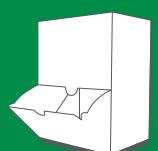




# Annual Report 2022

(Form 56-1 One Report)

**SAHATHAI**  
PRINTING & PACKAGING



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Unit : Baht million

	2020	2021	2022
Total assets	441.3	488.4	843.7
Total liabilities	301.0	242.8	205.1
Total shareholders' equity	140.3	245.6	638.6
Total revenue	455.0	579.5	562.6
Revenue from sales and services	440.6	561.3	541.6
Gross profit	175.6	213.1	189.8
Profit for the year	95.4	123.8	109.6

## Financial Ratio

Liquidity Ratio			
Current Ratio (Times)	0.9	1.8	6.2

Profitability Ratio			
Gross Profit Margin (%)	39.9%	38.0%	35.0%
Net Profit Margin (%)	21.0%	21.4%	19.5%
Return on Equity (%)	59.7%	64.1%	24.8%

Efficiency Ratio			
Return on Asset (%)	21.9%	26.6%	16.5%

Financial Policy Ratio			
Debt-to-Equity Ratio (Times)*	2.1	1.0	0.3

Per Share Information			
Earning Per Share (THB)**	31.80	5.25	1.23
Book Value Per Share (THB)	46.8	3.3	6.4

Note :

\* Calculated by divide 1 year period backward net profit by average Shareholders' Equity.

\*\* Weighted average number of ordinary shares for the end of December 31, 2022 and 2021 are 89,004,932 shares, and 23,597,260 shares, respectively.



## To Shareholders of Sahathai Printing & Packaging Public Company Limited

The year 2022 marked another important milestone for the company as the board of directors passed a resolution to propose the first initial public offering (IPO) and register the company with the Stock Exchange of Thailand's Market for Alternative Investment (MAI) on June 14, 2022. The main goal was to expand production capacity to meet the rapidly growing demand of customers in the Pet Food and Sustainable Packaging. Despite the severe impact of the COVID-19 situation from 2020 -2022 on all sectors, the printing and packaging business experienced exceptional growth due to the continuous increase in demand for food and consumer goods. Currently, although the pandemic situation has significantly improved, the aforementioned demand remains consistent due to the changes in consumer behavior, such as an increase in the popularity of disposable packaging, choosing packaged products over non-packaged products, and purchasing products in larger quantities.

During the year 2022, the company continued to receive high growth orders from customers. However, due to limited production capacity, the company was unable to increase sales to meet customer demand. In the fourth quarter of 2022, the company experienced significant negative impacts from changes in both the domestic and international economic dimensions, such as higher inflation, increasing household debt due to the risks and uncertainties of food and energy security, and the economic conflicts between major powers in the world, resulting in consumers becoming more cautious in spending. Meanwhile, the export sector shrank due to reduced orders resulting from the global economic slowdown, combined with excessive stockpiling during the container shortage and longer-than-usual shipping times in the export sector due to the uneven recovery rates from the COVID-19 pandemic among different countries, resulting in market imbalances in terms of supply and demand.

During this crisis, the company can still pursue a long-term business growth strategy continuously and adjust its strategies to mitigate potential risks that may arise in business operations promptly. This will ensure that the company can navigate through the situation safely.

In addition, the company places importance on being a sustainable organization that continuously grows by taking into account economic, social, and environmental factors (Environmental, Social, Governance: ESG) in its analysis, selection,



and management to create balanced opportunities for the company. For the environmental aspect, factors considered include climate change, reducing carbon emissions, and other forms of pollution (low-carbon business), as well as using resources efficiently and considering biodiversity. For the social aspect, the focus is on considering human rights, standards for worker safety and health, and community relationships. As for governance, the emphasis is on ensuring transparency, having mechanisms for risk management and assessment, and operating under strict regulations and rules.

In 2023, amid the current crisis, the company still places importance on expanding production capacity to increase opportunities and reduce constraints in accepting future orders from customers. The company anticipates a better outlook in the third and fourth quarters of 2023 as the inflationary pressures ease under the management of each country. This is because the main products of the company's major customers are in the pet food industry, which is expected to grow globally at an average rate of 7.3% in 2023 due to improved inventory management by the customers. The company has adjusted its investment strategy to align with the current situation by considering investing directly in expanding production capacity and upgrading production standards to international standards, as well as accelerating efforts to diversify its customer base across various industries such as direct food contact packaging and cosmetic packaging. The company also aims to enhance its internal management capabilities and risk management to support business growth.

On behalf of the board of directors, management, and employees of Sahathai Printing & Packaging Public Company Limited, we would like to express our sincere gratitude to all shareholders and stakeholders who have placed their trust and support in our company. Your continued support is an important motivation for all of us to fulfill our responsibilities to the best of our abilities in order to lead the company towards progress, growth, and sustainable returns for our shareholders, while taking care of all stakeholders.

On behalf of the Board of Directors,



Mr. Sawong Dhangwatnotai  
Chairman of the Board of Director



## Sahathai Printing & Packaging Public Company Limited

### Dear Shareholders

The Audit Committee of Sahathai Printing & Packaging Public Company Limited comprises of 3 Independent Directors whose qualifications meet the requirement of the Audit Committee of the Stock Exchange of Thailand and The Office of the Securities and Exchange Commission by having experience in Accounting and Finance, and Business Management. They perform their duties in accordance with the Audit Committee Charter and as assigned by the Board of Directors which is reviewed to suit with the current situation and approved by the Board of Directors annually.

They examine that the Company has followed the principles of good corporate governance, adequate risk management and internal audit. They shall concern the importance of the organization structure and work processes in a systematic manner, focus on being a transparent organization and operate the business sustainably with consideration to respond to the needs of stakeholders in all aspects.

