approved. Which cover all aspect of significant risk such as strategic risk, credit risk, market risk, liquidity risk, operational risk, concentration risk, compliance risk, emerging risk and corporate reputation risk.
- ## Scope of Authorities, Duties and Responsibilities of Managing Director
1. Supervise daily business operation and/or management of the Company.
 2. Compile policies, business plan, business strategies and Company annual budget to propose to the Executive Committee and the Board of Director for consideration and approval.
 3. Supervise and monitor the Company operation and performance to be in accordance with the policies, work plans, and budget as approved by the Board of Directors including audit, monitor and evaluate the Company performance to be in line with the specified policies. The Managing Director shall report the operational performance management and operation progress to the Executive Committee, Audit Committee and the Board of Directors.
 4. To consider approving tasks related to normal business transactions according to the investment budget or the budget as approved by the Board of Directors. Financial limit of each transaction shall be in accordance with

the table of authority of approval, which was approved by the Board of Directors but shall not exceed the annual budget that was approved by the Board of Directors as well as entering into contracts related to such matter.

5. Has the authority to authorize expenditure incurring from normal business operation in accordance with the budget approved by the Board of Directors and in line with the approval authority that was approved by the Board of Directors.
6. Has the authority to approve manpower, employment and employee placement, determine rate of salary, appoint and transfer employee, determine duties and responsibilities of each department and employee with position lower than the Management division as approved by the Board of director.
7. Has the authority to order and determine regulations, notices and records in relation to business operation of the Company to be in accordance with Company's policies and for the Company's interest, including to maintain good order within the organization.
8. To have the authority to authorize any one or more persons to take any action under the supervision of the Managing Director or to assign authority to such person as deemed appropriate by the Managing Director, and for the period deemed appropriate. The Managing Director may cancel, revoke, replace, or change the authorized person or the authorization as deemed appropriate.
9. To perform other actions or operations as assigned by Board of Directors or the Executive Committee. In performing any task that the Managing Director or person authorized by the Managing Director or person likely with conflict of interest (as defined by the notifications of the Capital Market Supervisory Board and/or the SET and/ or relevant organizations) have an interest or any other conflict of interest with the Company and/or subsidiary, and/or related company. The Managing Director does not have the authority to approve the operation of such matter but shall propose to the board of directors meeting

and/or shareholders meeting (as the case may be) for approval, except for approval of transactions with respect to normal business, with normal commercial conditions in accordance with the notifications of the Capital Market Supervisory Board, and/or the SET, and/or specified relevant organizations.

Policy on conflicts of interest

The company has determined measures to prevent conflict of interest that may occur during the process of the Company related transactions and any person who may have conflicts. The measures prohibited stakeholders on any circumstance from participating in authorizing such transaction. The Board of Directors shall supervise the Company to practice in accordance with the related laws, regulations, orders and notification of the Securities and Exchange of Thailand or the related regulations of the Capital Market Supervisory Board and Exchange of Thailand.

The Company has established guidelines for Directors, Executives and Employees in the Code of Conduct and Ethics that require Directors to report their own interests and those involved in order to avoid opportunities for directors, executives and employees to seek their own interests.

The Board of Directors is responsible for supervising to ensure that the Company practice in accordance with the regulations concerning the disclosure of related party transactions as well as the sale and acquisition of the Company significant assets, which also includes to strictly practice in accordance with the accounting standards set by the Association of Accountants.

In addition, the Company may assign the Audit Committee, auditor or independents experts to audit and comment on the appropriateness of the price and the reasonability of the transactions. Such related transaction shall be audited or reviewed by the auditors of the company and will be disclosed in the financial statement notes in One Report Form.

Preventing conflicts of interest

In order to prevent conflicts of interest, the Company has established a policy to clearly monitor transactions that may cause conflicts of interest by establishing a procedure for approval of the connected transaction between the Company or any person who may have a conflict of interest in the case where a director

interested in any term has an interest. The Board shall have no right to vote on such agenda, as well as the Board has established policies and procedures for the purpose of ensuring that the management and the relevant parties do not use the inside information of the Company for their own benefit. In order to approve the items, the responsible agency shall initially assess the items. It will provide information and analyze whether such items are reasonable for the benefit of the Company and are fair for such purchase of property, for example, and then propose the steps and procedures for approval by an executive or director of an interest will not be involved in approving such items. In addition, the Audit Committee will jointly oversee such interplay as a necessary and possible item at a fair price.

In 2022, the Company found no violation of the conflict of Interest Policy.

Internal Control System

The company is highly attentive to the internal control system, for both Executive and operational levels, and has clearly specified scope of duties and authorities in writing. The Company also conducts the control of assets usage for the highest benefits and set apart the responsibilities in approving the record of transaction and data information, storing and ministering the assets; in order to create appropriate check and balance between one and another. Moreover, the Company also established internal controls that are related to financial system by established financial report that propose to the Executives in the responsible field of work. Even though at present the Company has not established Internal Auditing division of its own yet, never the less the outsourced independent internal auditor has been hired to audit the Company's

internal control system, according to the details shown in number 13. Internal Control and Risk Management. The auditor shall report the results directly to the Audit Committee.

The Company sets clear and measurable goal for the business operation where the management and administration team will monthly compare the real operational performance with the set goal. Both internal and external risk factors that occurred during the operation will be evaluated. Factors that caused risks are analyzed measure for monitoring the cause of risk factors and measure for reducing risk is established. The Company assigned any related division to continuously monitor such risk and report the progress to the Board of Directors.

3. The Board of Directors Meeting

Based on the Company's policy, the Board of Directors must hold a meeting at least once every three months. However, some additional or special meetings may be necessary. The Company's secretary has scheduled the Board of Directors meeting for the year 2019 in advance and had informed all the Directors to acknowledge of such meeting schedule. Each meeting contains a very clear meeting agenda, and the invitation letter with details of the meeting shall be sent 7 days in advance for the Board of Directors to have sufficient time to study the information before the meeting. Minutes of meeting are taken and the certified minutes from the Board of Directors are stored for any further review or audit by the boards of Director and any related parties.

In year 2022, the Company has set scheduled the Board of Directors meeting for the year 2023 (For schedule the meeting is may to change) Which does not include meetings on special agenda are as follow:

No	Board of Director meeting	Audit Committee meeting	Nomination and Compensation meeting	Risk Management meeting
1/2023	23 February 2023	23 February 2023	2 February 2023	20 July 2023
2/2023	11 May 2023	11 May 2023	26 October 2023	14 December 2023
3/2023	10 August 2023	10 August 2023		
4/2023	26 October 2023	9 November 2023		
5/2023	26 October 2023			
6/2023	9 November 2023			

Meetings of the Non-Executive Directors

The Company has a policy for Non-Executive Directors (Non-Executive Director: NED) have the opportunity to meet among themselves. To discuss problems or suggestions such as Management strategies ,Sustainable growth, Other risk factors without the management team at least 1 time per year. For the year 2022, a meeting was held on 15 December 2022 to support the management of the management.

4. Directors and Executives' Remuneration

The Directors and Executives' Remunerations are set and are paid at an appropriate level and at a sufficient rate that can motivate and maintain qualified Directors and Executive without having to pay excessive remuneration. The remuneration rate can be compare with other companies that are in the same group of industry.

The Company has determined remuneration for the Directors and Executives at an appropriate level, which is sufficient to maintain competent Directors and Executives. While the Company avoids paying excessive

remuneration, it remains the rate at the level comparable to companies in the same group of industry. Factors to be considered include experience, duties, and scope of roles and responsibilities. The Directors' remuneration payment must be approved by the company's shareholders. Furthermore, the Executives' remunerations will be in accordance with the principles and policies as determined by the Board of Directors in which the consideration will be made based on duties, responsibilities, performance of each Executive and Company's operational performance.

5. Development of Directors and Executives

The Board of Directors has a policy to facilitate and support all parties related to corporate governance by providing knowledge and training. This policy also applied to Directors, audit committee, Executive and company secretary in order to maintain continuous improvement of their performance. The training includes courses provided by the Thai Institute of Directors (IOD), etc.

In 2022, The Board of Directors, Executive Committee, Management and Company Secretary to attend seminar as follow:

List	Position	Course/ Organized by
1. Mrs.Paktra Suriyapee	Director, Independent Director and Chairman of the Nomination and Compensation Committee	<ul style="list-style-type: none"> Board Nomination and Compensation Program (BNCP) Class 14/2022 By IOD
2. Mrs.Chirapan Khotcharit Choosang	Director, Risk Management Committee, Executive Committee and Deputy Managing Director Corporate Strategy Division	<ul style="list-style-type: none"> GROWTH MINDSET and 7 Dimension in Action By Dr. Taweewan Kamonbutr GROWTH MINDSET and Deep Listening By PK IEQ Center Co., Ltd Leading by Graphic Visualization By Tira
3. Mr.Suphot Leenanurak	Director, Risk Management Committee Executive Committee, Deputy Managing Director, Sales & Marketing Division	<ul style="list-style-type: none"> GROWTH MINDSET and 7 Dimension in Action By Dr. Taweewan Kamonbutr GROWTH MINDSET and Deep Listening By PK IEQ Center Co., Ltd
4. Mrs.Suveeraya Anasavananda	Executive Committee and Assistant Managing Director-Strategic Partner & Integrated Marketing Communication Division	<ul style="list-style-type: none"> GROWTH MINDSET and 7 Dimension in Action By Dr. Taweewan Kamonbutr GROWTH MINDSET and Deep Listening By PK IEQ Center Co., Ltd

List	Position	Course/ Organized by
5. Ms.Hatsaya Charuwittalyanan	Executive Committee and Assistant Managing Director-Operation support Division	<ul style="list-style-type: none"> English Course By Globish GROWTH MINDSET and 7 Dimension in Action By Dr. Taweewan Kamonbutr GROWTH MINDSET and Deep Listening By PK IEQ Center Co., Ltd Successful Formulation & Execution of Strategy By IOD Financial Statement for Director By IOD Director Accreditation Program By IOD Risk Management Program for Corporate Leaders By IOD
6. Ms.Preawnapa Nimma	Executive Committee and Factory Manager	<ul style="list-style-type: none"> GROWTH MINDSET and 7 Dimension in Action By Dr. Taweewan Kamonbutr GROWTH MINDSET and Deep Listening By PK IEQ Center Co., Ltd
7. Mr.Atid Tragoondet	Executive Committee and Accounting and Finance Director	<ul style="list-style-type: none"> GROWTH MINDSET and Deep Listening By PK IEQ Center Co., Ltd IT Governance and IT Risk Management 4.0 By Federation of Accounting Professions Fraud related to basic information technology By Federation of Accounting Professions
8. Ms.Panjaporn Roeksomboon	Company Secretary and Investor Relations Manager Department	<ul style="list-style-type: none"> Company Reporting Program - CRP 32/2022 By IOD Assessment of the Annual General Meeting of Shareholders "full intensity 100 GROWTH MINDSET and 7 Dimension in Action By Dr. Taweewan Kamonbutr GROWTH MINDSET and Deep Listening By PK IEQ Center Co., Ltd

Good Governance Assessment

The Company has a result of a good level for Corporate Governance Report of Thai Listed Companies (CGR) 2022. The report published by Thai Institute of Directors (IOD) which Thai Listed Companies attended 750

companies; SET Group 76% of companies and Mai Group 24% of companies. The Company was score 91% (Excellent level). The results as following.

Result (%)			
Year	Point of TACC	Level	Average point of Thai Listed Companies
2022	91%	 Excellent	84%
2021	90%	 Excellent	85%
2020	90%	 Excellent	83%
2019	88%	 Very Good	82%
2018	87%	 Very Good	81%
2017	79%	 Good	80%
2016	70%	 Good	78%

Annual General Meeting of Shareholders Assessment

The Company has a result of Annual General Meeting of Shareholders with the assessment point of 100 point (very good) which the AGM Checklist 2022 project

held by Thai Investors Association. The results as following.

Result (Total 100 Point)

Year	Point of TACC	Level	Average point of Thai Listed Companies
2022	100	Very Good	95.46
2021	100	Very Good	94.80
2020	100	Very Good	93.10
2019	99	Very Good	93.70
2018	97	Very Good	92.42
2017	98	Very Good	91.97
2016	97.25	Very Good	91.62

Self-Assessment of the Board of Director

As a Good Corporate Governance for Listed Companies which The Board of Directors shall conduct self-assessments of the Board of Directors, Subcommittee and individual Directors and of all established committees at least once a year, in order to use the assessment results for reviewing performances, problems or challenges experienced over the previous year. In 2022, the Company arranged for all the Directors to conduct 3 performance assessments, as follows:-

- 1) Self-assessment of the collective Board of Directors
- 2) Self-assessment of the Subcommittee (Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee)
- 3) Self-assessment of the Board of Directors and Subcommittee (individual)

Assessment Process and Criteria

At each year-end, the Company Secretary sends assessment forms to members of the Board and all committees. Directors, upon completing their annual self-assessments, shall return the forms to the Company Secretary or respective committee secretaries. Assessment results of each committee's annual performance are then summarized and reported to the Board of Directors for acknowledgement. The results are assessed in percentage terms based on the following criteria:-

- 0 = Strongly disagree or never conduct on such matter
- 1 = Disagree or seldom conducted on such matter
- 2 = Agree moderately conducted on such matter
- 3 = Quite agree or good conducted on such matter
- 4 = Strongly agree or excellent conducted on such matter

Assessment results of each committee can be summarized as follows:-

1. Self-assessment of the collective Board of Directors, Average score 3.87 was rated Good consisting of 4 sections, namely:-

Section	Topic	Average score
1	Structure and qualification of Board of Directors	3.88
2	Board of Directors Meeting	3.89
3	Roles, duties and responsibilities of the Board of Directors	3.81
4	Other	3.78

According to the assessment results, the overall performance of the collective Board of Directors on 4 sections was rated Good. The section with the highest average score was Section 1: Structure and qualification of Board of Directors while. The Board of Directors is

informed that the Board of Directors meeting is scheduled for each year in advance, and the Board of Directors is not involved in the transaction decision. The section with the lowest average score was Section 4, Other, Board of Directors' Self Development and Management Development.

2. Self-assessment of the Subcommittee (Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee) Average score 3.73 was rated Good consisting of 3 sections, namely:-

Section	Topic	Average score
1	Structure and qualification of Subcommittee	3.84
2	Subcommittee Meeting	3.79
3	Roles, duties and responsibilities of Subcommittee:	3.56

According to the assessment results, the overall performance of the Self-assessment of the Subcommittee on 3 sections was rated Good. The section with the highest average score was Section 1: Structure and qualification of Subcommittee, while the topics with highest score was The sub-committee consists of individuals who are knowledgeable, experienced and appropriate for performing effective charter duties. Each type of committee is suitable. The process of recruiting qualified persons to be small-set directors is transparent, fair and not within the influence of any individual And the determination of the number of registered companies for which each subcommittee member shall be a director of the listed company. The section with the lowest average score was Section 3: Roles, duties and responsibilities of Subcommittee are as follow:-

2.1 Audit Committee, Average score 3.48 was rated Good

The topics with highest score was review the Company's financial statements and ensure that the Company has accurate and reliable financial statements. Carry out legal and regulatory actions. Review good internal audit system, review connected transactions and conflicts of interest in accordance with the rules. The least points of interest are the opinion of the appointment of the internal audit lead.

2.2 Nomination and Compensation Committee, Average score 3.39 was rated Good

The topics with highest score was To determine the qualifications, directors or senior management to be selected in accordance with the rules and regulations of the business. To present the list to the Board for appropriate consideration. The subject to the lowest points is to plan for training and development of the committee on an ongoing basis.

2.3 Risk Management Committee, Average score 3.80 was rated Good

The topics with highest score was establish policies, acceptable risk levels, and the highest risk level that the organization will accept and cover all significant risks and that monitor, monitor, evaluate risk management in accordance with Company-defined Risk Management Policy, and the compliance with the rules prescribed by the Director, are not available at this time.

Executive Committee, Average score 3.61 was rated Good

The topics with highest score was monitors and tracks the company's performance against established goals, policies and business plans, and budgets, and ensures quality and efficiency of performance. Topics with the lowest average score are to consider management

proposals and propose goals, policies, and business plans. The Board of Directors shall consider and approve the organization structure suitable for the Company's operations. The Board of Directors shall consider and approve the operations which are normal transactions of the Company.

3. Self-assessment of the Board of Directors and Subcommittee (individual) Average score 3.68 was rated Good consisting of 3 sections, namely:-

Section	Topic	Average score
1	Structure and qualification of Board of Directors and Subcommittee (individual)	3.65
2	Board of Directors and Subcommittee (individual) Meeting	3.71
3	Roles, duties and responsibilities of Board of Directors and Subcommittee (individual)	3.68

According to the assessment results, the overall performance of the Self-assessment of the Board of Directors and Subcommittee (individual) on 3 sections was rated Good. The section with the highest average score was Section 2: Board of Directors and Subcommittee (individual) Meeting. The topics with highest score was section is that the director refrain from attending and abstain the program in which he or she has the interest. The category with the lowest average score is the structure and qualifications of the Board. While the topics with highest score was the Directors who have the qualifications, knowledge and experience to fit the business of the company.

Evaluated the performance of CEO

In year 2022, The Board of Director evaluated the performance of CEO. The evaluation topics are in accordance with the SET guidelines, consisting of 10 areas as follows:

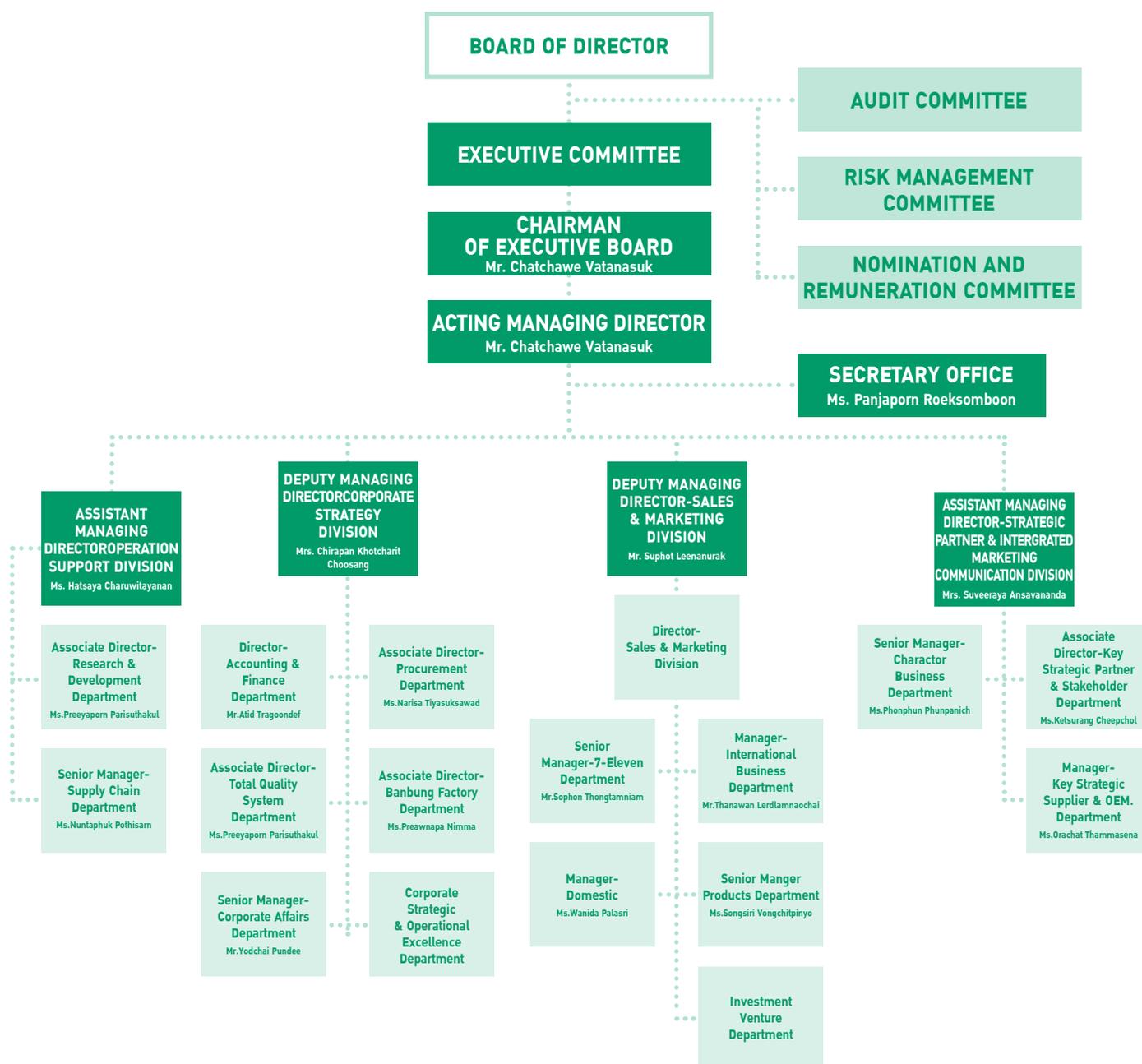
1. Leadership
2. Strategy formulation
3. Strategy implementation
4. Financial planning and performance
5. Relationship with the board
6. Relations with external parties
7. Administration and relations with personnel
8. Succession
9. Knowledge of products and services
10. Personal features

The overall performance evaluation of CEO was rated Good. The company is looking for new businesses that have the opportunity to generate revenue. The company has a good vision and knowledge of its strategic management capability. The organization is effective and understands the short-term and long-term strategy of its customers. The Company intends to evaluate the performance of the Chairman of the Board annually in accordance with good corporate governance principles. The next assessment of the performance of CEO will be in 2022.

Section 2 Corporate Governance

7. CORPORATE GOVERNANCE STRUCTURE AND IMPORTANT INFORMATION OF THE BOARD OF DIRECTORS, COMMITTEES, EXECUTIVE EMPLOYEES AND OTHERS

CORPORATE GOVERNANCE STRUCTURE



BOARD OF DIRECTORS

As at 31 December 2022, The Board of Directors has a total of 9 Directors consisted, which are as follow:

Name and Last name	Position
1. ADM Apichart Pengsritong	Chairman of the Board of Directors and Independent Director
2. Assoc.Prof.Kitti Siripullop	Chairman of the Audit Committee and Independent Director
3. Mrs. Paktra Suriyapee	Audit Committee and Independent Director
4. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director
5. Mr. Chanit Suwanparin	Director
6. Ms.Trithip Sivakriskul	Independent Director
7. Mr. Chatchawe Vatanasuk	Director
8. Mrs. Chirapan Khotcharit Choosang	Director
9. Mr. Suphot Leenanurak	Director

Board of Directors Structure

The Company has set in the Company's Articles of Association that the Board of Directors must consist of at least one Director 5 members and not less than half of the total number of Directors must reside in the Kingdom. The ratio of Independent Directors to total Directors 5 : 4 is 55.55% and the ratio of Non-Executive Directors to total directors 6 : 3 is 66.66%. The board of Directors consist of 3 women, equal 33.33%. There are diversity in the history of education, experience, without limiting any other differences. The Company has a Chairman of the Board

of Directors be a different person to the Chairman of the Executive Committee and be an independent Director.

Ms. Panjaporn Roeksomboon, act as the Company Secretary, who was appointed by the Board of Directors Meeting No. 2/2015 on 17 February 2015.

Authorized Director Signatory Representing the Company Mr. Chatchawe Vatanasuk signed together with Mrs. Chirapan Khotcharit Choosang, a total of 2 persons and affix the corporate seal.

Board Skills Matrix

list/ Specialized knowledge	retail business	International Business	Accounting & Finance	Marketing	Strategy/ Business Management/ Corporate Management	Human Resources	Military Security	Risk Management & Crisis
1. ADM Apichat Pengsritong					✓		✓	✓
2. Assoc. Prof.Kitti Siripullop			✓	✓	✓			✓
3. Mrs. Paktra Suriyapee					✓	✓		✓
4. Mr. Komsak Wattanasriroj			✓		✓			✓
5. Mr. Chanit Suwanparin	✓	✓		✓	✓	✓		✓
6. Ms. Trithip Sivakriskul	✓	✓	✓		✓			✓
7. Mr. Chatchawe Vatanasuk	✓	✓		✓	✓			✓
8. Mrs. Chirapan Khotcharit Choosang	✓	✓		✓	✓	✓		✓

list/ Specialized knowledge	retail business	International Business	Accounting & Finance	Marketing	Strategy/ Business Management/ Corporate Management	Human Resources	Military Security	Risk Management & Crisis
9. Mr. Suphot Leenanurak	✓	✓		✓	✓			✓
Total	5	5	3	5	9	3	1	9

AUDIT COMMITTEE

As at 31 December 2022, The Audit Committee consisted of 3 members, which are as follow:

Name and Last name	Position
1. Assco.Prof. Kitti Siripullop	Chairman of the Audit Committee and Independent Director
2. Mrs. Paktra Suriyapee	Audit Committee and Independent Director
3. Mr. Komsak Wattanasriroj	Audit Committee and Independent Director

Assoc.Prof. Kitti Siripullop and Mr. Komsak Wattanasriroj are the Audit Committee, who possess adequate knowledge and experience to perform duties in auditing the reliabilities of financial Statement.

Assoc.Prof. Kitti Siripullop, graduated with Master degree in Business Administration (Finance and Banking) from Chulalongkorn University, graduate with bachelor degree in Accounting (Second Class Honors) from Chulalongkorn University. He has appointed in accordance with the Board of Directors Meeting resolution No. 3/2017 on 14 June 2017.

Mr. Komsak Wattanasriroj graduated with master degree in business administration from Srinakharin Wirot University and Bachelor of Accounting from Ramkhamhaeng University. He has experienced in working as a chief Financial officer, Mono Technology Public Company Limited. Mr. Komsak Wattanasriroj were appointed in accordance with the Board of Directors Meeting resolution No. 6/2016 on 16 December 2016.

Ms. Panjaporn Roeksomboon is the Audit Committee Secretary, who was appointed by the Audit Committees Meeting No. 2/2015 on 14 May 2015.

NOMINATION AND COMPENSATION COMMITTEE

As at 31 December 2022, The Nomination and Compensation Committee consisted of 3 members, which are as follow:

Name and Last name	Position
1. Mrs. Paktra Suriyapee	Chairman Nomination and Compensation Committee
2. Mr. Komsak Wattanasriroj	Nomination and Compensation Committee
3. Mr. Chanit Suwanparin	Nomination and Compensation Committee

Ms. Panjaporn Roeksomboon is the Secretary of Nomination and Compensation Committee.

RISK MANAGEMENT COMMITTEE

As at 31 December 2022, The Risk Management Committee consisted of 5 members which are follow:

Name-Last name	Position
1. Mr. Komsak Wattanasriroj	Chairman of the Risk Management Committee
2. Mr. Chanit Suwanparin	Risk Management Committee
3. Ms. Trithip Sivakrskul	Risk Management Committee
4. Mrs. Chirapan Khotcharit Choosang	Risk Management Committee
5. Mr. Suphot Leenanurak	Risk Management Committee

Note: Risk Management Committee No.3 and No.5 appointed as the Director on 13 August 2021 onwards

Ms. Panjaporn Roeksomboon is the Secretary of Risk Management Committee

EXECUTIVE COMMITTEE

As at 31 December 2022, The Executive Committee consisted of 7 members which are follow:

Name-Last name	Position
1. Mr.Chatchawe Vatanasuk	Chairman of the Executive Committee
2. Mrs.Chirapan Khotcharit Choosang	Executive Committee
3. Mr.Suphot Leenanurak	Executive Committee
4. Mrs.Suveeraya Ansavananda	Executive Committee
5. Ms.Hatsaya Charuwitayanan	Executive Committee
6. Ms.Preawnapa Nimma	Executive Committee
7. Mr.Atid Tragoondet	Executive Committee

Note : Executive Committee no.7 appointed as the Director on 11 August 2022 onwards

Former Executive Committee resigned during the year 2022 as follow:

Name and Last name	Position
1. Ms.Parichat Chotipumivet	Executive Committee

Note : Ms.Parichat Chotipumivet has resigned from the Executive Committee on 18 June 2022.

RISK MANAGEMENT SUB COMMITTEE

As at 31 December 2022, The Company has Risk Management Sub Committee Consisted of 9 members, which are as follow:

Name and Last name	Position
1. Mr. Suphot Leenanurak	Chairman of Risk Management Sub Committee
2. Mrs. Chirapan Khotcharit Choosang	Vice Chairman of the Risk Management Sub Committee
3. Mrs. Suveeraya Ansavananda	Risk Management Sub Committee
4. Ms. Hatsaya Charuwitayanan	Risk Management Sub Committee
5. Mrs. Preawnapa Nimma	Risk Management Sub Committee
6. Mr. Yodchai pundee	Risk Management Sub Committee
7. Ms. Preeyaporn Parisuthakul	Risk Management Sub Committee
8. Ms. Nunthaphuk Phothisarn	Risk Management Sub Committee
9. Ms. Sunantinee Tueyot	Risk Management Sub Committee

Former Risk Management Sub Committee resigned during the year 2022 as follow:

Name and Last name	Position
1. Ms. Parichat Chotipumivet	Risk Management Sub Committee
2. Mr.Preecha Phinjrirapong	Risk Management Sub Committee

Note : 1) Ms. Parichat Chotipumivet has resigned from the Risk Management Sub Committee on 18 June 2022.
2) Mr.Preecha Phinjrirapong has resigned from the Risk Management Sub Committee on 1 December 2022.

MANAGEMENT

As at 31 December 2022, The Company has 5 Managements, which are as follow:

Name-Last name	Position
1. Mr. Chatchawe Vatanasuk	Chairman of the Executive Board and Acting Managing Director
2. Mrs. Chirapan Khotcharit Choosang	Deputy Managing Director, Corporate Strategy Division
3. Mr. Suphot Leenanurak	Deputy Managing Director, Sales & Marketing Division
4. Mrs.Suveeraya Ansavananda	Assistant Managing Director, Strategic Partner and Integrated Marketing Communication Division
5. Ms. Hatsaya Charuwitayanan	Assistant Managing Director, Operation Support Division

Note : "Executives" by the definition in the Declaration regarding the issuance and offering of the company's securities starting from the Managing Director, Vice President, Executive vice President by which the 4 Executives will be the Senior Manager level which is the same level as Senior Manager – Supply Chain. Moreover, this also include Accounting Manager and Financial Manager.

PERSONNEL

Number of Personnel

As at 31 December 2022, the Company has the total of 176 employees (exclude 5 Managements) by separated into the main field of work, which are as follow:

Department	No. of Employee (Person)		
	Full-Time Employee	Day Labor	Total
1. Procurement Division	4	-	4
2. Operation Support Division			
• Research and Development Department	23	-	23
• Supply Chain	10	-	10
3. Corporate Strategy Division			
• Total Quality System Department	7	-	7
• Corporate Affairs Department	14	-	14
• Accounting and Finance Department	8	-	8
• Corporate Strategy Business Department	-	-	-
4. Investment Venture Department	-	-	-
5. Strategic Partner and Integrated Marketing Communication			
• Character Business Department	3	-	3
• Key Strategic Supplier and OEM Department	1	-	1
6. Sales and Marketing Division			
• 7-Eleven Department	6	-	6
• Product Department	2	-	2
• International Business Department	2	-	2
• Domestic and Equipment Department	8	-	8
7. Secretary Office	4	-	4
8. Factory Division	51	33	84
Total	143	33	176

Significant Labor dispute for the part 3 years.

-None-

Employee Remuneration

Financial Remuneration

In 2021 and 2022, the Company paid remuneration to the employee (exclude Executives) at Baht 57.03 million and Baht 67.19 million respectively. The remuneration are the form of salary, commission, bonus, allowance, contribution to social security fund, contributions to provident fund and other welfare.

Personnel Development Policies

The Company recognized the importance of personnel within the organization therefore has established training and personnel development policy with the purpose to enhance knowledge, skills and expertise including the efficiency in performing task of all level of employee. Guest speakers from a well-known institute were invited to lecture and share more knowledge to employee. The Company regularly revised and improve training course to be up to date and appropriate. Training and personnel development

are directly considered as the supervisor responsibilities to plan and closely monitor the results of the employee development. The Company will thoroughly and fairly nurtures the employee career path by considering from the employee's level of knowledge, skills and competence. Moreover, the Company will consider sending employee and Executives in different field to participate in the trainings and seminars on subject related to job performance.

Number of average hour for Training of employee in the year 2022

Internal Training	Number of employee attend to tanning (person)	Training period (Hours)
1. Growth Mindset and 7 Dimension in action	110	1,760
2. Deep Listening	110	880
3. English for Business Communication& Writing	18	720
4. Food Safety System (T-CEFS)	30	630
5. sensory Assessment	30	480
6. Risk Management Project	24	72
7. Microbial Food Standards cause disease	3	18
8. High Pressure Processing : HPP	2	32
9. Techniques for preparation of receiving-payment documents with tax issues	2	11
10. PKG for Food Safety	2	32
11. Tips for preparing and presenting a simple cash flow statement	3	21
12. ISO9001:2015 internal audit	1	16
13. How to calculate nutrition labels	1	6
14. Brand Your Butterfly Workshop	1	64
15. Develop the potential of a professional strengths coach.	1	48
16. Professional Coaching Certification Program (PCCP 53)	1	32
17. PCQI Training: Preventive Controls for Human Food	1	24
18. Comprehensive Cost Accounting	2	24
19. Cash flow statement preparation and cash flow statement analysis	1	8
20. Essential knowledge for professional purchasers	1	7
Total		4,885

Note : the Company has 6 internal training course overall 4,542 hours, total 343 hours and 14 external training course, overall 1,919 hours.

Develop the Board of Directors and Executives

The Board of Directors continuously support and develop directors' knowledge, skills and enhance the view point which will help the directors to lead the organization in reaching the set goal; including new director orientation that provide knowledge and understanding of the role of responsibilities, nature of business and policies. The purpose of the orientation is for every employee to continuously develop and improve their performance as well as to appropriately adjust and utilize their knowledge to perform their task efficiently.

For the Board of Director and Management, the Company focuses in supporting and developing knowledge and skills of the Executives in different aspects, whether it's training or seminar. The Executives then can use such knowledge and skills to adjust and applied in their managing and developing the Company to grow sustainably. In 2022, there are Managements and Managers that training are as follow:

- Director Accreditation Program – DAP
- Successful Formulation & Execution of Strategy - SFE
- Financial Statements for Director – FSD
- Risk Management Program for Corporate Leaders – RCL
- Leading by Graphic Visualization
- IT Governance and IT Risk Management 4.0
- Information Technology Related Fraud Basics
- Supply Chain Management
- Engagement Mobile Application Assessment. To be able to measure the relationship between employees and the company, In order for the company to be able to understand and directly solve the problems of employees by reporting important information to the Executive Committee on a monthly basis. The project aims to make everyone work happily and make the job more effective as

Employees Treatment, compensation with appropriate welfare

The Company emphasize that employees are valuable resources for the success of the organization. Caused by the company having employees with knowledge and ability. So, to being ready for the body is healthy and healthy with morale and motivation to use

knowledge, ability to perform tasks for maximum efficiency and effectiveness. The Company believes in it and emphasize to the development and maintenance of the organization's resources seriously and continuously.