In 2022, the Audit Committee has held 5 meetings, which all directors attended all meetings, and there were no executives present at any of the meetings, and having discussions with the auditors and internal auditors. The Audit Committee reported the results of the meetings to the Board of Directors meeting on a regular basis. In order to comply with the principles of good governance, the annual year-end performance assessment of the Audit Committee as a whole and self-assessment were completed. The results were satisfactory. The assessment areas included the structure and qualifications of the committee, the roles and responsibilities, the performance of duties, and the meetings. The Committee's key activities could be summarized as follows:



## Financial Statements Review

The Committee has reviewed the quarterly and the annually financial statements of Sahathai Printing & Packaging Public Company Limited. The statements have been prepared according to the Thai Financial Reporting Standards (TFRS) which is in conformance with the International Financial Reporting Standards (IFRS). The Committee examined the reports on important and special issues, and where queries were made, explanations were promptly answered by the external auditor, management and internal auditor, to the satisfaction of the Committee. The Committee concluded that the disclosure of the financial statements is in full compliance with the law and financial reporting standards and that the statements have been reviewed and audited by the external auditor. The Committee met exclusively with the external auditor team without company management to freely discuss the acquisition and review of material information involved in the preparation of the financial statements, the disclosure of information in accordance with relevant financial reporting standards for the benefits of the user of the financial statements, and key audit matters, as well as to consult them about audit plans. External auditor team confirmed that they have freedom of execution and received good cooperation from the management team and associated personnels.



## Review of Transactions with Related Parties or Potential Conflicts of Interest

The Audit Committee had reviewed and provided opinions on the transactions with related parties and transactions which might result in a conflict of interest in accordance with the regulators prior to presenting them to the Board of Directors and / or the Shareholders according to the transaction scale, to ensure that the transactions were transparent and reasonable and also disclosed to the Stock Exchange of Thailand in a timely manner.



### **Review of Corporate Governance**

The Committee has reviewed the efficiency and effectiveness of corporate governance and found that the Company has strictly complied with the policy, with the Board of Directors and management serving as role models. The Anti-Corruption Policy continued to be actively implemented. In addition, the Committee has reviewed the Company's compliance with laws and regulations on securities and exchanges and applicable business legislations, especially on related party transactions and potential conflict-of-interest transactions. The Committee reviewed their own performance through self-assessment about preparedness of the directors, financial reports, minutes external auditors meeting, related party transactions review, information disclosures, risk management, internal control, complaint-handling and whistleblowing process, IT management, Minutes of Board meetings, and internal audit performance. The Committee agreed that the corporate governance is satisfactory. Moreover, The company has provided channels for reporting misconduct and unethical behavior to encourage employees and stakeholders to report any concerns or incidents with confidence.



### **Review of Risk Management Assessment System**

The company designates the Executive committee to oversee the implementation of policies and frameworks for risk management within the organization. The Board monitors the risk management process, the adequacy of key risk management, and supports and develops risk management at all levels throughout the organization. The results of risk management are reported to the Board of Directors on a quarterly basis. It is reviewed and monitored on a quarterly basis, taking into account both internal and external risk factors, potential impact, and risk management to maintain an acceptable level.



### **Review of internal control**

The Committee has examined the Internal Control System Evaluation based on regular plan reviews and internal audit reports, as well as in the Internal Control Adequacy Assessment of the Securities and Exchange Commission (SEC). The Committee concluded that the company internal control was adequate and appropriate for its business operations. This corresponded with the external auditor's opinion that there was no material deficiency that might impact the Company's financial statements.





## Appointment of the External Auditors and Review of the Audit Fees for 2023

The Committee is satisfied with the external auditor performance in the past year. Furthermore, after the Committee already reviewed the qualifications and independence of the auditors, they found that the auditors have fully complied with regulations including the Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET) regulations. The Committee proposed to the Board of Directors for consideration and approval, and was approved at the Annual General Meeting, to appoint Mr. Prawit Viwanthananut, Certified Public Accountant Registration No. 4917 , and / or Miss Chutima Wongsaraphanchai, Certified Public Accountant Registration No. 9622, and / or Mr. Boonkasem Samklin, Certified Public Accountant Registration No.11888, from PV Audit Company Limited as the external auditor(s) of the Company for 2023. In the absence of the above-named auditors, PV Audit Company Limited is authorized to identify one other Certified Public Accountant within PV Audit Company Limited to carry out the work.

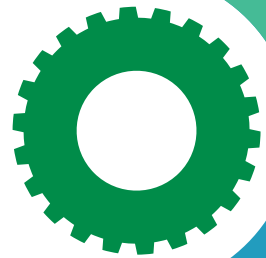
In summary, the Audit Committee executed its charter Duties and responsibilities with due competence, care, prudence, and freedom while providing comments and advice for the equitable benefit of all stakeholders. Its view is that the Company's financial statements are accurate, credible, and align with Thai Financial Reporting Standards (TFRS). In addition, the Company practiced compliance with applicable laws and business obligations, adequate risk management and internal control, conformance to rules along with efficient and effective internal audit. Furthermore, the Audit Committee has further given its opinions that the business operations, with the full abilities of the top management and all employees of the Company under the principles of good corporate governance, would enable the Company to generate satisfactory and sustainable growth of the Company; as a result, all stakeholders of the Company would be able to receive sustainable returns.

On behalf of the Audit Committee

(Mr.Thanadech Mahapokai)  
Chairman of the Audit Committee



## **Business Operations and Operating Performance**



# 1. Company's Structure and Operation

## 1.1 Policy and Business Overview

Sahathai Printing and Packaging Public Company Limited ("STP") was founded in 1976 by the Rojwongjarat Family. It began as a manufacturer of paper boxes for packaging fragrances and medicine. Later, the company expanded its production line to include paper boxes for packaging sports shoes. During the economic crisis of the late 1990s, many sports shoe distributors were experiencing financial difficulties, as a result, STP shifted its focus to manufacturing paper boxes for animal feed packaging and expanded its customer base to include food producers. Currently, the STP's largest customer base is in food and beverage sector which accounting for 94% of revenue in both 2021 and 2022. The company's factory is located in Lat Lum Kaeo, Pathum Thani Province, on an area of over 10 acres with a production capacity of 10,000 tons per year.

### 1.1.1 Vision, Mission, Goal, Strategy

#### Vision

To be Packaging business that fulfills customers need with quality service and international standard.