Providing fair returns

The Company regularly reviews the compensation and welfare allocation for employees. To ensure that the compensation of the Company at a level that is competitive in the same industry and in accordance with the Company's goals. The Company has a policy regarding progressing and developing employees according to the career path and having talent personnel planning and development for replacement and / or supporting the expansion of the Company.

Providing appropriate welfare for employees

Employees of the company also receive other benefits in order to reduce the cost of living, reduce worries and promote the welfare of the well-being of employees that cover the family of employees. Which will be beneficial to the operation and the life of the employees Classified into 8 types as follows.

- Benefit from grants such as grants for employees or parents and children of employee's religious donation Grants and other grants.
- Health and life insurance such as annual health check for employees as appropriate for each age and gender group health insurance and group accident insurance.
- Loan benefits such as loans for continuing education of employees necessary loans or emergencies, both personal and family of employees.
- Funds such as provident funds and social security compensation fund.
- Employee Joint Investment Program (EJIP)
- Cheerful Piggy Bank Project
- Welfare insurance for protection against the epidemic of COVID-19 and insurance for allergies against Covid-19 vaccines.
- Welfare benefits for working from home (WFH)

In 2022, the company has provided vaccination to prevent COVID-19 consisting of :

- AstraZeneca vaccine for 1st and 2nd doses received quota from the Social Security Office. both the head office and the factory.
- Sinophram vaccine for the 1st and 2nd doses purchased from Ramkhamhaeng Hospital. For employees and their families both the head office and the factory.
- Moderna vaccine for the 3rd dose purchased from the Bangpakok-Piyavet Hospital Group for employees and their families. both the head office and the factory.
- Moderna vaccine for the 4th dose purchased from the Piyavet Hospital for employees and their families. both the head office and the factory.
- The World Health Organization (WHO) four-strain flu vaccine to all employees. and place an air purifier in the office area.

Succession plan of senior Executives

The Company has assigned executives at similar levels or secondary levels to be the acting supervisors in such positions. Until recruiting, selecting and appointing according to the procedures set by the Nomination and Compensation Committee to ensure.

The Company has executives with knowledge, ability and experience sufficient to perform the following duties.

1) Nomination and Compensation Committee consider the knowledge, ability and experience of each position. In order to select executives with qualifications as specified can inherit the work of each position.

2) The Managing Director has evaluated the performance and knowledge of the qualified executives. An analysis of individual strength strengths of the

executives is organized in order to know the strengths or what is their true potential. In order to develop that ability

3) Assign the Corporate Affairs Manager take care of follow-up training and develop knowledge. The ability of the successor to the Managing Director.

4) Building Future Leader, To prepare for successor in middle term and long term. The Top Management 5 selected 15 people who participated in the project, divided into a group of 12 department managers and 3 other outstanding talents by teaching the whole brain thinking process.

Best Practice Guideline for Workplace Health & Safety During work

The Company realizes the importance of the safety and hygiene in the workplace. Safety is the key factor in stepping towards the Company's success, therefore safety activities along with productivity activities are promoted. The Company organizes and trained on the safety in workplace rules, fire prevention and suppression plan to be in comply with the related standard and laws. The Company as well monitor and evaluate the environment in workplace. Every employee cooperate in accordance to the safety and hygiene in workplace guidelines. Safety helps decrease loss, reduce production costs and reinforce the employee welfare; in order to develop into quality resources and effectively response to manufacturing policies. The Company has compile safety in work place manual to share knowledge and give advises on working safely guideline and raise awareness in safety that occurs to the employees.

In 2022, there was 1 accident from the work of the employee in the factory and the company headquarters as follow:

No.	Date	Accident natural	Cause	Sex	Injury	Treatment
1	04/07/2022	The lid of a small plastic bucket containing chemicals closed and hit the employee's upper arm.	Careless staff Can't open the lid of the tank until the lid is fixed. make the lid fall off	Female	There is pain in the shoulder where the bucket hits.	Take medication and stay at home for 2 days.

Policies or Guidelines that will not involve in violation of human rights

The Company respect and places great importance on human rights as well as treat employees equally and fairly; whether it is the differences in race, religion, gender or physical condition. The Company adheres to the Organizational Culture for employees to abide by as a guideline in performing task. The Organizational Culture will allow the employees to accept one another and work well together under happy working environment. The Company promotes its employee to participate in the activities that are useful and will benefit the society, both directly and indirectly.

Whistleblowing Policies

In order for the company to maintain Good Corporate Governance and to give the rights to all employees and all stakeholders to be able to report on fraud or corruption, report or launch complain on any malpractice concerning unlawful or unethical conduct or opinion on business operation. The Company provides channel to report on any illegal, deceptive conduct or corruption, through E-mail: whistleblower@tacconsumer.com Report of the unlawful or deceptive conduct, corruption and any suggestions will be taken into consideration and will proceed appropriately. Each case will be considered on a case-by-case basis and protection measures for complainant and whistleblowers are provided. The Company will effectively safeguard your information and will consider the safety of the whistleblowers as well as the cooperator in examining the truth. The company ensures that all related parties will not be effect by the whistleblowing act. (The more detail on topic Corporate Governance Section: The Role of Stakeholders)

Securities Trading and Usage of Inside Information Policies

The Company is committed to maintain good corporate governance and treating all stakeholders with transparency and fairness. Being the directors or executives may allow one to have access to the Company inside information which may affect the decision making in securities trading before outsider or other investors who may have no knowledge of such information. The Board of Directors has supervised the use of inside information in accordance with the law and good

corporate governance principles. Therefore, directors or executives of the Company should avoid trading company's securities that one holds the position of directors or executives. However, if one is to trade company's securities, one should perform with due care, by not using inside information that has not been disclosed in the Stock Exchange. Usage of inside information is considered as taking advantage of general investors and may be against the law as well. When the trading of securities have been made there should be a report of such trade and ensure that such act is in comply with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. In order to prevent the misuse of the Company's inside information and seek benefits for personal or others in a wrongful way, the Company has established principles and guidelines for directors, executives, employees and related parties to adhere to; which are as follow:

- 1) Directors and executives are prohibited from including employees who are in positions or departments responsible for internal information or can access internal information of the Company. (Including spouse/cohabiting couple and minor children) trading the company's securities within 1 month prior to disclosure of quarterly and annual financial statements.
In the past year 2022, the Company Secretary department will notify the relevant person via email of the back out period in advance and did not find that the Directors, Executives or relevant employees traded securities during the period specified by the company refrain from trading
- 2) Directors and Executives are responsible for the compilation and disclosure reports on securities holding submitted to the Stock Exchange of Thailand and the Securities and Exchange Commission as well as to deliver such reports to the company.
- 3) Directors and Executives must report any changes in the holding of securities to The Securities and Exchange Commission, Thailand under Section 59 of the Securities and Exchange Act BE 2535.
- 4) Directors and Executives have the duty to report the holding of securities and report of any changes in securities holding to the Board of Directors Meeting and to acknowledge the Board of every changes.

- 5) Directors and executives have the duty to compile and disseminate reports on conflict of interest to the Company.

Company Secretary

At the Board of Directors Meeting No. 2/2015 on 17th February 2015, The Board of Director has resolution to appoint Miss Panjaporn Roeksomboon as the Company Secretary in be in accordance with section 89/15 of the Securities and Exchange ACT B.E. 2535, revised by the Securities and Exchange Act (No. 4) BE 2551. In addition, the Board of Directors Meeting No. 5/2015 on 5th August 2015, has specified the Company Secretary duties and responsibilities, which are as follow:

- 1) Provide preliminary advice and recommendations to the Directors and Executives on being compliance with Company laws, requirements, rules and regulations as well as monitor to ensure the accurate and regular implementations.
- 2) Responsible for organizing the Board of Directors Meeting and Shareholders Meeting as well as supervise and coordinate to ensure the implementation of the resolution of the aforementioned meetings.
- 3) Supervised the disclosure of information and information technology report in the responsible to be in accordance with the regulations and the requirements of Stock Exchange of Thailand and The Capital Market Supervisory Board including relevant laws.
- 4) Compile and store the following documents
 - 4.1) Director Registration
 - 4.2) Notice of the Meeting of the Board of Director and Minutes of the Board of Directors meeting.
 - 4.3) Notice of meeting of Shareholders and the Minutes of the Shareholders Meeting.
 - 4.4) The Company Annual Report
 - 4.5) Report on conflict of interest of Executive Director
- 5) Performing other actions in line with the laws or the specified of the Notification of the Capital Market Supervisory Board.

Internal Audit

The Company assigns Mr. Thanabhat Wongwit, the position of Internal Auditor, to supervise the compliance with the regulations of the official units governing the Company's business operations with the qualifications of the person holding the position of internal auditor appears in attachment 3.

Investor Relations

The Company has established an Investor Relations unit responsible for disclosing information to shareholders, investors, and stock analysts through its website www.tacconsuner.com under the tab entitled Investor Relations. Which contain the information sent to the Stock Exchange of Thailand and the Securities and Exchange Commission, shareholders information, quarterly performance, corporate governance and stock price movement. The information is regularly updated to investor and interested person can access information quickly and equally. The information obtained from the Company is accurate, complete, transparent, and timely, Especially important information that may have an impact on the Company's stock price. Those who receive the information can use the information to make an investment decision more efficiently. Which will reflect the true value and suitable according to the situation in each period.

The Audit Fee

The Company has hired "EY Office Limited" as the Company's Auditor which has been approved by the Annual General Meeting of Shareholders for the year 2022 as an Independent Auditor reliable and has no relationship and/or Have interests in the Company, Directors, Executives, Major Shareholders or related persons

In this year, the Audit fee is paid to the Auditor or Auditing Company in the amount of 1,560,000 baht. The Company does not have any other service fees paid to the Auditor or the Auditing Company.

Section 2 Corporate Governance

8. REPORT OF SIGNIFICANT OPERATION OF THE CORPORATE GOVERNANCE

SUMMARY OF THE BOARD OF DIRECTORS' PERFORMANCE WITHIN THE PAST YEAR.

A table showing meeting attendance of the Board member in 2022

No.	Name	BOD ¹	AC ²	NC ³	RMC ⁴	AGM ⁵
1	ADM Apichart Pengsritong	5/5				1/1
2	Assoc.Prof.Kitti Siripullop	5/5	4/4			1/1
3	Mrs.Paktra Suriyapee	4/5	4/4	2/2		1/1
4	Mr.Komsak Wattanasriroj	5/5	4/4	2/2	2/2	1/1
5	Mr.Chanit Suwanparin	4/5		2/2	1/2	1/1
6	Ms.Trithip Sivakriskul	5/5			2/2	1/1
7	Mr.Chatchawe Vatanasuk	4/5				0/1
8	Mrs.Chirapan Khotcharit Choosang	5/5			2/2	1/1
9	Mr.Suphot Leenanurak	5/5			2/2	1/1
10	Ms.Parichat Chotipumiwet					1/1
Number of meeting attendees		9	3	3	5	9

1 Board of Director, "BOD" consists of 9 members.

With ADM Apichart Pengsritong as a Chairman of the Board of Directors.

2 Audit Committee, "AC" consists of 3 members.

Assoc.Prof.Kitti Siripullop as a Chairman of the Audit Committee.

3 Nomination and Compensation Committee, "NC" consists of 3 members.

With Mrs.Paktra Suriyapee as a Chairman of the Nomination and Compensation Committee.

4 Risk Management Committee, "RMC" consists of 5 members.

With Mr.Komsak Wattanasriroj as a Chairman of the Risk Management Committee.

5 2022 Annual General Meeting for the year, "AGM" was held of 21 April 2022

With ADM Apichart Pengsritong as a Chairman of the meeting.

Note : 1. The Board of Director meeting consist 1 time as a Non Executive Director meeting.

2. Director No.10 resigned from the Senior Manager Accounting and Finance Department, effective date 18 June 2022 onward.

Director and Executives Remuneration

Financial Remuneration

Directors Remuneration

The Company has set adjusting the Directors' Remuneration Policy annual 4 year. The Annual General Meeting of shareholders year 2022 on 21 April 2022 have

the resolution to determine the Directors remuneration for the year 2022, which are as follow:

1) Meeting Fee

Unit : Baht

Position	Meeting fee/person/times
Chairman of the Board of Director	38,000
Directors	31,000
Chairman of the Audit Committee	31,000
Audit Committee	25,000
Chairman of the Nomination and Compensation Committee and Committee	19,000
Nomination and Compensation Committee	12,000
Chairman of Risk Management Committee	10,000
Risk Management Committee	10,000

Note : 1) The remunerations will be paid only.

2) Directors who receive monthly salary as the employee of the Company and/or Subsidiaries will not be receive remuneration as the Board of Director.

In addition to the Directors' Remuneration of the above, Independent Directors and Non-Executive Directors also received remuneration in other benefits such as expenses for training courses of IOD and other. This is in accordance with the Company's regulations.

2) The Annual Incentive

The Company will pay The Annual Incentive to the Board of Directors and due to the consideration of appointing two additional new Directors, it is therefore appropriate to increase at the amount not exceed 2,500,000 million Baht. The Board of Director will consider and allocate as appropriate.

For the year 2022, the Company paid meeting fee to the Board of Directors according to the detail as follow

Unit: Baht

2022

No.	Name of Directors	Position	Meeting Fee				Total Remuneration	
			Director	Audit Committee	Nomination and Compensation Committee	Risk Management Committee		Incentive Bonus
1	Admiral Apichart Pengsritong	Chairman of the Board of Directors and Independent Director	190,000	-	-	-	530,000	720,000
2	Assoc.Prof. Kitti Siripullop	Chairman of the Audit Committee and Independent Director	155,000	124,000	-	-	450,000	729,000
3	Mrs.Paktra Suriyapee	Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee	155,000	100,000	38,000	-	400,000	693,000
4	Mr.Komsak Watanasriroj	Audit Committee, Independent Director, Nomination and Compensation Committee and Chairman of the Risk Management Committee	155,000	100,000	24,000	20,000	400,000	699,000
5	Mr.Chanit Suwanparin	Director, Nomination and Compensation Committee and Risk Management Committee	124,000	-	24,000	10,000	370,000	528,000
6	Ms.Trithip Sivakriskul	Independent Director and Risk Management Committee	155,000	-	-	20,000	350,000	525,000
7	Mr.Chatchawe Vatanasuk	Director	-	-	-	-	-	-
8	Mrs.Chirapan Khotcharit Choosang	Director and Risk Management Committee	-	-	-	-	-	-
9	Mr.Suphot Leenanurak	Director and Risk Management Committee	-	-	-	-	-	-
Total of Remuneration			934,000	324,000	86,000	50,000	2,500,000	3,894,000

Note : Director No.7-9 are Directors that received monthly salary as the Company employee, thus did not receive remuneration as a Directors.

Management Remuneration

In 2021 and 2022, the Company paid remuneration to the Management at the amount of Baht 54.83 million and Baht 67.08 million, respectively. Such remuneration includes salary, bonus and contribution to provident fund

Year	No. of Executives (Person)	Remuneration (Baht)
2021	13	54,826,903.31
2022	17	67,083,166.88

Note : Number of Managements in the table included Mr.Chatchawe Vatanasuk, Chairman of the Executive Committee.

Other Remuneration

-None-

Section 2 Corporate Governance

9. INTERNAL CONTROL AND RELATED TRANSACTIONS

INTERNAL CONTROL AND RISK MANAGEMENT

The Company has managements align with Good Corporate Governance, Risk Management and Internal Control to achieve business operation properly and efficiently. The efficiency internal control is an important management tools to the Company goals. The procedures are aligned with the internal integrated framework of the Committee of Sponsoring Organization of the Treadway Commission (COSO) to apply in operations management. The Audit Committee has evaluate the sufficient of 2021 Company's internal control system by making inquiries from the executive division and summarized the evaluation of the Company's internal control system into 5 different aspects, as follow:

1. Control Environment

- The Company has established clear vision, mission and purpose as a practice for the Management and employees of all levels, as well as setting Key Performance Indicators (KPIs) with Individual KPIs and Corporate KPIs. In this year, The Company used key competency of employee in a part of implementation and monitoring of results against the targets to ensure accomplishment of goal.
- The Board of Directors consists of 57.14 Independent Directors which allow independence from management in assessment and decision making for effective internal control.
- The Company has set corporate governance structure include Board of Directors and Sub Committee such as Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee. The Director has responsibility to shareholders for operation business and corporate governance for management in line

with the target for the best benefit of the shareholders. There are scope of good ethic and social responsibility. Moreover, The Company emphasize with the development of Good Corporate Governance continuously. In this year, There are received Corporate Governance Report of Thai was a excellent score continuously from previous year.

- The Company has an organization structure by a focusing on effective internal control. By dividing the chain and appropriate function, each function its own Top Management and regularly review the reporting organizational structure to alight with the Company's strategy and operation plan.
- The Company has define code of conducts and business ethics for the Directors and employees as practice guidelines. Which The document has been made for employees to sign the annual acknowledgment of the code of conduct and business ethics.
- The Board of Directors and Management recognize the importance of the employee that are precious resources of the organization. The Company has promoted the development, The annual internal and external training plan and consider revenue, welfare of their employees appropriately.