#### Mission

- Develop and diversify our product and create value added
- Deliver goods and services with international standard
- Improve work processes for adaptability and efficiency in a rapidly changing world

#### Our business goals for the next 5 years

Our goal is to increase our sales to **900 million baht per year**, with an average sales growth rate of **5% to 15% per year**.

#### Business Strategy

- Our plan is to expand the factory to improve the efficiency of our printing machines and increase production capacity, with a focus on manufacturing food packaging products that are safe for direct food contact. This expansion will allow us to expand into new customer bases.
- Delivering products on time.
- Our focus is on taking orders for custom-made offset printed boxes that have both aesthetic appeal and durability.
- We are exploring new customer markets to support the maximum efficiency of our existing production capacity.
- We aim to develop our workforce with a variety of skills and the ability to transfer and change job roles, while also adjusting work processes to increase the potential and capability of our employees.
- We are improving our production standards to comply with HACCP and GMP regulations in every step, in order to qualify for producing direct food contact products.

## 1.1.2 Major Changes and Developments

- 1969 ● Mr.Viroj Rojwongjaras started the business of producing perfume boxes and pillboxes in person name with the factory located on Khao San Road.
- 1972- 1973 ● We have relocated from Khaosan Road to Damrongrak Road.
- 1976 ● Established a company (formerly known as limited partnership Sahathai Printing Co.,Ltd) on July 20, 1976 with a registered capital of 1.0 million baht, with 3 main founders, namely Mr. Viroj Rojwongjaras, Ms. Amornrat Rojwongjarat and Mr. Surasak Rojwongcharat. And began operating a business manufacturing paper boxes for packaging shoes, with a customer base mainly in the leading sneaker manufacturing industry.
- 1982 ● Set up a new factory on Charansanitwong Road, where at present, the Company has leased some areas to be the location of the Company's head office.
- 1988 ● The company was established as a juristic person on October 5,1988 with a registered and paid-up capital of 1.0 million baht.
- 1997 ● Due to the economic crisis in Thailand (Tom Yum Kung crisis), the group of customers who used to be in the shoe manufacturing industry moved their production bases to other countries. Therefore, the company adjusted its strategy to create new customer bases in the food industry to sell paper boxes for packaging human and pet food products.
- 2001 ● The company increased its paid-up capital to 3.0 million baht by issuing and offering additional common shares to existing shareholders in proportion to their shareholding. The funds raised were used as working capital.
- 2004 ● Build a factory on land in Lat Lum Kaeo District. Pathum Thani Province Total area of more than 25 rai.
- 2011 ● The widespread impact of the flood problem has affected the roads leading to the company's manufacturing plants and offices, particularly on the hilly road to Suphanburi. Although the water did not flood the company's plants and offices, and the company was still able to continue operations, the production efficiency was reduced for about 2 months. This is because suppliers and employees were unable to travel to work.
- 2012-2020 ● The company has been gradually expanding its production capacity, including the expansion of manufacturing buildings and warehouses to accommodate the growing sales volume. The sales volume has increased from 262 million baht in 2012 to 314 million baht in 2015 and 440 million baht in 2020.

## 1.1.2 Major Changes and Developments

2021

- The transformation of the company from a private company limited to a public company limited and the change in the par value of the stock from 100 baht per share to 1 baht per share.

Increasing registered capital from 3.0 million baht to a new registered capital of 100.0 million baht in order to

The company has supported and offered the sale of common shares to existing shareholders in proportion to their shareholding amounting to THB 71.6 million. The par value of each share is THB 1. Shareholders have successfully subscribed and paid for the additional shares in proportion to their shareholding. The company has already registered the paid-up capital increase of THB 74.6 million with the Ministry of Commerce on September 28, 2021.

The company has supported the issuance and public offering of new common shares to the general public, totaling 25.4 million shares with a par value of THB 1 per share.

2022

- The company was registered as a listed security on the Market for Alternative Investment (MAI) on June 14, 2022.

### 1.1.3 Utilization of Proceeds

As the Company has offered ordinary shares for sale to the initial public offering (IPO), consisting of 25,400,000 shares at a price of 18 baht per share, the Company has received proceeds from the sale of such shares in the amount of 457.2 million baht. After deducting related expenses, the Company has received net proceeds from the sale of shares of 435.9 million baht. As of December 31, 2022, the Company has utilized the proceeds from the sale of shares in the amount of 163.42 million baht, as follows.

Objectives	Amount and duration	Proceed used until December 31,2022	Detail
1.To be used for investment in factory expansion projects and additional machinery investments.	360 million baht (in Q2'2023)	103 million baht	Investing in expanding factories, warehouses, and purchasing additional machinery.
2.To be used as working capital and for other operations that maximize the benefits to the business.	75.92 million baht (in Q2'2023)	60.42 million baht	Using as working capital for business operations.

The company operates in a single business unit, which is the manufacturing of paper packaging and all types of printed materials, providing services ranging from packaging design and development, high-quality plate-making, up to 12-color printing and various post-printing services such as UV coating, gold foil stamping, silver foil stamping, die-cutting, and embossing, among others. The company operates solely within the geographical region of Thailand.

## 1.2.1 Revenue structure

The revenue structure of the company consists of

- 1) revenue from sales, which is the revenue generated from selling paper packaging, and
- 2) revenue from services, which is the revenue generated from producing packaging by using paper supplied by customers.

Revenue structure (Thousand baht)	2020		2021		2022	
Revenue from sales	425,160	93.4%	547,263	94.4%	522,734	92.9%
Revenue from services	15,416	3.4%	14,071	2.4%	18,842	3.3%
Total	440,576	96.8%	561,335	96.9%	541,576	96.3%
Other revenue	14,491	3.2%	18,215	3.1%	20,996	3.7%
Total revenue	455,067	100.0%	579,550	100%	562,572	100.0%

## 1.2.2 Product and Service Information

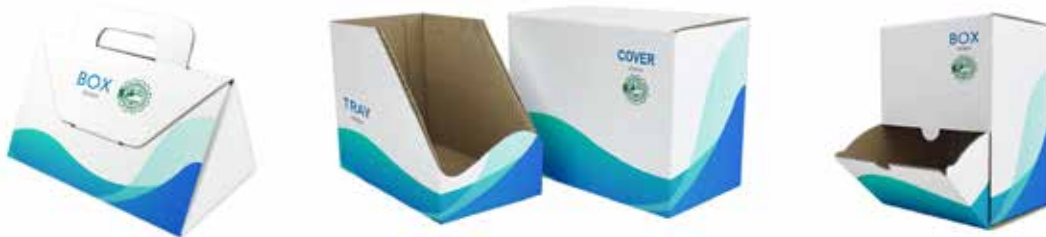
The main product characteristics of the company are packaging for human and pet food, beverages, and general packaging, using offset printing technology with both gravure and non-gravure options. The company produces packaging according to the designs or samples specified by the customers, or designs according to the customers' needs. The offset printing technology provides attractive and high-quality packaging with sharp colors that are suitable for large volume packaging. Paper is a popular packaging material for direct consumption products because it is inexpensive, lightweight, recyclable, and can be presented in various formats. In addition, the company also provides various post-printing services, such as UV coating, glossing, and plastic film coating, to enhance the beauty of the packaging design and to protect printing color and also make packaging more durable.



**The company's main products can be divided into 2 types: offset printing corrugated folding box and offset printing folding box.**

### **1** Offset Printing Corrugated Folding Box

An offset printing corrugated folding box or a high graphic corrugated container, or a one-sided laminated box is produced by printing the offset inks and designs onto a white cardboard or a coated paper, and then laminating it with a corrugated sheet board. The company can produce either B flute (which has a higher flute and can withstand heavier weight) or E flute (which is smaller) corrugated board, depending on the usage and requirements of the customers. This type of box usually emphasizes strength and can withstand damage well. The box is then die-cut into the desired shape and size according to the customer's specifications, and then glued to form a paper box. Popular products that use this type of box include shelf-ready packaging that can be displayed on the store shelf, packaging for human and pet food products, and packaging for processed seafood products.



### **2** Offset Printing Folding Box

A non-tuck end folding carton or inner box is a type of folding carton that does not require the step of tucking the paperboard. It is commonly used to package consumer goods, such as food and beverage products, shoes, medical supplies, and pet food. Despite not having the same folding mechanism as a tuck end folding carton, it can be manufactured using similar methods. These paperboard products can be designed in a variety of ways and can serve as a marketing tool to create branding for the company. By using offset printing and a variety of colors and designs, these packaging materials can be used to decorate products, and to create unique and eye-catching displays in stores. They can also be used as gift packaging for holidays and as promotional products for various sales events, including floor displays and counter displays.





**The company focuses on developing both its service and production processes in order to meet the highest possible customer demands. The main steps of their service delivery process include:**



## **1 Development and design**

The company focuses on developing services and production processes to meet the maximum customer demand. Since customer needs are at the heart of design, the company's design team pays attention to inquiring and gathering information about the product, as well as various limitations from customers to provide the best packaging recommendations that meet customers' needs. Initially, the design team presents its work along with the sales department, which designs and estimates a preliminary price for customers. The company then provides advice on the type and size of paper that is suitable for the product through the calculation of the compress test, which allows customers to select the most suitable and cost-effective paper for their product packaging.

## **2 Prepress**

For the prepress process, the company has adopted the latest Computer to Plate (CTP) printing technology to ensure that every plate used for printing is of the highest quality and ready for the company's customers.

## **3 Press**

The company has a printing press that can print up to 12 colors, allowing them to meet the diverse needs of their customers. Additionally, their printing press is equipped with various surface coatings, such as water-based coatings and other types of coatings, to enhance the appearance and durability of the printed materials.



## Post-press

The company offers a range of post-printing services for customers to choose from to make their packaging look beautiful and stand out according to their specific requirements. These services include various coatings such as UV coating, gold foil stamping, silver foil stamping, embossing, and die-cutting.



### 1.2.3 Marketing and competition

Packaging plays a crucial role in product distribution nowadays, as it not only protects the product inside but also promotes sales and various marketing activities. Creating packaging with an attractive design can help attract consumer interest and generate the desire to purchase the product. Therefore, there is an increasing demand for packaging in terms of quantity, design, and quality.



#### Marketing strategy

**1. To develop products with a variety of options to meet the needs of customers**

The company has a design team that aims to develop products in various forms to meet the needs of customers. The design team participates in meetings with customers from the beginning to inquire and collect as much information as possible about the products, including various limitations from customers. In addition, the company also provides advice on the type and size of paper that is suitable for the product through the company's Compress Test calculation, which allows customers to choose the most suitable and cost-effective paper for their product packaging.

**2. Deliver high-quality products and services that meet international standards and provide fast service**

The company emphasizes the production of high-quality products, with a Quality Assurance (QA) team responsible for controlling and inspecting the quality in every stage of the production process, from raw materials, products in progress, to finished products, to meet international standards and comply with the agreements with customers. Currently, the company has obtained various international standards, as follows:

- ISO9001 – Quality Management System
- ISO14001 – Environment Management System
- GMP – Good Management Practices
- Sedex – Sedex Members Ethical Trade Audit (SMETA) Measurement
- FSC™ – FSC™ Chain-of Custody (License code FSC™ – C148718)

Furthermore, with the extensive experience of the company and its prompt response to customer service, where customers can immediately contact the company's management team in case of emergency, the company places great importance on maintaining good relationships and providing genuine advice to its customers, thereby earning their trust. This has enabled the company to gain the trust of its customers who have continuously provided business opportunities despite the constant challenges, both with traditional order-based products and new products. In addition to emphasizing the quality of products and services, the company also focuses on delivering the products on schedule to maximize customer satisfaction.