2. Risk Assessment

- The Company has appointed Risk Management Committee and Risk Management Sub Committee The strategy for risk management is in place to manage risk in line with Business plan and objectives of the organization. Especially, The key risk as the corporate level and report key risk indicator of all department in the Risk Management Sub-Committee meeting per quarterly.

- The Company has identifies risks that may affect the business operation which control, monitor, check and evaluated risk management and submit to approve from the Risk Management Committee and Board of Directors.
- Epidemic of Covid-19 as a external factor impact to the Company. In this year, The Company has arrange the meeting together with all department prepare The Covid-19 Impact Assessment and overall of the Company to risk assessment and prepare for the future situation and the overall aspect of the organization continuously from the previous year to assess the risks view business trends and directions and be prepared for future situations.
- The Company is committed to continually developing and inventing good quality products and pay more attention to product research and development. The RD department is considered the heart of the organization. There is an investment in a team of knowledgeable personnel. Diversity in beverage product development and RD Lab with a wide range of tools and equipment of international standards. This year, the Company received the Superior Taste Award from the International Taste Institute, Belgium continuously previous year. It is the international leader in the evaluation and certification of food and beverage flavors. Which is considered a prestigious global standard award

3. Control Activities

- The Board of Director has appointed Sub Committee 4 Committee include Audit Committee, Nomination and Compensation Committee, Risk Management Committee and Executive Committee. Which all Sub Committee are perform under Scope, Authority and function to the control operate of management. Moreover, the Audit Committee to consider review and approve audit plan of the year and reviewed that the company has an appropriate and efficient internal control system to cover all process of operate has high risk.
- The Company has set up a policy for control a management system from procedure and work instruction of each party. There is always a review and set up authorization approval for the management to appropriate operations.
- The Company has implemented and maintained Business Continuity Plan including the event of an uncontrollable emergency situation to ensure continuous business operation.

4. Information & Communication

- The Company has implemented efficient information system. Which to be accurate, complete and timely to support the business operations. Including systematic and easy to find information.
- The Company has arrange channels of internal communication (Intranet) through the intranet system such as policy, working regulations, knowledge base, activity and news.
- The Company has set whistle blower procedures to corporate communication to all employee and external communicated through the Company's website by to be inform whistleblower@tacconsumer.com
- The Company has procedure of corporate communication and reviewed annual year with cover internal communication and external communication. As well as stakeholder group of the company such as Director, Management, Customer, Consumer and Investor etc.

- The prior to a scheduled committee meeting, each committee members will receive an invitation to meeting and supplements containing necessary and sufficient information in a timely manner. Even during the epidemic situation of COVID-19 the meeting is still being conducted online under the specified rules. In addition meeting minutes will be recorded for reference and auditing.

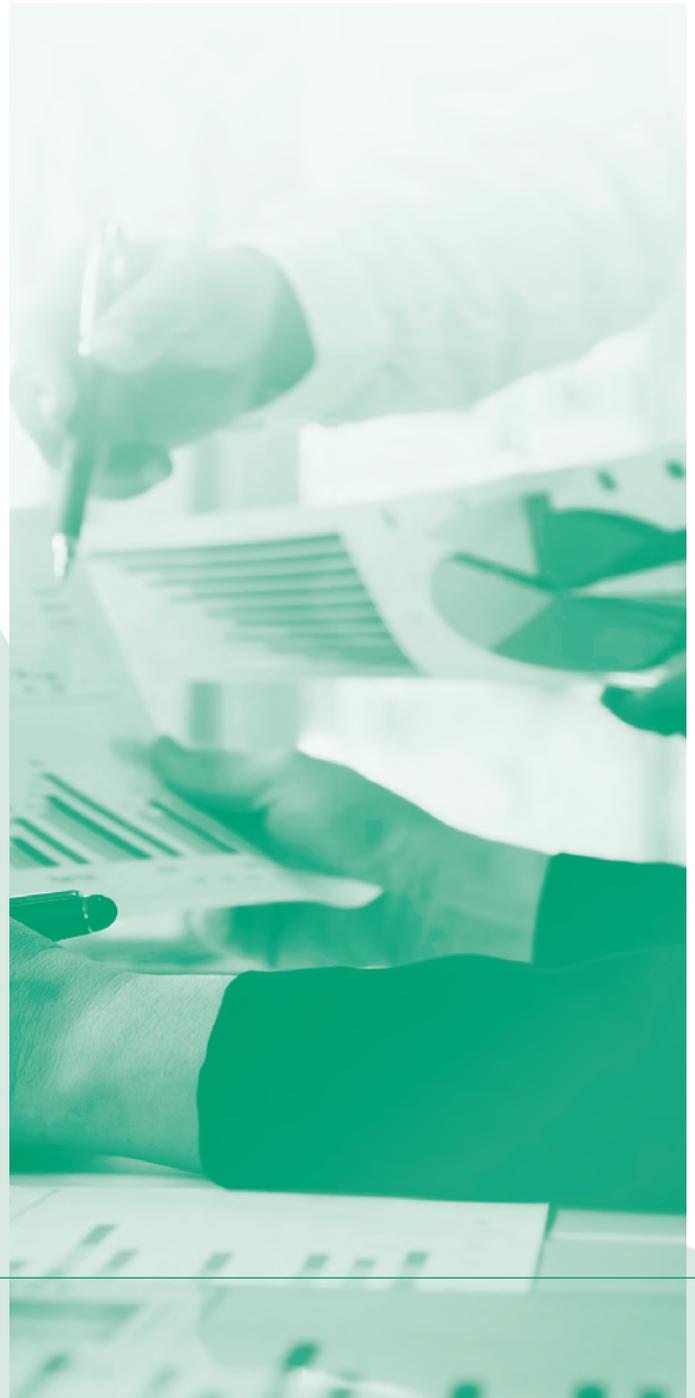
5. Monitoring Activities

- The Company has nominated EY office Limited, an independent auditor, to be an external auditor for the quarterly and financial year 2020 which reporting informed to the Audit Committee. In this regard, it has opined that there was no n this regard, it has opined that there was no material deficiency in the Company's internal control system.
- P&L Internal Audit Company Limited was hired to audit internal control system since 2014 up to present, in order for the Company's internal control system to be efficient. P&L internal Audit Company Limited has appointed Mr.Thanapat Vongwit, with the position of Assistant Vice President, to act as an internal audit supervisor. The aforementioned internal auditor continuously and quarterly compiled report on Company's assessment results and audit the internal control system then directly presents the report to the audit committee to acknowledge. The Company has invariably adjusted and improved performance system of different departments in accordance with the internal auditor's suggestions. The Company aims to continuously hire an outsource internal auditors to ensure the efficiency of the Company's internal control system.
- The Company has assessed its internal control system in 2020 using the guidelines from the Securities and Exchange Commission (SEC) and reported the assessment results to the Audit Committee.
- The Audit committee is responsible for reviewing to ensure that the Company has appropriate and effective internal control system and internal audit, along with reviewing the Company's performance to be in line with the laws on Securities and Stock Exchange and laws related to the Company's business operation. The Audit committee shall set a meeting at least every quarter to consider and implement accurate financial report. Furthermore, to disclose adequate and complete information, as well as considered related transactions or transactions that might have conflict of interest, in accordance with the laws and regulation of the Capital Market Supervisory Board and the stock Exchange. The auditors will join the meeting to provide audit observations.

RELATED TRANSACTIONS

- There are no related transactions as of December 31, 2022.
- For the year 2022, the Company has no financial support items for non subsidiary Companies and no credit guarantee Hems for non subsidiary companies.

FINANCIAL STATEMENTS



Section 3 Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of T.A.C. Consumer Public Company Limited

Opinion

I have audited the accompanying statement of financial position, in which the equity method is applied, of T.A.C. Consumer Public Company Limited (the Company), as at 31 December 2022, and the related statements of comprehensive income, changes in shareholders' equity and cash flows, in which the equity method is applied, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of T.A.C. Consumer Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of T.A.C. Consumer Public Company Limited as at 31 December 2022, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that 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 judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for this matter are described below.

Revenue recognition

Sales are significant accounting transactions as the volume of transactions and the amounts recognised in each period are material and directly affect profit or loss of the Company. In addition, the Company's sales transactions are made with local and overseas customers and there is a variety of arrangements and conditions, pertaining to matters such as sales promotions, discounts and special discounts to boost sales. As a result, the Company's recognition of revenue from sales regarding sale promotions and discounts are complex. I therefore focused my audit on the revenue recognition of the Company.

I examined the Company's revenue recognition by assessing and testing the Company's internal controls with respect to the revenue cycle by making inquiries of responsible executives, gaining an understating of the controls and selecting representative samples to test the operation of the designed controls. In addition, I applied a sampling method to select sales transactions occurring during the year and near the end of the accounting period to examine the supporting documents and reviewed credit notes that the Company issued after the period-end. I also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

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

My opinion on the 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 financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Company, 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 Thai Financial Reporting Standards, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company 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 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 entity or business activities within the Group to express an opinion on the financial statements, in which the equity method is applied. 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 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.

I am responsible for the audit resulting in this independent auditor's report.

S. Ratananurak

Satida Ratananurak
Certified Public Accountant (Thailand) No. 4753
EY Office Limited
Bangkok: 23 February 2023

Section 3 Financial Statements

STATEMENT OF FINANCIAL POSITION

T.A.C. Consumer Public Company Limited

As at 31 December 2022

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2022	2021	2022	2021
Assets					
Current assets					
Cash and cash equivalents	7	150,803,618	136,499,407	150,803,618	136,499,407
Trade and other receivables	8	310,089,118	261,803,433	310,089,118	261,803,433
Inventories	9	50,334,145	57,215,274	50,334,145	57,215,274
Other current financial assets	10	504,148,584	446,629,901	504,148,584	446,629,901
Other current assets		5,899,792	2,454,126	5,899,792	2,454,126
Total current assets		1,021,275,257	904,602,141	1,021,275,257	904,602,141
Non-current assets					
Investment in associate	11	27,251,710	28,616,337	30,000,000	30,000,000
Property, plant and equipment	12	93,931,629	90,556,496	93,931,629	90,556,496
Right-of-use assets	13	18,648,945	22,419,853	18,648,945	22,419,853
Intangible assets	14	225,342	992,838	225,342	992,838
Deferred tax assets	21	12,866,315	13,116,058	12,866,315	13,116,058
Other non-current financial assets		4,501,597	4,305,000	4,501,597	4,305,000
Total non-current assets		157,425,538	160,006,582	160,173,828	161,390,245
Total assets		1,178,700,795	1,064,608,723	1,181,449,085	1,065,992,386

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

Section 3 Financial Statements

STATEMENT OF FINANCIAL POSITION (CONTINUED)

T.A.C. Consumer Public Company Limited

As at 31 December 2022

		(Unit: Baht)			
		Financial statements in which the equity method is applied		Separate financial statements	
	Note	2022	2021	2022	2021
Liabilities and shareholders' equity					
Current liabilities					
Short-term loan from financial institution	16	30,000,000	-	30,000,000	-
Trade and other payables	17	299,624,135	236,397,257	299,624,135	236,397,257
Advance received from customers		6,227,659	5,706,996	6,227,659	5,706,996
Current portion of lease liabilities	13	6,466,365	5,625,384	6,466,365	5,625,384
Income tax payable		28,765,685	31,636,732	28,765,685	31,636,732
Other current liabilities		6,097,839	6,495,596	6,097,839	6,495,596
Total current liabilities		377,181,683	285,861,965	377,181,683	285,861,965
Non-current liabilities					
Lease liabilities, net of current portion	13	11,898,795	14,957,681	11,898,795	14,957,681
Provision for long-term employee benefit	18	26,726,358	21,359,031	26,726,358	21,359,031
Total non-current liabilities		38,625,153	36,316,712	38,625,153	36,316,712
Total liabilities		415,806,836	322,178,677	415,806,836	322,178,677
Shareholders' equity					
Share capital					
Registered					
608,000,000 ordinary shares of Baht 0.25 each					
		152,000,000	152,000,000	152,000,000	152,000,000
Issued and fully paid up					
608,000,000 ordinary shares of Baht 0.25 each					
		152,000,000	152,000,000	152,000,000	152,000,000
Share premium		426,988,701	426,988,701	426,988,701	426,988,701
Retained earnings					
Appropriated - statutory reserve					
	19	15,200,000	15,200,000	15,200,000	15,200,000
Unappropriated					
		168,705,258	148,241,345	171,453,548	149,625,008
Total shareholders' equity		762,893,959	742,430,046	765,642,249	743,813,709
Total liabilities and shareholders' equity		1,178,700,795	1,064,608,723	1,181,449,085	1,065,992,386

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

Section 3 Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2022

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Sales and service income		1,523,340,067	1,341,141,236	1,523,340,067	1,341,141,236
Gain on exchange		3,790,299	7,033,233	3,790,299	7,033,233
Other income		9,243,841	4,734,336	9,243,841	4,734,336
Total revenues		<u>1,536,374,207</u>	<u>1,352,908,805</u>	<u>1,536,374,207</u>	<u>1,352,908,805</u>
Expenses	20				
Cost of sales and services		987,100,785	831,254,537	987,100,785	831,254,537
Selling and distribution expenses		169,469,738	164,305,910	169,469,738	164,305,910
Administrative expenses		83,556,196	88,058,638	83,556,196	88,058,638
Total expenses		<u>1,240,126,719</u>	<u>1,083,619,085</u>	<u>1,240,126,719</u>	<u>1,083,619,085</u>
Operating profit		296,247,488	269,289,720	296,247,488	269,289,720
Share of loss from investment					
in associate	11	(1,364,627)	(1,383,663)	-	-
Finance income		844,282	607,965	844,282	607,965
Finance cost		(1,152,477)	(1,076,888)	(1,152,477)	(1,076,888)
Profit before income tax expenses		294,574,666	267,437,134	295,939,293	268,820,797
Income tax expenses	21	(59,421,702)	(53,197,775)	(59,421,702)	(53,197,775)
Profit for the year		<u>235,152,964</u>	<u>214,239,359</u>	<u>236,517,591</u>	<u>215,623,022</u>

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

Section 3 Financial Statements

STATEMENT OF COMPREHENSIVE INCOME (CON'T)

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2022

		(Unit: Baht)			
		Financial statements in which the equity method is applied		Separate financial statements	
Note	2022	2021	2022	2021	
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss	18	(2,404,685)	-	(2,404,685)	-
Less: Income tax effect	21	480,937	-	480,937	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>					
		(1,923,748)	-	(1,923,748)	-
Other comprehensive income for the year		(1,923,748)	-	(1,923,748)	-
Total comprehensive income for the year		<u>233,229,216</u>	<u>214,239,359</u>	<u>234,593,843</u>	<u>215,623,022</u>
Basic earnings per share					
Profit for the year	22	<u>0.39</u>	<u>0.35</u>	<u>0.39</u>	<u>0.35</u>
Weighted average number of ordinary shares (shares)					
		<u>608,000,000</u>	<u>608,000,000</u>	<u>608,000,000</u>	<u>608,000,000</u>

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

Section 3 Financial Statements

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2022

(Unit: Baht)

	Financial statements in which the equity method is applied				Total
	Issued and paid up share capital	Share premium	Retained earnings Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2021	152,000,000	426,988,701	15,200,000	128,499,687	722,688,388
Profit for the year	-	-	-	214,239,359	214,239,359
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	214,239,359	214,239,359
Dividend paid (Note 25)	-	-	-	(194,497,701)	(194,497,701)
Balance as at 31 December 2021	<u>152,000,000</u>	<u>426,988,701</u>	<u>15,200,000</u>	<u>148,241,345</u>	<u>742,430,046</u>
Balance as at 1 January 2022	152,000,000	426,988,701	15,200,000	148,241,345	742,430,046
Profit for the year	-	-	-	235,152,964	235,152,964
Other comprehensive income for the year	-	-	-	(1,923,748)	(1,923,748)
Total comprehensive income for the year	-	-	-	233,229,216	233,229,216
Dividend paid (Note 25)	-	-	-	(212,765,303)	(212,765,303)
Balance as at 31 December 2022	<u>152,000,000</u>	<u>426,988,701</u>	<u>15,200,000</u>	<u>168,705,258</u>	<u>762,893,959</u>

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

Section 3 Financial Statements

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2022

(Unit: Baht)

	Separate financial statements				
	Issued and paid up share capital	Share premium	Retained earnings		Total
			Appropriated – statutory reserve	Unappropriated	
Balance as at 1 January 2021	152,000,000	426,988,701	15,200,000	128,499,687	722,688,388
Profit for the year	-	-	-	215,623,022	215,623,022
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	215,623,022	215,623,022
Dividend paid (Note 25)	-	-	-	(194,497,701)	(194,497,701)
Balance as at 31 December 2021	<u>152,000,000</u>	<u>426,988,701</u>	<u>15,200,000</u>	<u>149,625,008</u>	<u>743,813,709</u>
Balance as at 1 January 2022	152,000,000	426,988,701	15,200,000	149,625,008	743,813,709
Profit for the year	-	-	-	236,517,591	236,517,591
Other comprehensive income for the year	-	-	-	(1,923,748)	(1,923,748)
Total comprehensive income for the year	-	-	-	234,593,843	234,593,843
Dividend paid (Note 25)	-	-	-	(212,765,303)	(212,765,303)
Balance as at 31 December 2022	<u>152,000,000</u>	<u>426,988,701</u>	<u>15,200,000</u>	<u>171,453,548</u>	<u>765,642,249</u>

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

Section 3 Financial Statements

CASH FLOW STATEMENT

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2022

(Unit: Baht)

	Financial statements in which		Separate financial statements	
	the equity method is applied			
	2022	2021	2022	2021
Cash flows from operating activities				
Profit before tax	294,574,666	267,437,134	295,939,293	268,820,797
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	21,780,847	23,810,908	21,780,847	23,810,908
Increase in allowance for expected credit losses	1,484,332	94,055	1,484,332	94,055
Reduction of inventories to net realisable value (reversal)	(3,190,563)	1,063,081	(3,190,563)	1,063,081
Share of loss from investments in associate	1,364,627	1,383,663	-	-
Gain on sales of other current financial assets	(6,208,273)	(1,101,021)	(6,208,273)	(1,101,021)
Gain on fair value adjustment of other current financial assets	-1,240,823	(6,480,659)	-1,240,823	(6,480,659)
(Gain) loss on disposals and write-off of equipment and intangible assets	696,614	(6,519)	696,614	(6,519)
Allowance for impairment loss on equipment	-	6,184,579	-	6,184,579
Provision for long-term employee benefits	2,962,642	3,016,158	2,962,642	3,016,158
Unrealised gain on exchange	(58,983)	(2,020,198)	(58,983)	(2,020,198)
Finance income	(844,282)	-607,965	(844,282)	-607,965
Finance cost	1,152,477	1,076,888	1,152,477	1,076,888
Profit from operating activities before changes in operating assets and liabilities	312,473,281	293,850,104	312,473,281	293,850,104
Operating assets decrease (increase):				
Trade and other receivables	-49,639,032	(20,520,034)	-49,639,032	(20,520,034)
Inventories	10,071,692	(23,358,251)	10,071,692	(23,358,251)
Other current assets	-3,445,666	410,393	-3,445,666	410,393
Other non-current financial assets	-196,597	(23,800)	-196,597	(23,800)
Operating liabilities increase (decrease):				
Trade and other payables	63,212,300	21,128,412	63,212,300	21,128,412
Advance received from customers	520,663	419,255	520,663	419,255
Other current liabilities	(397,757)	173,792	(397,757)	173,792
Cash from operating activities	332,598,884	272,079,871	332,598,884	272,079,871
Cash paid for long-term employee benefits	-	(289,428)	-	(289,428)
Interest received	772,280	866,721	772,280	866,721
Corporate income tax paid	-61,562,069	(49,627,540)	-61,562,069	(49,627,540)
Net cash from operating activities	271,809,095	223,029,624	271,809,095	223,029,624

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

Section 3 Financial Statements

CASH FLOW STATEMENT (CON'T)

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2022

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
Cash flows from investing activities				
Increase in investments in associate	-	(30,000,000)	-	(30,000,000)
Cash paid for purchase of other current financial assets	(1,544,208,753)	(1,362,248,659)	(1,544,208,753)	(1,362,248,659)
Proceed from sales of other current financial assets	1,494,139,166	1,321,671,877	1,494,139,166	1,321,671,877
Acquisitions of plant and equipment	(18,102,636)	(16,450,660)	(18,102,636)	(16,450,660)
Proceeds from disposals of equipment	1,099,265	6,556	1,099,265	6,556
Increase in intangible assets	(146,649)	(1,005,300)	(146,649)	(1,005,300)
Net cash used in investing activities	(67,219,607)	(88,026,186)	(67,219,607)	(88,026,186)
Cash flows from financing activities				
Cash received from short-term loan from financial institution	30,000,000	-	30,000,000	-
Repayments of lease liabilities	(7,534,552)	(8,411,027)	(7,534,552)	(8,411,027)
Dividend paid	(212,750,725)	(193,659,429)	(212,750,725)	(193,659,429)
Net cash used in financing activities	(190,285,277)	(202,070,456)	(190,285,277)	(202,070,456)
Net increase (decrease) in cash and cash equivalents	14,304,211	(67,067,018)	14,304,211	(67,067,018)
Cash and cash equivalents at beginning of year	136,499,407	203,566,425	136,499,407	203,566,425
Cash and cash equivalents at end of year (Note 7)	150,803,618	136,499,407	150,803,618	136,499,407
Supplemental cash flows information				
Non-cash transactions				
Acquisition of right-of-use assets under lease contracts	3,852,014	7,262,165	3,852,014	7,262,165
Transfer right-of-use assets to equipment	1,202,354	-	1,202,354	-
Dividend payable	852,850	838,272	852,850	838,272

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

Section 3 Financial Statements

NOTES TO FINANCIAL STATEMENTS

T.A.C. Consumer Public Company Limited

For the year ended 31 December 2022

1. General information

T.A.C. Consumer Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of beverage. The registered office of the Company is at 9/231-233, 23rd Floor, UM Tower, Ramkhamhaeng Road, Suanluang, Bangkok, and its branch address is at 99/112 and 99/114, Moo 1, Nongbondaeng, Banbueng, Chonburi.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 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 Company's financial statements.

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2023

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 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 providing accounting guidance for users of the standards.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

a) Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting goods returns, discounts and allowances.

When a contract provided a customer with a right to return the goods within a specified period, the Company recognises the amount ultimately expected they will have to return to customers as a refund liability and recognises the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The right of return asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

b) License fee

Revenue from license of cartoon character is recognised systematically over the contract period.

The obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position, which is recognised as revenue when the Company performs under the contract.

c) Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

d) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and net realisable value. Cost of finished goods and work in process comprises all production costs and attributable factory overhead.

Raw materials and packing materials are charged to production costs whenever consumed.

The net realisable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.4 Investment in associate

Investment in associate is accounted for in the financial statements in which the equity is applied method using the equity method.

Investment in associate is accounted for in the separate financial statements using the cost method.

4.5 Property, plant and equipment and depreciation

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

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

Building	-	20 years
Building improvement	-	3 - 20 years
Machinery and plant equipment	-	5 - 10 years
Furniture and office equipment	-	3 - 5 years
Selling tools and equipment	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.7 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years

4.8 Leases

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

The Company as lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building and building improvement	5 - 8 years
Machinery plant and equipment	3 - 10 years
Furniture and office equipment	3 - 5 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.9 Related party transactions

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

They also include associates, and individuals or enterprises 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.

4.10 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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 recognised in the profit or loss.

In the assessment of asset impairment if there is any indication that the previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised in the profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its 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 Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

4.13 Provisions

Provisions are recognised when the Company 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.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable 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

Deferred income tax is provided 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 Company recognises deferred tax liabilities for all taxable temporary differences while it recognises 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 Company reviews and reduces 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 Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and 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.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

At initial recognition the Company’s financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Regular way purchases and sales of financial assets

Regular way purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the date on which the Company commits to purchase or sell the asset / the settlement date, i.e., the date on which an asset is delivered.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.16 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques that are appropriate in the circumstances and maximises 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 categorised 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 determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Reduction of inventories to net realisable value

In determining the net realisable value of inventories, the management needs to make judgement and estimates of loss that may be incurred from substandard or deteriorated inventories, and the effect from the reduction of the selling price of inventories.

Property, plant and equipment and depreciation

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

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

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.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

Directors and management's benefits

During the years ended 31 December 2022 and 2021, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	48.3	45.9
Post-employment benefits	3.0	2.9
Total	<u>51.3</u>	<u>48.8</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Cash	20	20
Bank deposits	150,784	136,467
Cash in private fund	-	12
Total cash and cash equivalents	<u>150,804</u>	<u>136,499</u>

As at 31 December 2022, bank deposits in savings carried interests between 0.04 and 0.30 percent per annum (2021: between 0.04 and 0.13 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
<u>Trade accounts receivable - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	292,769	256,432
Past due		
Up to 3 months	14,631	3,806
3 - 6 months	539	622
6 - 12 months	1,092	425
Over 12 months	524	220
Total	309,555	261,505
Less: Allowance for expected credit losses	(1,668)	(227)
Total trade accounts receivable - unrelated parties - net	307,887	261,278
<u>Other receivables</u>		
Other receivables - unrelated parties	2,294	645
Less: Allowance for expected credit losses	(224)	(181)
Total other receivables - unrelated parties - net	2,070	464
Interest receivable	132	61
Total other receivables - net	2,202	525
Total trade and other receivables - net	310,089	261,803

Set out below is the movements in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Beginning balance	408	314
Increase in allowance for expected credit losses	1,484	94
Ending balance	1,892	408

9. Inventories

(Unit: Thousand Baht)

	Cost		Reduce cost to net realisable value		Inventories - net	
	2022	2021	2022	2021	2022	2021
Finished goods	47,077	59,417	(12,261)	(15,033)	34,816	44,384
Work in process	987	259	-	-	987	259
Raw and packing materials	16,419	14,720	(1,888)	(2,307)	14,531	12,413
Goods in transit	-	159	-	-	-	159
Total inventories	64,483	74,555	(14,149)	(17,340)	50,334	57,215

During the current year, the Company reduced cost of inventories by Baht 1.6 million (2021: Baht 1.1 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Company reversed the write-down of cost of inventories by Baht 4.8 million (2021: None) and reduced the amount of inventories recognised as expenses.

10. Other current financial assets

As at 31 December 2022 and 2021, other current financial assets consisted of the following:

(Unit: Thousand Baht)

	2022	2021
Fixed deposits at amortised cost	62,858	62,650
Debt instrument at fair value through profit or loss		
Investments in mutual fund	441,290	383,980
Total other current financial assets	504,148	446,630

The Company had set up a private fund for its investments which is managed by an asset management company. The investments include convertible bonds and trust securities of foreign companies or corporates.

As at 31 December 2022, the Company assessed the fair value of such investments by referring to the value quoted by the asset management company in which the fair value increased Baht 1.2 million. The change in the fair value of such securities is included in profit or loss in the statement of comprehensive income.

11. Investment in associate

11.1 Details of associate

Company's name	Nature of business	Country of incorporation	Shareholding percentage		(Unit: Thousand Baht)			
					Investment			
					Financial statements in which the equity method is applied		Separate financial statements in which the cost method is applied	
2022	2021	2022	2021	2022	2021			
Thai Canatech Innovation Company Limited	Manufacture and distribute herbal extracts	Thailand	30	30	27,252	28,616	30,000	30,000
Total					27,252	28,616	30,000	30,000

11.2 Share of loss from investment in associate

During the year ended 31 December 2022, the Company recognised its share of loss from investment in associate of Baht 1.4 million (2021: Baht 1.4 million) in the financial statements in which the equity method is applied.

11.3 Summarised financial information about associate

Summarised information about financial position

	(Unit: Million Baht)	
	2022	2021
Thai Canatech Innovation Company Limited		
Non-current assets	9	14
Current liabilities	2	2
Net assets	7	12
Shareholding percentage (%)	30	30
Share of net assets	2	4
Intangible assets from business acquisition	25	25
Carrying amounts of associate based on equity method	27	29

Summarised information about comprehensive income

	(Unit: Million Baht)	
	2022	2021
Thai Canatech Innovation Company Limited		
Selling expenses	-	1
Administrative expenses	5	4
Loss	5	5
Total comprehensive income	5	5

12. Property, plant and equipment

(Unit: Thousand Baht)

	Land	Buildings and building improvement	Machinery and plant equipment	Furniture and office equipment	Selling tools and equipment	Motor vehicles	Assets under installation	Total
Cost								
1 January 2021	25,578	45,565	16,905	18,879	48,634	6,186	14,346	176,093
Additions	-	6,077	3,396	1,469	1,575	-	3,933	16,450
Transfer in (transfer out)	-	148	2,185	3,701	882	-	(6,916)	-
Disposal/Write-off	-	-	(674)	(61)	-	-	-	(735)
31 December 2021	25,578	51,790	21,812	23,988	51,091	6,186	11,363	191,808
Additions	-	6,510	2,650	3,817	1,330	-	4,108	18,415
Transfer in (transfer out)	-	-	696	331	4,412	-	(5,439)	-
Transfer from right-of-use assets	-	-	-	2,384	-	3,600	-	5,984
Disposal/write-off	-	(213)	-	(772)	-	(3,600)	(2)	(4,587)
31 December 2022	25,578	58,087	25,158	29,748	56,833	6,186	10,030	211,620
Accumulated depreciation								
1 January 2021	-	14,129	8,764	13,833	38,506	1,952	-	77,184
Depreciation for the year	-	4,814	2,534	2,142	7,657	910	-	18,057
Depreciation on disposal/ write-off	-	-	(674)	(61)	-	-	-	(735)
31 December 2021	-	18,943	10,624	15,914	46,163	2,862	-	94,506
Depreciation for the year	-	4,948	2,957	2,711	3,456	1,164	-	15,236
Accumulated depreciation on transfer from right-of-use assets	-	-	-	2,377	-	2,405	-	4,782
Depreciation on disposal/write-off	-	(213)	-	(738)	-	(2,631)	-	(3,582)
31 December 2022	-	23,678	13,581	20,264	49,619	3,800	-	110,942
Allowance for impairment loss								
1 January 2021	-	-	-	-	-	-	562	562
Increase during the year	-	-	1,797	-	-	-	4,387	6,184
31 December 2021	-	-	1,797	-	-	-	4,949	6,746
31 December 2022	-	-	1,797	-	-	-	4,949	6,746
Net book value								
31 December 2021	25,578	32,847	9,391	8,074	4,928	3,324	6,414	90,556
31 December 2022	25,578	34,409	9,780	9,484	7,214	2,386	5,081	93,932
Depreciation for the year								
2021 (Baht 7.3 million included in cost of sales, and the balance in selling and administrative expenses)								18,057
2022 (Baht 8.7 million included in cost of sales, and the balance in selling and administrative expenses)								15,236

As at 31 December 2022, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 65.2 million (2021: Baht 49.0 million).

The Company has mortgaged land with structures thereon with net book value as at 31 December 2022 amounting to approximately Baht 15.2 million (2021: Baht 15.7 million) as collateral for bank overdrafts and credit facilities granted by a commercial bank as discussed in Note 15.

13. Lease

The Company as lessee, has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 1 - 10 years.

13.1 Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2022 and 2021 are summarised below.

(Unit: Thousand Baht)

	Building and building improvement	Machinery and plant equipment	Furniture and office equipment	Motor vehicles	Total
As at 1 January 2021	16,201	1,403	1,421	1,818	20,843
Additions	-	-	1,472	5,790	7,262
Depreciation for the year	(3,315)	(594)	(929)	(847)	(5,685)
As at 31 December 2021	12,886	809	1,964	6,761	22,420
Additions	-	944	2,908	-	3,852
Transfer to property, plant and equipment	-	-	(7)	(1,195)	(1,202)
Depreciation for the year	(3,316)	(857)	(1,430)	(818)	(6,421)
As at 31 December 2022	9,570	896	3,435	4,748	18,649

13.2 Lease liabilities

Lease liabilities as at 31 December 2022 and 2021 are presented below.

(Unit: Thousand Baht)

	2022	2021
Lease payment	20,133	23,085
Less: Deferred interest expenses	(1,768)	(2,502)
Total	18,365	20,583
Less: Portion due within one year	(6,466)	(5,625)
Lease liabilities - net of current portion	11,899	14,958

Movements in lease liabilities during the years ended 31 December 2022 and 2021 are summarised below.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Balance at beginning of year	20,583	20,655
Additions	4,164	7,262
Accretion of interest	1,150	1,077
Repayments	<u>(7,532)</u>	<u>(8,411)</u>
Balance at end of year	<u>18,365</u>	<u>20,583</u>

A maturity analysis of lease payments is disclosed in Note 28 under the liquidity risk.

13.3 Expenses relating to leases that are recognised in profit or loss

The following are the amounts relating to lease contracts recognised in profit or loss for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Depreciation expenses of right-of-use assets	6,421	5,685
Interest expenses on lease liabilities	1,150	1,077
Expense relating to short-term leases	-	81
Expenses relating to leases of low-value assets	202	228

13.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2022 of Baht 7.8 million (2021: Baht 7.1 million), including the cash outflow related to short-term lease and leases of low-value assets.

14. Intangible assets

The net book value of intangible assets, which are computer software, as at 31 December 2022 and 2021 is presented below.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Cost	6,077	6,720
Less: Accumulated amortisation	<u>(5,852)</u>	<u>(5,727)</u>
Net book value	<u>225</u>	<u>993</u>

A reconciliation of the net book value of intangible assets for the years 2022 and 2021 is presented below.

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Net book value at beginning of year	993	56
Acquisitions - at cost	146	1,005
Amortisation - net book value	(790)	-
Amortisation for the year	(124)	(68)
Net book value at end of year	<u>225</u>	<u>993</u>

15. Bank overdrafts

The bank overdrafts are secured by the mortgage of the Company's land with structures thereon.

As at 31 December 2022, the Company had bank overdrafts which had not yet been drawn down amounting to Baht 89.8 million (2021: Baht 89.8 million).

16. Short-term loan from financial institution

As at 31 December 2022, the Company had short-term loan from financial institution in form of promissory note, unsecured, of Baht 30 million. The carrying interest is at 2.55 percent per annum and will be due on 27 January 2023.

17. Trade and other payables

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Trade payables - unrelated parties	171,447	120,601
Other payables - unrelated parties	62,561	43,416
Accrued expenses	65,616	72,380
Total trade and other payables	<u>299,624</u>	<u>236,397</u>

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the Company, was as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Provision for long-term employee benefits at beginning year	21,359	18,632
Included in profit or loss:		
Current service cost	2,735	2,701
Interest cost	361	315
Past service costs	(133)	-
Included in other comprehensive income:		
Actuarial (gain) loss arising from:		
Financial assumption changes	(2,995)	-
Experience adjustments	5,399	-
Benefit paid during the year	-	(289)
Provision for long-term employee benefits at end of year	<u>26,726</u>	<u>21,359</u>

The Company does not expect to pay long-term employee benefits during the next year (2021: None).