### **3. Improve the production process to be more flexible and agile to respond to rapidly changing situations**

The company is constantly developing to improve its production process by using modern machinery and technology to increase production efficiency and reduce production time. Additionally, it helps to reduce errors caused by human factors (human error). Furthermore, the company aims at human resource development to be able to perform various tasks to replace positions that are lacking or to replace emergency situations, in order to prevent production downtime. For example, the company currently uses a wide-faced paper roll cutting machine, which reduces waste from cutting and saves time in the cutting process of paper rolls, which is the main raw material in the production process.



## **Customer characteristics and target customer groups**

The majority of the customers of the company are manufacturers of products for export, with factories located in the Bangkok metropolitan area, its suburbs, and Songkhla province. These customers can be classified into three main business groups.

# 1.

Food and beverage industry comprises manufacturers and exporters of canned tuna, processed seafood, frozen seafood, pet food products, beverage, and ice cream.

# 2.

Shoe industry.

# 3.

Pharmaceutical industry.

The majority of the customers are long-term, regular customers with a good payment history and strong financial status. Many of these customers are publicly listed companies with well-known brands. They usually do not switch manufacturers in order to maintain their trade secrets and prevent counterfeit packaging being used for fake, low-quality products that could damage their brand reputation in the future. Therefore, this group of customers must choose a reliable packaging manufacturer and maintain a long-term business relationship with them. The company has maintained a good relationship with these customers throughout its history.



## **Distribution and distribution channels**

The total sales of the company are from selling to customers within the country, with the majority of customers being manufacturers and exporters. The products produced are paper-based packaging, which are either die-cut and folded or not, according to the specifications provided by the customers or designed by the company to meet the customers' needs. The company's factory is located in Pathum Thani, a suburban area with a main road passing through that provides convenient access to other provinces, resulting in a competitive advantage in reaching customers and delivering products.



## **Competition status**

Due to the increasing global trend towards environmental conservation, paper packaging made from plants that are easily biodegradable and can be recycled has become more popular as an environmentally friendly alternative to non-biodegradable packaging. However, the packaging market in Thailand still has to follow the growth of the product industry it serves. Additionally, most paper packaging does not have its own brand and is mainly produced for different types of products that already have their own branded packaging. Therefore, the overall paper packaging market is highly competitive, with a large number of packaging manufacturers, up to 636 manufacturers, including both small and large manufacturers, based on the data from the Office of Industrial Economics Packaging Industry Database as of February 9, 2023 [source: [www.packaging.oie.go.th](http://www.packaging.oie.go.th)]. The key to competition in this market is the quality and cost-effectiveness of the packaging. Our company is one of the high-quality manufacturers of paper packaging with reasonable prices that have gained continuous popularity from our customers. In addition to the large number of manufacturers, there is also a significant fluctuation in the cost of the main raw material, paper, which has seen an increase in price since early 2021 due to the high cost of shipping containers worldwide caused by the COVID-19 pandemic and the policy banning the import of waste from other countries.



## Trend of Industrial Sector in the Future

Overall, Thailand's export of goods is trending downward due to the volatile global economy, including political tensions in Europe that have led to higher energy costs, increased inflation rates in many regions, and rising interest rates in several major markets such as the United States and Europe, affecting consumer purchasing power and overall economic growth. This includes the export of pet food, which experienced a decline in sales in the first and second quarters of 2023 due to the impact, but there are signs of improvement in the third and fourth quarters of the year.

The global pet market is predicted by Euromonitor to have a value of up to 217.615 billion US dollars in 2569, with an average annual growth rate of 7.2%. The value of the pet market in Asia-Pacific and Thailand is also expected to grow in line with the global market, with the Asia-Pacific market growing by about 7% to reach 19,000 billion US dollars in 2570 (according to Research and Markets website) and Thailand growing at an average rate of 8.4% to reach 66,748 million baht in 2026 (according to the Department of Business Development, Ministry of Commerce). The growth of the pet market is directly related to the growth of the pet food business, which in turn will have a positive impact on the packaging industry.

The paper packaging industry is showing a positive trend in adapting to the increasing environmental awareness among consumers today. Many businesses are adjusting their business models to be more environmentally friendly, and sustainable packaging that can be used for the 3R approach (reduce, reuse, recycle) is becoming increasingly important for both businesses and consumers alike.

Another important factor that contributes to the improved adaptation of packaging businesses is the gradual recovery of domestic purchasing power following economic activities returning to normal after the COVID-19 situation. This has resulted in an expansion of domestic demand for both consumption and tourism, leading to an increased need for packaging in both the production and service sectors. Paper packaging, in particular, has shown strong growth potential due to changes in consumer behavior as many turn to online shopping (e-commerce) instead of traditional in-store purchases.

## 1.2.4 Sourcing of products or services

Sourcing products and services is a key driver of supply chain and a critical factor in enhancing a company's competitiveness. The main raw material is paper, including duplex board, white face cardboard, and kraft paper, most of which are domestically produced by a small number of manufacturers, with very few imports, accounting for approximately 7% of the total paper orders. Currently, the company has 22 paper manufacturers and distributors as its partners, all of whom are domestic manufacturers and distributors. However, the company depends on one large paper manufacturer and distributor, which has no relationship with the company, but accounts for 80% of the company's orders for kraft and white face cardboard, the main raw materials for the company's production. The company is aware of the risks of relying on a large partner and is trying to reduce this reliance. Nevertheless, this large paper manufacturer and distributor is one of the largest paper manufacturers in Thailand, capable of producing high-quality paper at a reasonable price and in sufficient quantities to meet the company's needs. This is particularly important given the COVID-19 situation, which has led to significantly increased transportation costs and high prices for imported paper, making it difficult to compete with domestic manufacturers. The company therefore continues to rely on its large partner while exploring other options to reduce its dependence.

Currently, the company has a factory on approximately 25 acres of land, along with various types of machinery to meet customer demands. There are 4 offset printers available.