As at 31 December 2022, the weighted average duration of the liabilities for long-term employee benefits is 10 years (2021: 11 years).

Significant actuarial assumptions are summarised below.

	<u>2022</u>	<u>2021</u>
	(% per annum)	(% per annum)
Discount rate	3.38	1.61
Salary increase rate	5.00	5.00
Staff turnover rate (depending on age of employees)	3 - 34	3 - 34

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2022 and 2021 are summarised below.

	(Unit: Million Baht)	
	As at 31 December 2022	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.6)	1.8
Salary increase rate	1.6	(1.4)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(1.6)	1.9

	(Unit: Million Baht)	
	As at 31 December 2021	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.5)	1.7
Salary increase rate	1.9	(1.7)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(2.1)	2.5

19. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

20. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Purchases of finished goods and changes in inventories of finished goods and work in process	716,056	604,588
Raw materials and consumables used	165,441	179,889
Advertising and promotion expenses	48,800	54,118
Salaries and wages and other employee benefits	161,329	133,530
Transportation expenses	41,571	37,338
Depreciation and amortisation	21,781	23,811
Consulting fees	3,711	7,871

21. Income tax

21.1 Income tax expenses for the years ended 31 December 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Current income tax:		
Current income tax charge	58,691	57,774
Deferred tax:		
Relating to origination and reversal of temporary differences	731	(4,576)
Income tax expenses reported in profit or loss	<u>59,422</u>	<u>53,198</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2022 and 2021 are as follows:

	(Unit: Thousand Baht)	
	<u>2022</u>	<u>2021</u>
Deferred tax relating to actuarial losses from post-employment benefits	<u>(481)</u>	<u>-</u>

21.2 The reconciliation between accounting profit and income tax expenses is shown below.

(Unit: Thousand Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2022	2021	2022	2021
Accounting profit before tax	294,575	267,437	295,939	268,821
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	58,915	53,487	59,188	53,764
Effects of:				
Non-deductible expenses	1,057	620	784	343
Additional expense deductions allowed	(550)	(909)	(550)	(909)
Total	507	(289)	234	(566)
Income tax expenses reported in profit or loss	59,422	53,198	59,422	53,198

21.3 The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position	
	2022	2021
Deferred tax assets		
Allowance for expected credit losses	379	82
Allowance for diminution in inventory value	2,830	3,468
Accrued expenses	2,501	3,468
Allowance for goods returns	46	46
Allowance for impairment of property, plant and equipment	1,349	1,349
Lease	170	150
Provision for long-term employee benefits	5,345	4,272
Others	273	308
Total	12,893	13,143
Deferred tax liabilities		
Right of return assets	(27)	(27)
Total	(27)	(27)
Deferred tax assets - net	12,866	13,116

22. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

23. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

The Company organised into business units based on its products and services and the sales of license of cartoon characters. At present, the Company is engaged in two operating segments, which are the manufacture and distribution of beverage and the sales of license of cartoon characters. Its operations are carried on only in geographical area of Thailand. For the year 2022, the operation of the sales of license of cartoon characters represented 2 percent of total sales (2021: 2 percent of total sales). The Company's distribution channel includes both in domestic and overseas markets. For the year 2022, domestic sales represented 98 percent of total sales (2021: 98 percent of total sales).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss and assets in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segments and geographical area.

Major customers

For the year 2022, the Company had revenue from one major customer, with revenue of 93 percent of the Company's revenues (2021: 95 percent).

24. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by AIA Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2022 amounting to approximately Baht 4.3 million (2021: Baht 3.7 million) were recognised as expenses.

25. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
<u>2021</u>			
The final dividend for 2020	Annual General Meeting of the shareholders on 22 April 2021	103.4	0.17
Interim dividends for 2021	Board of Directors' meeting on 13 August 2021	91.1	0.15
Total for 2021		<u>194.5</u>	
<u>2022</u>			
The final dividend for 2021	Annual General Meeting of the shareholders on 21 April 2022	109.4	0.18
Interim dividends for 2022	Board of Directors' meeting on 11 August 2022	103.4	0.17
Total for 2022		<u>212.8</u>	

26. Commitments

26.1 Operating lease commitments

The Company has entered into several operating lease agreements in respect of the lease of equipment which are short-term leases and leases of low-value assets and other related service contracts. The terms of the agreements are generally between 1 and 3 years.

As of 31 December 2022 and 2021, future minimum payments required under these contracts were as follows:

	(Unit: Million Baht)	
	<u>2022</u>	<u>2021</u>
Payable		
In up to 1 year	1.9	1.5

26.2 Merchandise sub-license commitments

On 19 October 2022, the Company entered into a merchandise sub-license agreement with an overseas company. Under the terms of the agreement, the Company is granted the privilege to sell licenses of the characters. The Company agrees to pay royalty fee at the percentage of gross license fee receipts as specified in the agreement. The agreement is for a period of 5 years, from 1 January 2023 to 31 December 2027.

The Company entered into the merchandise sub-license agreements with creators and copyright holders in Thailand. Under the terms of the agreement, the Company is granted the privilege to sell licenses of the characters. The Company agrees to pay royalty fee at the percentage of gross license fee receipts as specified in the agreement which are summarised below.

Date	Agreement's term	Agreement's period
25 January 2021	2 years	25 January 2021 - 15 January 2023
30 March 2021	2 years	1 April 2021 - 31 March 2023

27. Fair value hierarchy

As at 31 December 2022 and 2021, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)	
	2022	2021
	Level 2	Level 2
Financial assets measured at fair value		
Investments in mutual fund	441	384

During the years 2022 and 2021, there were no transfers within the fair value hierarchy.

28. Financial instruments

28.1 Financial risk management objectives and policies

The Company's financial instruments, principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, short-term loan from financial institution, trade and other payables and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade and other receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. Credit term provided to customers normally is between 30 days and 60 days.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of customer segments with similar credit risks. The Company classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and other receivables are written-off when there are no movement and past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits may be updated throughout the year subject to approval of the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising foreign currency risk and interest rate risk.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its purchasing transactions and investment in private fund that are denominated in foreign currencies.

The balances of financial assets denominated in foreign currencies as at 31 December 2022 and 2021 are summarised below.

Foreign currency	Financial assets		Average exchange rate	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	(Million)	(Million)	(Baht per foreign currency unit)	
US dollar	0.5	2	34.3913	33.1920

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities as at 31 December 2022 and 2021.

Currency	2022		2021	
	Change in	Effect on	Change in	Effect on
	FX rate	profit before tax	FX rate	profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
US dollar	+5	779	+5	3,020
	-5	(779)	-5	(3,020)

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, short-term loan from financial institution and lease liabilities. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rates.

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	As at 31 December 2022					
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years				
	Financial assets					
Cash and cash equivalents	-	-	135	16	151	0.04 - 0.30
Trade and other receivables	-	-	-	310	310	-
Other current financial assets	63	-	-	441	504	0.02 - 0.45
Financial liabilities						
Short-term loan from financial institution	30	-	-	-	30	2.55
Trade and other payables	-	-	-	300	300	-
Lease liabilities	6	12	-	-	18	4.32 - 8.61

(Unit: Million Baht)

	As at 31 December 2021					
	Fixed interest rates		Floating interest rate	Non- interest bearing	Total	Interest rate (% per annum)
	Within 1 year	1 - 5 years				
	Financial assets					
Cash and cash equivalents	-	-	130	6	136	0.04 - 0.13
Trade and other receivables	-	-	-	262	262	-
Other current financial assets	63	-	-	384	447	0.02 - 0.45
Financial liabilities						
Trade and other payables	236	-	-	-	236	-
Lease liabilities	6	15	-	-	21	4.32 - 7.83

Liquidity risk

The Company manages liquidity risk to meet its business obligations by maintains an adequate level of cash to meet its liquidity requirements. The Company had working capital cover the liquidity needs and its liquidity risk is low.

The table below summarises the maturity profile of the Company's financial liabilities as at 31 December 2022 and 2021 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2022			Total
	Less than 1 year	1 - 5 years	Over 5 years	
Non-derivatives				
Short-term loan from financial institution	30,000	-	-	30,000
Trade and other payables	299,624	-	-	299,624
Lease liabilities	7,328	12,805	-	20,133
Total non-derivatives	336,952	12,805	-	349,757

(Unit: Thousand Baht)

	As at 31 December 2021			Total
	Less than 1 year	1 - 5 years	Over 5 years	
Non-derivatives				
Trade and other payables	236,397	-	-	236,397
Lease liabilities	6,666	16,419	-	23,085
Total non-derivatives	243,063	16,419	-	259,482

28.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

29. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

The Company manages its capital position with reference to its debt-to-equity ratio. As at 31 December 2022, the Company's debt-to-equity ratio was 0.5:1 (2021: 0.4:1).

30. Events after the reporting period

- 30.1 On 15 December 2022, the meeting of the Company's Board of Directors passed its resolutions to approve the establishment of a subsidiary for expand the Company's business. The registration was completed on 18 January 2023, which the Company invested at Baht 35.6 million or equivalent to 89% of its registered shares.
- 30.2 On 23 February 2023, the meeting of the Board of Directors of the Company No. 1/2023 approved the payment of final dividend for 2022 to the Company's shareholders at Baht 0.19 per share or a total dividend of Baht 115.52 million.

The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.

31. Approval of financial statements

These financial statements were authorised for issue by the board of directors of the Company on 23 February 2023.

Section 4 Certification of Information Accuracy

CERTIFICATION OF INFORMATION ACCURACY

The Company has reviewed the information in this Annual Report Statement with prudence and hereby certify that the said information is accurate, true, and does not mislead the audience or lack the material information. In addition, the Company certify that

- (1) The financial statements and financial information shown in the Annual Report Statement describe the material content accurately regarding the financial status, operation result, and cash flow of the Company and its subsidiaries.
- (2) The Company has prepared a good information disclosure system to ensure that the essential information and its subsidiaries are disclosed wholly and accurately. The Company also supervises to ensure compliance with such a system.
- (3) The Company has provided an excellent internal control system and oversees to ensure compliance with the system. The Company has already informed the internal control assessment result as of 23 February 2023 to the auditor and the Audit Committee of the Company, which cover the defect and major change of the internal control, including the wrongful act that may infringe the preparation of financial statements of the Company and its subsidiaries.

In this regard, to affirm that the whole documents are the same set of which the Company has verified the accuracy, the Company has assigned Mrs.Chirapan Khotcharit Choosang to sign his name affixing all pages. Any pages without the signature of Mrs. Chirapan Khotcharit Choosang are not counted as the statement verified accuracy by the Company as mentioned above.

T.A.C.Consumer Public Company Limited

Name	Position	Signature
1. Mr.Chatchawe Vatanasuk	Authorized Director	
2. Mrs.Chirapan Khotcharit Choosang	Authorized Director	
Authorized person		
Mrs.Chirapan Khotcharit Choosang	Authorized Director	

ATTACHMENT 1

Details of Directos, Executives, Controlling Persons and Company Secretary.

BOARD OF DIRECTORS

ADM Apichat Pengsritong Age 73 Years

Chairman and Independent Director

Date of Appointment

- 10 February 2015

Education

- Master's Degree, National Defence College, The Joint State.
- Bachelor of Science Royal Thai Naval Academy.

Credential of Thai Institute of Directors

- Chairman Forum "Chairing The Unknow Future" No.1/2022.
- Risk Management Program for Corporate Leaders (RCL) Class 4/2016.
- Directors Accreditation Program (DAP) Class 82/2010.

Experiences

Positions in Listed Companies

- 2015-Present Chairman and Independent Director, T.A.C. Consumer Public Company Limited.
- 2015-Present Chairman and Chairman of the Audit Committee, JKN Global Media Public Company Limited.
- 2012-Present Chairman, Independent Director and Chairman of the Nomination and Compensation, Muangthai Capital Public Company Limited.
- 2010-Present Independent Director, S&J International Enterprise Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2022

- None

Relationship between Director & Executive family

- None

Assoc.Prof.Kitti Siripullop Age 71 Years

Chairman of Audit Committee and Independent Director

Date of Appointment	<ul style="list-style-type: none"> 14 July 2017
Education	<ul style="list-style-type: none"> Master of Business Administration (Finance and Banking), Chulalongkorn University. Master of Business Administration (Marketing), National Institute of Development Administration. Bachelor of Accounting (Second Class Honors), Chulalongkorn University.
Credential of Thai Institute of Directors	<ul style="list-style-type: none"> Directors Accreditation Program (DAP) Class 172/2020
Experiences	
Positions in Listed Companies	<ul style="list-style-type: none"> July, 2017-Present Chairman of Audit Committee and Independent Director, T.A.C. Consumer Public Company Limited.
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none"> None
Shareholding in the Company (%) as of December 31, 2022	<ul style="list-style-type: none"> None
Relationship between Director & Executive family	<ul style="list-style-type: none"> None

Mrs.Paktra Suriyapee Age 63 Years

Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee

Date of Appointment	<ul style="list-style-type: none"> 10 February 2015
Education	<ul style="list-style-type: none"> Master of Science Program in Human Resource and Organization Development, National Institute of Development Administration. Bachelor of Arts / Humanities, Ramkhamhaeng University. Micro Master of Business Administration Program, Chulalongkorn University.
Credential of Thai Institute of Directors	<ul style="list-style-type: none"> Board Nomination and Compensation Program (BNCP) Class 14/2022. Directors Accreditation Program (DAP) Class 116/2015.
Experiences	
Positions in Listed Companies	<ul style="list-style-type: none"> 2015-Present Audit Committee, Independent Director and Chairman of the Nomination and Compensation Committee, T.A.C. Consumer Public Company Limited.
Other Current Position (Non-Listed Companies)	<ul style="list-style-type: none"> 2009-Present Managing Director, Management Division, Chokpana Co., Ltd.
Shareholding in the Company (%) as of December 31, 2022	<ul style="list-style-type: none"> None
Relationship between Director & Executive family	<ul style="list-style-type: none"> None

Mr. Komsak Wattanasriroj Age 54 Years**Audit Committee, Independent Director, Nomination and Compensation Committee and Chairman of Risk Management Committee****Date of Appointment**

- 21 December 2016

Education

- Master of Business Administration, Srinakharinwirot University.
- Bachelor of Accounting, Ramkhamhaeng University.

Credential of Thai Institute of Directors

- Board Nomination & Compensation Program (BNCP) Class 8/2019.
- Advance Audit Committee Program (AACP) Class 29/2018.
- Directors Certification Program (DCP) Class 105/2008.

Experiences**Positions in Listed Companies**

- Dec 2016-Present Audit Committee, Independent Director, Nomination and Compensation Committee and Chairman of Risk Management Committee, T.A.C. Consumer Public Company Limited.
- 2005-April 2020 Director, Executive Director and CFO, Mono Technology Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2022

- None

Relationship between Director & Executive family

- None

Mr.Chanit Suwanparin Age 58 Years**Director, Nomination and Compensation Committee and Risk Management Committee****Date of Appointment**

- 10 February 2015

Education

- Master of Business Administration, Chulalongkorn University.
- Bachelor of Business Administration (Marketing), Assumption University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 112/2014.

Experiences**Positions in Listed Companies**

- 2011-Present Director, Nomination and Compensation Committee and Risk Management Committee, T.A.C. Consumer Public Company Limited.
- June 2019- Present Senior Vice President, Customer Experience Department, Banpu NEXT Co., Ltd.
- 2011- 1 March 2019 Managing Director, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2022

- None

Relationship between Director & Executive family

- None

Ms.Trithip Sivakriskul Age 56 Years

Independent Director and Risk Management Committee

- Date of Appointment** • 22 April 2021
- Education**
- Master of Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University.
 - Bachelor of Finance and Banking, Chulalongkorn University.

Credential of Thai Institute of Directors

- Directors Certification Program (DCP) Class 158/2012.
- Successful Formulation and Executive the Strategy (SFE) Class 3/2009.
- Directors Accreditation Program (DAP) Class 31/2005.

Experiences

Positions in Listed Companies

- 22 Apr 2021-Present Independent Director and Risk Management Committee
T.A.C. Consumer Public Company Limited.
- Dec 2019-Present Independent Director and Chairman of the Audit Committee, TQR Public Company Limited.
- 2018-Present Director, Super Energy Corporation Public Company Limited.
- 2015-Present Independent Director and Audit Committee, SISB Public Limited.

Other Current Position (Non-Listed Companies)

- 2021-Present Director, SRT Asset Co., Ltd.
- 2019-Present Director, Expressway Authority of Thailand.
- Oct 2018-Present Director, State Railway of Thailand.

Shareholding in the Company (%) as of December 31, 2022 • None

Relationship between Director & Executive family • None

Mr.Chatchawe Vatanasuk Age 49 Years

Director, Chairman of the Executive Committee and Acting Managing Director (Authorized Director)

- Date of Appointment** • 10 February 2015
- Education**
- Master of Business Administration, University of San Diego, USA.
 - Bachelor of Business Administration, Assumption University.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 112/2014.

Experiences

Positions in Listed Companies

- 2005-Present Director, and Chairman of the Executive Committee, T.A.C. Consumer Public Company Limited.
- 1 Mar 2019-Present Acting Managing Director, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2010-Present Director, SP Intermach Co., Ltd.
- 2010-Present Director, C.A. General Co., Ltd.
- 2017-Present Director, Proplayer online Co., Ltd.

Shareholding in the Company (%) as of December 31, 2022 • 19.81% (120,459,825 shares)

Relationship between Director & Executive family • None

Mrs.Chirapan Khotcharit Choosang Age 53 Years**Director, Risk Management Committee
and Deputy Managing Director - Corporate Strategy Division (Authorized Director)****Date of Appointment**

- 1 September 2015

Education

- Master of Business Administration, University of South Alabama, USA.
- Bachelor of Arts (Political Science), Chulalongkorn University.

Credential of Thai Institute of Directors

- How to Develop a Risk Management Plan (HRP) Class 14/2017.
- Directors Accreditation Program (DAP) Class 124/2016.
- Financial Statements for Directors (FSD) Class 31/2016.

Experiences**Positions in Listed Companies**

- 2018 - Present Director, Risk Management Committee and Deputy Managing Director – Corporate Strategy Division, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2022

- 0.68% (4,135,694 shares)

Relationship between Director & Executive family

- None

Mr.Suphot Leenanurak Age 53 Years**Director, Risk Management Committee, Deputy Managing Director, Sales & Marketing Division****Date of Appointment**

- 22 April 2021

Education

- Master of Business Administration (MBA), University of St. Thomas, Houston, Texas.
- Bachelor Degree of Business Administration (BBA), University of Thai Chamber of Commerce, Bangkok.

Credential of Thai Institute of Directors

- Risk Management Program for Corporate Leaders (RCL) Class 25/2021.
- Directors Accreditation Program (DAP) Class 169/2020.

Experiences**Positions in Listed Companies**

- Feb 2020-Present Director, Risk Management Committee and Deputy Managing Director, Sales & Marketing Division, T.A.C. Consumer Public Company Limited.
- Nov 2019-2020 Assistant Managing Director- Joint Venture Business Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- 2005-Sep 2019 Channel & Trade Management Leader, Thai Samsung Electronics Co., Ltd.

Shareholding in the Company (%) as of December 31, 2022

- 0.07% (451,779 shares)

Relationship between Director & Executive family

- None

EXECUTIVE COMMITTEE

Mrs.Suveeraya Ansavananda Age 52 Years

Assistant Managing Director - Strategic Partner & Intergraded Marketing Communication

Education

- Master of Marketing Communication & Advertising, Emerson College, USA.
- Bachelor of Advertising, University of Hartford, USA.
- Certificate of Business Administration, Harvard Extension School, USA.

Credential of Thai Institute of Directors

- Directors Accreditation Program (DAP) Class 131/2016.
- Financial Statements for Director (FSD) Class 31/2016.

Experiences

Positions in Listed Companies

- May 2019-Present Assistant Managing Director- Strategic Partner & Intergraded Marketing Communication, T.A.C. Consumer Public Company Limited.
- 2013-April 2019 Division Director – Commercial 1 and Corporate Communications Division, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- July 2015-Present Director, Sunleaf Co., Ltd.

Shareholding in the Company (%) as of December 31, 2022 • 0.04% (233,802 shares)

Relationship between Director & Executive family

- None

Ms.Hatsaya Charuwitayanan Age 41 years

Assistant Managing Director-Operation Support Division

Education

- Master of Management Agro-Industry, Kasetsart University.
- Bachelor of Agro-Industry, Kasetsart University.

Credential of Thai Institute of Directors

- Successful Formulation & Execution of Strategy (SFE) Class 39/2022.
- Risk Management Program for Corporate Leaders (RCL) Class 28/2022.
- Financial Statements for Directors (FSD) Class 46/2022.
- Director Accreditation Program (DAP) Class 195/2022.

Experiences

Positions in Listed Companies

- May 2019-Present Assistant Managing Director-Operation Support Division, T.A.C. Consumer Public Company Limited.
- 2016-April 2019 Division Director – Commercial 3, Research and Development Division, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- None

Shareholding in the Company (%) as of December 31, 2022 • 0.01% (89,695 shares)

Relationship between Director & Executive family

- None

Mr. Atid Tragoonet Age 40 Years**Director Accounting and Finance Department****Education**

- Master of Science Business Information Technology, Chulalongkorn University.
- Bachelor of Accounting, Thammasat University.

Credential of Thai Institute of Directors

- None

Experiences**Positions in Listed Companies**

- 1 Aug 2022–Present Director Accounting and Finance Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies)

- Senior Manager and Executive Director, EY Office Limited.

Shareholding in the Company (%) as of December 31, 2022 • None**Relationship between Director & Executive family** • None**COMPANY SECRETARY****Ms.Panjaborn Roeksomboon** Age 37 Years**Company Secretary and Investor Relations Manager Department****Education**

- Master of Business Administration (Financial), Rajamangala University of Technology Phra Nakhon.
- Bachelor of Accounting, Rajamangala University of Technology Phra Nakhon.

Credential of Thai Institute of Directors

- Company Reporting Program (CRP) Class 32/2022.
- Company Secretary Refreshment Training Program 2021.
- Engaging your stakeholders through effective communication 2019.
- Role of Company Secretary in shipping Corporate culture 2019.
- Board Reporting Program (BRP) Class 27/2018.
- How to Develop a Risk Management (HRP) Class 27/2017.
- Effective Minute Taking (EMT) Class 27/2016.
- Company Secretary Program (CSP) Class 27/2013.

Experiences**Positions in Listed Companies**

- 2020-Present Company Secretary and Investor Relations Manager Department, T.A.C. Consumer Public Company Limited.
- 2015 - 2019 Company Secretary and Investor Relations Department, T.A.C. Consumer Public Company Limited.

Other Current Position (Non-Listed Companies) • None**Shareholding in the Company (%) as of December 31, 2022** • 0.0006% (4,203 shares)**Relationship between Director & Executive family** • None

Duties and Responsibilities of Company Secretary

- 1) Provide preliminary advice and recommendations to the Directors and Executives on being Compliance with Company laws, requirements, rules and regulations as well as monitor to ensure the accurate and regular implementations.
- 2) Responsible for organizing the Board of Directors Meeting and Shareholders Meeting as well as supervise and coordinate to ensure the implementation of the resolution of the aforementioned meetings.
- 3) Supervised the disclosure of information and information technology report in the responsible to be in accordance with the regulations and the requirements of Stock Exchange of Thailand and The Capital Market Supervisory Board including relevant laws.
- 4) Compile and store the following documents
 - 4.1) Director Registration.
 - 4.2) Notice of the Meeting of the Board of Director and Minutes of the Board of Directors meeting.
 - 4.3) Notice of meeting of Shareholders and the Minutes of the Shareholders Meeting.
 - 4.4) The Company Annual Report.
 - 4.5) Report on conflict of interest of Executive Director.
- 5) Performing other actions in line with the laws or the specified of the Notification of the Capital Market Supervisory Board.

ATTACHMENT 2

Information on Directors of Subsidiaries

Directorship information of Directors, Executives, Controlling Persons of the Company, its Subsidiaries and Other Connected Companies

Name	Position	Related Companies													
		1	2	3	4	5	6	7	8	9	10	11	12	13	14
ADM Apichat Pengsritthong	C	C, AC	/	C											
Assoc. Prof. Kitti Siripullop	/, AC														
Mrs.Paktra Suriyapee	/, AC			/											
Mr.Komsak Wattanasiroj	/, AC				/										
Mr.Chanit Suwanparin	/														
Ms.Trithip Sivakrikul	/								AC, /	/	AC, /	/	/	/	/
Mr.Chatchawe Vatanasuk	/, //, M						/	/	/						
Mrs.Chirapan Khotcharit Choosang	/, ///, M				/										
Mr.Suphot Leenanurak	/, ///, M														
Mrs.Suveeraya Ansavananda	///, M														
Ms.Hatsaya Charuwitanan	///, M														
Mr.Atid Tragoondet	///, M														

Note : C= Chairman AC = Audit Committee / = Director
 // = Chairman of the Executive Committee /// = Executive Committee M= Management

The list of related companies is as follows:

- JKN Global Media Public Company
- S&J International Enterprise Public Company Limited.
- Muangthai Capital Public Company Limited.
- Chokpana Co., Ltd.
- Divine Development Co., Ltd.
- SP Intermach Co., Ltd.
- C.A. General Co., Ltd.
- Proplayer online Co., Ltd.
- TQR Public Company Limited.
- Super Energy Corporation Public Company Limited.
- SISB Public Limited.
- SRT Asset Co., Ltd.
- Expressway Authority of Thailand.
- State Railway of Thailand.

ATTACHMENT 3

About the Chief of Internal Audit Supervisor and Chief Compliance Officer.

Topic	Detail
Internal Audit	P&L Corporation Co., Ltd.
Head of Internal Audit	Mr.Thanabhat Wongwit Assistant Vice President
Education background	<ul style="list-style-type: none"> • Master Degree in Corporate Governance (MSCG) Faculty of Commerce and Accountancy Chulalongkorn University • Bachelor of Accounting Program in Accounting, Faculty of Accounting, Dhurakij Pundit University
Work Experience	<p>2015 – Present Assistant Vice President, P&L Corporation Co., Ltd.</p> <p>History of being the Head of the Internal Audit Team</p> <ul style="list-style-type: none"> • Head of Inspection team for other private companies such as restaurant business, fashion business, and educational institutions. • Head of inspection team for companies listed on the Stock Exchange of Thailand, such as airline business, food & non-food business, trading business, hospital business, service business, and power plant. • Head of the inspection team of companies preparing to list in the Stock Exchange of Thailand (IPO), including telecommunications business, Real estate business, Food & Non-food business, and service business <p>2013 – 2014 Internal audit Supervisor, P&L Group 2011 – 2012 Senior Internal Audit, P&L Group 2009 – 2010 Internal audit , P&L Group 2015 – Present Director, P&L Training Center Co., Ltd.</p> <p>Consulting history</p> <ul style="list-style-type: none"> • Consultant for the Thai Private Sector Collective Action against Corruption (CAC) project, a listed company on the Stock Exchange of Thailand and limited company
Related Training	<ul style="list-style-type: none"> • Thai Internal Auditor Certificate Program - CPIAT (Class No. 21) • Training project "Internal audit to prepare to be an internationally licensed internal auditor. Pre - CIA Class No. 27 by Chulalongkorn University • IPO Focus "Effective Internal Control for success IPO" by IOD • Training course on working paper for anti-corruption measures in the organization - Federation of Accounting Professions • Internal Control in the era Thailand 4.0 - Federation of Accounting Professions • Integrated Audit 1/2018- Federation of Accounting Professions • CAC SME Executive Briefing Part Corruption by IOD • International Conference Internal Audit Student Exchange 2021 – IIA • IOD CAC National Conference 2022 under the concept of Unite alliances, unite against cheating - IOD
Responsibility	<ul style="list-style-type: none"> • Prepare an annual audit plan to consider proposing and seeking approval from the Audit Committee • Reviewing the audit program (Audit Program) of each matter audited according to the annual audit plan. • Assessment of adequacy reliability and timeliness of the Company's internal control system according to the COSO principle. • Review the audit report and follow up on the performance according to the recommendations. • Prepare an audit report to present to the management and the Audit Committee

ATTACHMENT 4

Business Operating Assets and Details Regarding Asset Valuation

DETAILS REGARDING BUSINESS OPERATING ASSETS

As of December 31, 2022, the Company has business operating assets as following,

Asset Type	Ownership Type	Obligation	Net Book Value (Million Baht)
Land : Ban Bueng District, Chonburi Province <ul style="list-style-type: none"> Title deed no. 36129, total area 1 rai 1 ngan 55 square wa Title deed no. 36130, total area 1 rai 1 ngan 53 square wa 	Owned	Mortgage to a commercial bank	10.70
		-	14.88
Buildings and building renovation	Owned	-	27.98
		Mortgage to a commercial bank	4.86
Machines and factory equipment	Owned	-	9.39
Office equipment and supplies	Owned	-	8.07
Sales tools and supplies	Owned	-	4.93
Vehicles	Owned	-	3.33
Assets under installation	Owned	-	6.42
Total			90.56

As of December 31, 2022, the Company has business operating right-of-use assets as following,

Asset Type	Ownership Type	Obligation	Net Book Value (Million Baht)
Buildings and building renovation	Operating lease x 3 years	Operating lease	12.89
Office equipment and supplies	Operating lease x 3 years	Operating lease	0.14
	Hire purchase	Financial lease	1.82
Vehicles	Operating lease x 5 years	Operating lease	0.81
	Hire purchase	Financial lease	6.76
Total			22.42

SUMMARY OF CRUCIAL AGREEMENTS IN BUSINESS OPERATION

1.1 Original Equipment Manufacturer Agreement

OEM No. 1

Agreement Date	:	December 16, 2014
Relationship With the Company	:	-None-
Agreement Type	:	The Company hires the contractor to produce products according to its specified formulas.
Terms of Termination	:	<p>The Company may terminate this agreement if any of the following events occur.</p> <ul style="list-style-type: none"> • The contractor breaches any agreement terms. The Company will notify the contractor to rectify within 45 days. If the contractor fails to rectify within that period, the Company has the right to immediately terminate the agreement. • The contractor cannot deliver products within 30 days from the scheduled delivery date. • The contractor was confiscated, goes into receivership, or becomes bankrupt by the court's order. • The contractor breaches specified conditions in the agreement twice or more within 6 months. • Either party can give a termination notice 6 months prior the agreement's expiration date.
Terms of Confidentiality	:	Both parties, including their respective person, agree not to disclose any confidential information to third parties or use the confidential information for purposes that are not stated in the agreement, unless a written notice is authorized by the other party.
Other Terms	:	<ul style="list-style-type: none"> • If the contractor cannot deliver products within a specified time, the contractor must compensate the Company for 0.5% of the product price • The contractor will not sign an agreement with other parties for producing same products that it delivers to the Company's customers, unless a written consent is issued the Company.

OEM No. 2

Agreement Date	:	December 1, 2014
Relationship With the Company	:	-None-
Agreement Type	:	The Company hires the contractor to produce products according to its specified formulas.
Agreement Period	:	1 year from the agreement date. If neither party notifies to terminate the agreement within 3 months prior to the agreement's expiration date, this agreement shall be automatically effective for another year.
Terms of Termination	:	<p>The Company may terminate this agreement if any of the following events occur.</p> <p>Either party breaches any agreement terms and does not rectify within 30 days. Either party has the right to immediately terminate the agreement.</p> <ul style="list-style-type: none"> • The contractor cannot deliver products within 30 days from the scheduled delivery date. • Either party was confiscated, goes into receivership, or becomes bankrupt by the court's order.
Terms of Confidentiality	:	Both parties, including their respective person, agree not to disclose any confidential information to third parties or use the confidential information for purposes that are not stated in the agreement, unless a written notice is authorized by the other party. Thus, the confidential information in this agreement shall be retained for another 3 years from the agreement expiration date.

OEM No. 3

Agreement Date	: October 20, 2014
Relationship With the Company	: -None-
Agreement Type	: The Company hires the contractor to produce products according to its specified formulas.
Terms of Termination	: The Company may terminate this agreement if any of the following events occur. <ul style="list-style-type: none"> • The contractor breaches any agreement terms. The Company will notify the contractor to rectify within days. If the contractor fails to rectify within that period, the Company has the right to immediately terminate the agreement. • The contractor cannot deliver products within 30 days from the scheduled delivery date. • The contractor was confiscated, goes into receivership, or becomes bankrupt by the court's order. • The contractor breaches specified conditions in the agreement twice or more within 6 months.
Other Terms	: <ul style="list-style-type: none"> • If the contractor cannot deliver products within a specified time, the contractor must compensate the Company for 2% of the product price. • The contractor will not sign an agreement with other parties for producing same products that it delivers to the Company's customers and/or other buyers. This includes the case where it produces mentioned products directly to the Company's customers, unless a written consent is issued the Company.
Terms of Confidentiality	: Both parties, including their respective person, agree not to disclose any confidential information to third parties or use the confidential information for purposes that are not stated in the agreement, unless a written notice is authorized by the other party.

OEM No. 4

Agreement Date	: November 1, 2014
Relationship With the Company	: -None-
Agreement Type	: The Company hires the contractor to produce products according to its specified formulas.
Terms of Termination	: <ul style="list-style-type: none"> • Either party may terminate the agreement by giving a written notice to the other party at least 30 days in advance. • If either party breaches any agreement terms, the other party has the right to immediately terminate the agreement.
Terms of Confidentiality	: The contractor must maintain formulas and production methods in products, provided by the Company as confidentiality only to production supervisors. It also ensures that those in charge of production must strictly abide by the terms of confidentiality.

OEM No. 5

Agreement Date	: November 6, 2017
Relationship With the Company	: -None-
Agreement Type	: The Company hires the contractor to produce products according to its specified formulas.
Terms of Termination	: <ul style="list-style-type: none"> • Either party may terminate the agreement by giving a written notice to the other party at least 30 days in advance. • If either party breaches any agreement terms, the other party has the right to immediately terminate the agreement.
Terms of Confidentiality	The contractor must maintain formulas and production methods in products, provided by the Company as confidentiality only to production supervisors. It also ensures that those in charge of production must strictly abide by the terms of confidentiality

OEM No. 6

Agreement Date	: August 15, 2019
Relationship With the Company	: -None-
Agreement Type	: The Company hires the contractor to produce products according to its specified formulas.
Terms of Termination	: <ul style="list-style-type: none"> • Either party may terminate the agreement by giving a written notice to the other party at least 180 days in advance. • If either party breaches any agreement terms, the other party has the right to immediately terminate the agreement.
Terms of Confidentiality	The seller must maintain formulas and production methods in products, provided by the Company as confidentiality only to production supervisors. It also ensures that those in charge of production must strictly abide by the terms of confidentiality.