## 1.2.5 Assets used in conducting a business

At December 31, 2022, the Company's fixed assets used in its business installation located at the factory and office building, 6 Mu 3 Taling Chan-Suphan Buri Rd., Na mai, Ladlumkaeo, Pathum Thani province, were as follows:

### 1) Land, buildings, and equipment

Item	Net book value (million baht)	Rights	Obligation
1. Land improvement	13.9	Owner	N/A
2. Buildings and building improvements	37.4	Owner	Burdened with contractual obligations under a loan agreement with the bank.
3. Office decoration and equipment	3.5	Owner	N/A
4. Machinery, tools, and equipment in the factory, including offset printers, computer-to-plate (CTP) machine, paper cutters, gluing machine, corrugate laminated machine, and solar cell systems.	68.7	Owner	Some parts are burdened with contractual obligations under a loan agreement with the bank.
5. Vehicles	11.9	Owner	N/A
6. Work in progress assets	61.9	Owner	N/A
Total	197.4		




## 2) Right-of-use assets

Item	Net book value (million baht)	Rights	Obligation
1. Right-of-use assets – Land and Building Lease Agreement	82.4	Owner	Burdened with contractual obligations under a loan agreement with the bank.
2. Right-of-use assets – Machinery	45.0	Owner	Financial Lease Obligations
3. Right-of-use assets – Vehicles	4.0	Owner	Financial Lease Obligations
Total	131.4		

## 3) Intangible assets

Item	Net book value (million baht)	Rights	Obligation
1. Software	2.5	Owner	N/A
Total	2.5		

## 4) Trademark for services

Trademark for services	Registration number	Rights	Category	Trademark for services age
	221131105	Company	16 (Box made of paper packaging)	10 Years

### 5) Business insurance and assets used in business operations

The company has a policy of insurance policies that provide adequate coverage for property and are consistent with industry practices. The company has a policy of renewing insurance policies yearly before it expires.

### 6) Patent

As of December 31, 2022, the company has registered 12 patents with the Ministry of Commerce in Thailand. Additionally, there are 5 patents currently in the process of being registered.

### 7) Benefits from The Board of Investment

On December 31, 2022, the company received benefits from one the Board of Investment certificate.

### 8) Investment policy for subsidiaries and associate.

The company has a policy of investing in subsidiary companies and associate that align with the company's mission, vision, and growth strategy plan, which will result in increased business performance or profits, or investing in businesses that provide synergies to the company to enhance its competitiveness and enable the company to achieve its goal of becoming a leading player in its core business. When considering an investment, the company will conduct a feasibility analysis and assess the potential and risk factors of the investment. The company has a suitable investment analysis process that requires approval and/or authorization from the management committee, board of directors, or shareholders' meeting, as applicable. Approval for investing in subsidiary companies, joint ventures, and/or associate must comply with relevant laws and regulations.

## 1.2.6 Finished goods waiting for due date to deliver

Each piece of the products that were manufactured by the company have no high value

## 1.3 Shareholding Structure

### 1.3.1 The shareholding structure of the company.

The company has no subsidiaries or affiliated companies. The Rojwongcharas and Rojwongjaras families hold shares directly in the company.

### 1.3.2 person who may have conflicting interests holds shares in a subsidiary or associate company totaling more than 10 percent of the voting rights of that company.

– There is no such reason as the company does not have any subsidiaries or associate.

### 1.3.3 Relationship with the major shareholder's business group.

Apart from a long-term land lease agreement with Somwangdee Land Co., Ltd., in which the Rojwongcharas family holds direct shares, and a short-term office building lease agreement with the Rojwongjaras family, the Company has no significant relationships or connections with other businesses operated by the Rojwongjaras family in order to eliminate the possibility of conflicts of interest in the Company's business operations. Furthermore, all directors and executives who are family members have provided assurances that they will not be involved in the management of Thai Paper Cartons Co., Ltd.<sup>1</sup> (Thai Paper) in any way, either directly or indirectly. They have agreed to indemnify and/or compensate for any losses or expenses incurred by the Company resulting from the prevention or mitigation of damages that may occur to the Company.

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<sup>1</sup> The company engages in the production and distribution of products that significantly differ from the company's main products. The main product is a corrugated box that uses Flexo printing technology.

### 1.3.4 Shareholder

The shareholder structure of the company as of December 31, 2022 is as follows.

Shareholders			Share (Issued and paid-up share capital)	Percentage
1	Ms. Amornrat	Rojwongcharas	18,650,000	18.65
2	Mr. Suranai	Rojwongcharas	7,460,000	7.46
3	Ms. Haruethai	Rojwongcharas	7,460,000	7.46
4	Mrs. Nisachol	Chaiyawat	5,333,700	5.33
5	Mr. Prasit	Rojwongjaras	5,333,700	5.33
6	Mr. Prawit	Rojwongjaras	5,326,540	5.33
7	Mr. Prasert	Rojwongjaras	5,326,540	5.33
8	Mr. Prasong	Rojwongjaras	5,326,540	5.33
9	Ms. Napaporn	Rojwongjaras	5,326,540	5.33
10	Ms. Titiporn	Rojwongjaras	5,326,440	5.33

Note: Other minority shareholders collectively hold 29,130,000 shares, representing approximately 29.1% of the total shares.

### 1.3.5 The agreement between major shareholders that has an impact on the issuance and offering of securities or the management of the company, and key considerations for the operation.

- N/A -

### **1.3.6 Investment policy for subsidiaries and associate.**

The company has a policy to invest in companies that align with the company's goals, vision, and strategic plan for growth, which will increase the company's profitability or earnings, or invest in businesses that provide synergy to the company to enhance its competitive edge and enable the company to achieve its goal of becoming a leading player in its core business. In this regard, the company, its subsidiaries, joint ventures, and/or associate may consider investing in other businesses if they have the potential for growth or can provide benefits to the company's business, which can generate good returns on investment. The company will analyze the investment opportunities and consider the potential and risk factors of the investment, using appropriate investment analysis procedures, which must be approved and/or authorized by the company's management, board of directors, or shareholders' meeting (as applicable) depending on the case.



## 1.4 Share capital

As of December 31, 2022, the company had a authorized share capital of 100,000,000 Baht, of which 100,000,000 Baht had been fully paid up. The capital is divided into 100,000,000 ordinary shares with a par value of 1 Baht per share.



## 1.5 Issuance of other securities

- N/A -



## 1.6 Dividend Payment Policy

The company has a dividend payment policy of not less than 40% of the net profit after tax from the separate financial statements in each period, after reserving according to legal requirements and as specified in the company's regulations. The Board of Directors will consider dividend payment based on the benefits to shareholders as the primary consideration, and such payment must not adversely affect the company's normal operations. The dividend payment may be subject to change, depending on business performance, financial status, liquidity, business expansion plans, future necessity, and other relevant factors related to the management of the company.

## 2. Risk Management

### 2.1 Risk Management Policy and Plan

At the 1st/2022 meeting of the Board of Directors held on February 4, 2022, the Board reviewed, revised, and approved the Company's risk management policy, as well as monitored and reviewed the Company's risk management activities for the year 2022.



#### Risk management policy

- 1) The company conducts business under acceptable risks in order to achieve the objectives and meet the stakeholder expectations. Risk management is incorporated as a part of the annual business planning, operational management, daily decision-making processes, as well as in the management of various projects.
- 2) All executives and employees are risk owners, and have responsibilities to identify and evaluate the risks of their responsible units, as well as to establish appropriate measures to manage the risks.
- 3) All risks that have an impact on the achievement of the company's objectives must be addressed as follows:
  - Identify risks in a timely manner.
  - Assess the likelihood of the risk occurring and the impact if the event does occur.
  - Manage risks in accordance with the prescribed risk management criteria, taking into account the costs involved and the benefits to be gained from such risk management.
  - Monitor and supervise to ensure that the company risks are appropriately managed.
- 4) Risks that may have a significant impact on the company's business plan and strategy, which are at high and very high risk levels, must be reported to the company's board of directors for acknowledgment through a prepared report by the executive committee.



## Risk management plan

The risk types can be categorized into 5 groups, which are:

1. Strategic Risk (SR) is the risk arising from the formulation and implementation of inappropriate or inadequate strategies, plans, or operations, which do not align with the internal factors and external environment, and can impact the achievement of the organization's vision, mission, or status.
2. Financial Risk (FR) is the risk that arises from the failure to meet budgetary goals, budget cut, insufficient budget resulting from the changes in conditions.
3. Operation Risk (OR)" refers to the risk of losses arising from inadequacy or failure of internal processes, people, systems, or from external factors.
4. Compliance Risk (CR) refers to the risk arising from an organization's inability to comply with relevant regulations or laws.
5. Technology Risk (TR) refers to the risk from data security in the cyberspace, data protection, and risk from choosing technology that cannot be used with current information technology or cannot support growth.

### The risk management framework is divided into 3 levels, which are:

- The board of directors establish and review a risk management framework that is suitable for efficient business operations and conforms to international standards, and provide recommendations on risk management approaches that align with the operational strategy and prevailing circumstances. The board also review the risk management system at least once a year.
- An executive committee is responsible for overseeing the implementation of the organization's risk policies and frameworks, monitoring risk management processes, ensuring the adequacy of important risk management, and supporting the development of risk management at all levels throughout the organization. They will report the results of risk management to the board of directors. In the event of significant factors or impacts on the company, the executive committee will report to the board of directors for consideration as soon as possible.
- Every employee is responsible for strictly following the approved risk management policies and processes at the organizational, divisional, and operational levels.



## 2.2 Risk factors for the company's business operations

### 2.2.1 Risk to the company's business operations



#### The risk of relying on some major customers

The company has relied heavily on three major customers, who have contributed an average about 68% of total revenue during 2020 to 2022. If there are negative factors that affect the future orders of these three major customers, it will also impact on the company's revenue. The company emphasizes on taking care and developing good relationships with all customers, especially the major customers who can directly contact the management if there are any problems or concerns about the products. The management will provide assistance and closely monitor every process until the products are delivered smoothly to the customers, which continuously build customers trust in the company. These three major customers are seafood exporters who must comply with various international standards and have strict ESG standards. The company has been delivered the products which meet all their standards to these customers. Additionally, the company plans to reduce the risk of relying on these three major customers by expanding to new customers. Moreover, the company has a design team that works with customers to design packaging that can adjust the raw materials to a cost level that customers can accept. Since the current production capacity is not enough to support all customer orders, the company has to prioritize taking on jobs from existing customers, resulting in a proportional reduction in revenue from other new customers.



#### The risk of relying on customers in a particular industry

The majority of the company's customer is based in the seafood production and export industry, accounting for 91%, 94%, and 94% of total revenue in 2020-2022 respectively. If there are negative factors affecting the seafood production and export industry, it could potentially impact the company's revenue. However, the company plans to mitigate this risk by expanding to new customer industries such as the beverage industry. Currently the company has limited production capacity that can serve the existing customers. In the future, if production capacity is increasing, the company can accept additional orders to reduce the risk of relying on customers in the seafood industry. The company aims to expand its customer base to other food industries and consumer goods industries to reduce the risk of opposition to Thailand's fishing industry from foreign countries.

Despite the past situation, the company had not been negatively impacted and continues to receive orders from the seafood export industry customers, with increasing order volumes. However, the company plans to expand new customers in various other industries to reduce the aforementioned risks.



## The risk of fluctuations in the prices of key raw materials

The main raw materials of the company are duplex board paper and kraft paper, accounting for more than 82% of the raw material purchased in the year 2022. The price of paper varies depending on global market prices and consumer demand. Paper prices had a tendency to increase in the beginning of the year 2021, primarily due to high shipping costs resulting from a shortage of containers worldwide due to the COVID-19 situation, as well as China's policy banning the import of all types of waste paper, including recycled waste paper (RCP), starting from January 1, 2021. This has led Chinese operators to import recycle paper pulp and packaging paper to compensate for lost imports.

However, the company has a strategy to reduce the risk from price fluctuations of raw materials by closely monitoring the paper prices trend. There will be paper stock to reserve in advance if the paper price is expected to increase. In addition, the company will manage its procurement of raw materials in advance, also adjusting the selling price to correspond with the changing raw material prices, in order to maintain the company's profitability. Furthermore, the company has a design team that will work together with customers to determine and suggest packaging designs that can adjust the raw materials and customers can accept for the cost.