OEM No. 7

Agreement Date	: July 17, 2020
Relationship With the Company	: -None-
Agreement Type	: The Company hires the contractor to produce products according to its specified formulas.
Terms of Termination	: <ul style="list-style-type: none"> • Either party may terminate the agreement by giving a written notice to the other party at least 180 days in advance. • If either party breaches any agreement terms, the other party has the right to immediately terminate the agreement.
Terms of Confidentiality	The seller must maintain formulas and production methods in products, provided by the Company as confidentiality only to production supervisors. It also ensures that those in charge of production must strictly abide by the terms of confidentiality.

OEM No. 8

Agreement Date	: July 7, 2022
Relationship With the Company	: -None-
Agreement Type	: The Company hires the contractor to produce products according to its specified formulas.
Terms of Termination	: <ul style="list-style-type: none"> • Either party may terminate the agreement by giving a written notice to the other party at least 60 days in advance. • If either party breaches any agreement terms, the other party has the right to immediately terminate the agreement.
Terms of Confidentiality	: The seller must maintain formulas and production methods in products, provided by the Company as confidentiality only to production supervisors. It also ensures that those in charge of production must strictly abide by the terms of confidentiality.

1.2 Shipping Agreement**Counterparty : Blue & White Logistics Co., LTD.**

Agreement Date	: November 1, 2022
Relationship With the Company	: -None-
Agreement Type	: The Company hires the contractor to deliver products from the date of receiving the products from the office or the Company's factory to the destination designated by the Company. All products are in the contractor's responsibility until they are correctly delivered to the recipient.
Agreement Period	: 1 year, starting from November 1, 2022 to October 31, 2023. If the employer does not notify to terminate the agreement within 30 days prior to the agreement's expiration date, this agreement shall be automatically effective for another year.
Other Terms	: In the case that the products are lost or damaged during the transportation, including an accident or vehicle rollover, the contractor agrees to compensate the product's full value, according to the price shown in that tax invoice.

Counterparty : Thongnoppakhun Limited Partnership

Agreement Date : July 1, 2016

Relationship With the Company : - None-

Agreement Type : The Company hires the contractor to deliver products from the date of receiving the products from the office or the Company's factory to the destination designated by the Company. All products are in the contractor's responsibility until they are correctly delivered to the recipient.

Agreement Period : 1 year, starting from July 1, 2016 to June 30, 2017. If the employer does not notify to terminate the agreement within 30 days prior to the agreement's expiration date, this agreement shall be automatically effective for another year.

Other Terms : In the case that the products are lost or damaged during the transportation, including an accident or vehicle rollover, the contractor agrees to compensate the product's full value, according to the price shown in that tax invoice.

Counterparty : Tanyatip Express Co., Ltd.

Agreement Date : December 1, 2020

Relationship With the Company : - None-

Agreement Type : The Company hires the contractor to deliver products from the date of receiving the products from the office or the Company's factory to the destination designated by the Company. All products are in the contractor's responsibility until they are correctly delivered to the recipient.

Agreement Period : 1 year, starting from December 1, 2020 to November 30, 2021. If the employer renews the agreement with the contractor, this agreement shall be effective for another year.

Other Terms : In the case that the products are lost or damaged during the transportation, including an accident or vehicle rollover, the contractor agrees to compensate the product's full value, according to the price shown in that tax invoice.

1.3 Lease Agreement

The Company has signed a lease agreement, a service agreement, and a common area service agreement at No. 9/231-234, 23rd Floor, UM Tower, Ramkhamhaeng Road, Suan Luang Subdistrict, Suan Luang District, Bangkok to be the Company's office with the details as following,

Lessor	: H-Phoenix Property Co., LTD.
Agreement Date	: November 7, 2022
Relationship With the Company	: - None-
Area	: Unit A2, No. 9/234, 23 rd Floor, UM Tower, 1 room of 221.61 square meters.
Agreement Period	: 3 years, starting from November 1, 2022 to October 31, 2025.
Terms of Termination	: If the tenant breach any agreement terms, the lessor has the right to immediately terminate the lease agreement.

Lessor	: H-Phoenix Property Co., LTD.
Agreement Date	: November 4, 2020
Relationship With the Company	: - None-
Area	: Units A1, B1, B2, No. 9/231-233, 23 rd Floor, UM Tower, 3 rooms of 221.61, 185.16 and 172.16 square meters, the total of 578.93 square meters.
Agreement Period	: 3 years, starting from November 1, 2020 to October 31, 2023.
Terms of Termination	: If the tenant breach any agreement terms, the lessor has the right to immediately terminate the lease agreement.

Lessor	: H-Phoenix Property Co., LTD.
Agreement Date	: August 13, 2020
Relationship With the Company	: - None-
Area	: 22 nd Floor, UM Tower, located at 9 Ramkhamhaeng Road, Suan Luang, Bangkok, 1 room of 13.50 square meters.
Agreement Period	: 3 years, starting from August 1, 2020 to July 31, 2023.
Terms of Termination	: If the tenant breach any agreement terms, the lessor has the right to immediately terminate the lease agreement.

Lessor : H-Phoenix Property Co., LTD.

Agreement Date : July 29, 2022

Relationship With the Company : - None-

Area : 30th Floor, UM Tower, located at 9 Ramkhamhaeng Road, Suan Luang, Bangkok, 1 room of 13.50 square meters.

Agreement Period : 3 years, starting from August 1, 2022 to July 31, 2025.

Terms of Termination : If the tenant breach any agreement terms, the lessor has the right to immediately terminate the lease agreement.

Lessor : H-Phoenix Property Co., LTD.

Agreement Date : July 29, 2022

Relationship With the Company : - None-

Area : 23rd Floor, UM Tower, located at 9 Ramkhamhaeng Road, Suan Luang, Bangkok, 1 room of 13.50 square meters.

Agreement Period : 3 years, starting from July 1, 2022 to June 30, 2025.

Terms of Termination : If the tenant breach any agreement terms, the lessor has the right to immediately terminate the lease agreement.

Lessor : H-Phoenix Property Co., LTD.

Agreement Date : August 13, 2020

Relationship With the Company : - None-

Area : 28nd Floor, UM Tower, located at 9 Ramkhamhaeng Road, Suan Luang, Bangkok, 1 room of 13.50 square meters.

Agreement Period : 3 years, starting from November 1, 2022 to October 31, 2025.

Terms of Termination : If the tenant breach any agreement terms, the lessor has the right to immediately terminate the lease agreement.

DETAILS REGARDING ASSET VALUATION

-None-

ATTACHMENT 5

The complete version of policy and practices of corporate governance and code of business ethics.

The Company disseminates essential policies related to Good Corporate Governance via its website. Please visit:

<https://www.taconsumer.com/articles.php>

ATTACHMENT 6

Report of Sub Committee, Audit Committee,
Nomination and Compensation Committee and Risk Management Committee

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL

Dear Shareholders

The Board of Directors recognizes its duties and responsibilities, as Directors of a Listed Company, for the Company's separate and consolidated financial reports, as well as other financial information appearing in the Annual Report. The financial statements have been prepared in accordance with generally accepted accounting principles in Thailand with appropriate accounting policies applied on a conservative and consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. So, that the shareholders, investors and the public obtain sufficient, accurate and timely information.

The Board of Directors has also adopted and maintained an appropriate and efficient system of risk management as well as internal control systems to ensure that the reliability and completeness of financial information are in place with ability to protect the Company's assets in order to prevent fraud or materially irregular operation.

In this regard, the Board of Directors has appointed an Audit Committee which comprises three Independent Directors who are responsible for reviewing and working with Internal and External Auditors on the financial reports, financial statements and a quarterly and yearly basis, internal control, related transactions. To make certain that the information in these financial reports is prepared according to the intended objectives and under the good corporate governance system.

The Board of Directors is therefore of the opinion that the Company has adequate and appropriate corporate governance, risk management system and internal control system, thus providing reasonable confidence that financial reports for the year ended December 31, 2022 and information of the Company has been prepared under the financial reporting standards, suitable and consistently-conformed accounting policies, with proper and prudent discretion, as well as with sufficient, accurate and timely information disclosure.



(ADM Apichart Pengsrithong)
Chairman of Board of Director



(Mr. Chatchawe Vatanasuk)
Chairman of the Executive Committee

REPORT OF AUDIT COMMITTEE

Dear Shareholders

The Audit Committee of T.A.C. Consumer Public Company Limited consists of three following Independent Directors with qualification and expertise in accounting, finance, marketing and management.

1. Assoc.Prof. Kitti Siripullop
Chairman of the Audit Committee
2. Mrs.Paktra Suriyapee
Member of the Audit Committee
3. Mr.Komsak Watanasriroj
Member of the Audit Committee

The Audit Committee has performed its duties within the scope of responsibilities assigned and in accordance with the charter of the Audit Committee, which is in compliance with the regulation of the Stock Exchange of Thailand. In the accounting period year 2022. Audit Committee had arranged 4 meetings, each of which was attended with the management, internal audit and auditors to discuss relevant issue. There are also meetings that do not have management and auditors on matters related and report the meeting to the Board of Directors. The essence of the work performed can be summarized as follows:

Financial Statement Report

The Audit committee, the auditors and internal audit had reviewed the Company's quarterly and yearly financial statements as well as the financial statements of the Company. By considering from important aspect and consultation is free to ensure that the internal control process of the Company financial budget is accurate and reliable, as well as to ensure that the disclosure of important information is sufficient and timeliness for the financial statement users. Which is also in accordance with the laws and related notice as well as in accordance with the regulations of the Stock Exchange of Thailand and Securities and Exchange Commission and in comply with Financial Reporting Standards.

Related Transaction or Conflict of Interest Transaction

The Audit Committee had considered and given opinions about connected transactions or transactions that may give rise to a conflict of interest with the Company. The purpose is caution, rationality and taking into account the interest of the stakeholders and also includes adequate information in line with the conditions imposed by the Stock Exchange of Thailand.

Internal Control System and Risk Management

The Audit Committee reviewed the adequacy of the Company's Internal Control System and Risk Management by making inquiries and considering based on the report of the Internal Audit and Auditors, along with the implementation of solutions and streamline to significant issues. The purpose is to assess the appropriateness and the efficiency of the Company's Internal Control System, risk management and business operations of the management that are in line with the established policies and the delegation of the authority.

Oversight and evaluation of the internal audit

The Audit Committee had reviewed oversight and evaluation of the internal audit performance view of the annual internal audit plan and manpower to promote the independence of the internal audit function.

Regulatory Compliance and Regulations

The Audit Committee reviewed the Company's business operation to ensure that it is in line with the securities and exchange law, regulation of the Stock Exchange of Thailand and laws relation to the business of the Company and acknowledge the changing of regulations which have an effect on the Company's business operation.

Considering The Appointed Auditors and Compensation

The Audit Committee had selected and considered the remuneration of the Auditors of EY Office Company Limited by considering auditors qualifications, knowledge, capabilities, experiences, the audit quality of the period year, and the independence of the auditors which are in accordance with the regulations of The Stock Exchange of Thailand or any other related department. The Board of Directors proposed to the Annual General Meeting of Shareholders of the year 2022 to appoint EY Office Company Limited as the Company's auditors. The appoint auditor are:

1. Ms.Satida Ratananurak
Auditor's License No. 4753 and/or
2. Mr.Wichart Lokatetekrawee
Auditor's License No. 4451 and/or
3. Ms.Siriwan Suratepin
Auditor's License No. 4604

The comparison of the fix the auditing fee Year 2021 and 2022

	Unit : Baht		
List	2021	2022	%Change
Annual audit of financial Statement	1,080,000	1,080,000	-
Review report and interim Financial Statements (Total 3 Quarters)	480,000	480,000	-
Total	1,560,000	1,560,000	

- Note:**
1. The amount does not include other expense such as travel fee, document fee, fax fee etc.
 2. In the year 2022, the Company has no other service fees paid to the auditors or the auditing company.

The Audit Committee deemed that during the accounting period ended on 31 December 2022, the Company had put in place the transparent, adequate and appropriate Internal Control Systems covering risky management and the Company had established procedures that helped build confidence in Company's operation in accordance with the related laws by having

good corporate governance along with the compilation and disclosure of adequate and reliable Company's financial report information.

On behalf of the Audit Committee



(Assoc.Prof.Kitti Siripullop)
Chairman of the Audit Committee

REPORT OF NOMINATION AND COMPENSATION COMMITTEE

Dear Shareholders

The Board of Directors has appointed Nomination and Compensation Committee in accordance with the guidelines of Good Corporate Governance of listed companies. At present, the Nomination and Compensation Committee consists of 3 directors, namely, Mrs. Paktra Suriyapee, the Independent Director, who act as the Chairman of the Nomination and Compensation Committee; Mr. Komsak Wattanasriroj, the Independent Director, who act as the Nomination and Compensation Committee and Mr.Chanit Suwanparin, the Director, who act as Nomination and Compensation Committee.

Nomination and Compensation Committee has performed its duties in accordance with the Charter in considering criteria, guidelines and recruitment processes. Including considering appropriate Compensation for directors and sub-committees in order to propose to the Board of Directors for consideration and approval before presenting to the Shareholders Meeting for approval, annually. Moreover, considering the Compensation of the CEO and propose to the Board of Directors meeting for approval. The Nomination and Compensation Committee has held 2 meeting in the year 2022, to consider various matters. The essence of duties can be summarized as follows:

1. To consider the Compensation of Directors and proposed to the shareholders' meeting for approval. The Board of Directors had determined the Compensation for Directors in 2022, by considering from the criteria for determining the Compensation of Directors that are appropriate and in accordance with the scope of duties and responsibilities of each Director. The Board of Directors ensure that the Directors are at the same level with the same industry which can be motivate and able to maintain directors with knowledge and quality in performing duties for the Company; and proposed to the Annual General Meeting of Shareholders for approval.

2. To consider the Compensation of Directors and proposed to the shareholders' meeting for approval. The Board of Directors had determined the Compensation for Directors in 2022, by considering from the criteria for determining the Compensation of Directors that are appropriate and in accordance with the scope of duties and responsibilities of each Director. The Board of Directors ensure that the Directors are at the same level with the same industry which can be motivate and able to maintain directors with knowledge and quality in performing duties for the Company; and proposed to the Annual General Meeting of Shareholders for approval.

3. To consider the performance evaluation of the CEO. The evaluation topics are in accordance with the SET's guidelines in 10 areas such as Leadership Strategy, Formulation Strategy, Implementation financial planning and performance and Relations with the Board of Directors etc.

4. To consider and approve the succession plan of the Deputy Managing Director from the policy to proactively prepare personnel. To prevent a shortage of personnel in important positions of the organization in the future, a succession plan has been proposed. to create continuity in operations and organization management

On behalf of the Nomination and Compensation Committee



(Mrs. Paktra Suriyapee)

Chairman of the Nomination
and Compensation Committee

REPORT OF RISK MANAGEMENT COMMITTEE

Dear Shareholders

In order to support the committee of T.A.C. Consumer Public Company limited in overseeing the organizational risk management, the Board of Directors therefore appointed Risk Management Committee; to set policies and assist the Board of Directors in managing the Company's risks to cover the entire organization and meet the goals efficiently and effectively. Including, to supervise that the risk management system and process are appropriate in reducing the impact on the company's business. As well as creating confidence and credibility for investors and stakeholders in each group. The Risk Management Committee consists of Directors who have knowledge, competence, experience and understanding in business operations.

Risk Management Committee Performance for the year 2022

The Risk Management Committee has determined and reviewed the organizational risk management framework, Policy and risk management process in accordance with the roles and responsibilities in the Risk Management Committee Charter. Moreover, the committee has provided suggestions on appropriate risk management guidelines for effective business operations and in compliance with the operation strategies direction and business plans. For the year 2022, 2 meeting was held by the Risk Management Committee to consider significant matters which can be summarized as follows:

1. Considered the annual organization main risk management plan of the year, that the management team from all departments have assessed and classified the level of importance of risk as well as determined the impact that occurred and determined such risk management methods to be in an acceptable level or help reduce the likelihood that such risk will occur.

2. Review the risk management report and revise the Risk Management Committee Charter, as well as proceed to ensure that the organization has appropriate risk management. In addition, to ensure that the company have adequate policies and risk management systems. Including the system effectiveness and practice in compliance with the specified policy.

Risk Management Committee is of the opinion that in the year 2022, the Company has the organization's risk management system to cover risk factors in all. As well as, has continuous risk management and risk assessment which is in consistent with changing circumstances. The Risk Management Subcommittee meeting was held on a quarterly basis and including analysis and assess the risks that are expected to occur in the future. The Risk Management Committee meeting was held on a semi-annual basis. The company has managed significant risks at a corporate level efficiently and appropriately as well as control such risk to be at an acceptable level.

On behalf of the Risk Management Committee



(Mr. Komsak Wattanasriroj)

Chairman of Risk Management Committee

T.A.C. Consumer PCL.

บริษัท ที.เอ.ซี. คอนซูเมอร์ จำกัด (มหาชน)

Head Office : 9/231-233, UM Tower, 23th Floor, Ramkhamhaeng Road, Suanluang, Bangkok 10250



+66-2-717-2898



+66-2-717-2899



contact_info@tacconsumer.com



www.tacconsumer.com



Additional Information