## The risk of relying on major paper suppliers

The company relies on a major paper supplier, which accounts for 80% of its paper purchases in 2022. If the supplier is unable to provide the required amount and price of paper on time, it may affect the company's production process and operations. However, such a situation has not occurred in the past. The major paper supplier is a main paper manufacturer and distributor in Thailand with a market share of approximately 70%, which helps to ensure that the company has enough paper to fulfill customer orders. Nevertheless, the company plans to order paper in advance to ensure that there is enough paper for production every month. In addition, the company also orders paper from other paper suppliers to reduce the risk in case that the main supplier is unable to provide sufficient paper.



## Risk of conducting business in highly competitive industries

The main factors that contribute to the high competition in the paper packaging industry include the increased demand for consumer goods packaging in households due to the COVID-19 situation, the shift in consumer behavior towards online media, which has led to an increase in printing businesses to produce packaging, and government measures to promote investment among small businesses, resulting in an increase in the number of new business operators in the industry. When comparing the company's operations with other companies in the same industry group under the Thai Industrial Standard Classification (TSIC) code 46694,

which refers to the wholesale of packaging for industrial use, the Department of Business Development found that there are 1,326 operators in this industry. The results of the company's operations were found to be relatively higher than the industry average, with an initial profit rate of 34.9 percent compared to the industry average of 22.8 percent, and a net profit rate of 19.5 percent compared to the industry average of 4.3 percent. The main reason for the company's relatively good operational performance is due to the efficient cost control of production, closely monitoring paper prices, and planning ahead for paper procurement as paper is a major raw material in the manufacturing process. Additionally, the company aims to improve production efficiency by designing production line layouts for continuous production, reducing downtime, and increasing equipment utilization. The company focuses on differentiating from other operators through several factors such as building good relationships with customers, innovating in production, designing to meet customer's needs, and producing goods which meet the international standards.



### **The risks and impacts from the Coronavirus disease 2019 (COVID-19) pandemic outbreak**

Due to the current situation where Thailand is unable to control the spread of COVID-19, there may be a delay in the country's economic growth and a delay in customer orders, as well as the impact of COVID-19 infections and quarantine of company employees, which may affect production and result in delayed delivery of goods to customers. However, the company has anticipated the risk that may impact product delivery and revenue in advance, closely monitored production plans, and hired outsourcing companies to take responsibility for non-complex tasks to ensure that the company can deliver goods to customers on time. The management believes that this management strategy can help mitigate negative impacts on the company's revenue if the COVID-19 outbreak is not under control. In addition, measures have been taken to prevent the spread of the disease within the company's operation areas, such as screening employees before entering office and factories, requiring employees to wear masks at all times, maintaining social distancing, providing hand sanitizers in common areas, increasing the frequency of cleaning at high-risk areas, and having a plan to separate groups of employees to control the spread of the disease in case of infection. Communication guidelines have also been established to prevent the spread of COVID-19, which employees are informed and strictly followed.



## The risk of not being able to renew a lease agreement

The company has entered into a lease agreement for approximately 25 acres of land, which is the location of the company's manufacturing plant, from a related corporate entity. The remaining term of the lease is 27 years, expiring on August 31, 2049, and the rental rate is based on market rates as appraised by an independent valuer, Pornsiam Consultant and Services Co., Ltd. However, upon expiration of the lease, the company may be at risk of not being able to renew the lease. In addition, finding suitable large land plots for business operations is not an easy task. Nevertheless, the company believes that the fair terms of the lease agreement and market-based rental rate will help ensure the company's ability to renew the lease in the future.

In addition, the company has entered into a lease agreement for an office building located on Charansanitwong Road from a related party. The leased area is 302 square meters and will be used as a customer contact center, billing and payment collection. The lease term is set for 3 years and will expire on December 31, 2023. The rental rate is based on the market rate, which was assessed by an independent appraiser, namely " Pornsiam Consultant and Services Co., Ltd.". In the event that the lessor does not renew the lease agreement after its expiration, the company can find another office space to rent without incurring relocation expenses significantly.



## Risk of greenhouse gas emissions

The company is aware of the importance of reducing greenhouse gas emissions which contribute to global warming and have negative impacts on severe weather conditions, natural ecosystems, and endangered species. To address this issue, the company has implemented measures to reduce greenhouse gas emissions, including:

- Using renewable energy from sunlight to produce electricity for use in the manufacturing process.
- production processes and improve production equipment to increase efficiency and reduce energy consumption.
- Design products and manufacturing processes that use valuable raw materials efficiently to minimize waste from production.
- Supporting the use of reusable paper for internal documents within the organization.
- Set lights and air conditioning to turn off during midday break.

In addition to the above measures, the company has hired consultants and auditors and provided training to the management and staff to establish appropriate guidelines for reducing greenhouse gas emissions. A report on the company's greenhouse gas emissions data for the year 2022 has been prepared and audited.



## Risks of having family members in management positions

The company has 6 executives. Five of them are family members and also shareholders in the company. This may lead to a lack of thoroughness in reviewing documents and not strict to the standards used to oversee the company. However, the company has mechanisms to check and balance the power of family members to maintain the appropriate benefits of minority shareholders.

- The related transactions must comply with the related transaction policy and must be reviewed and screened by the audit committee before being presented for approval by the board of directors, with independent directors participating in the consideration.
- The entry of transactions with material significance must be reviewed and approved by the company's board of directors, which includes independent directors in the decision-making process.
- The annual budget must be reviewed and approved by the company's board of directors, which includes independent directors in the consideration.
- Approval of the items must be in accordance with the approval authority granted by the board of directors, which includes independent directors in the decision-making process.
- In order to ensure a balance of power and sufficient and appropriate oversight, the approval authority manual specifies that the document preparer, the item reviewer, and the item approver must be separate individuals. Additionally, two of these three individuals must not have any relationships with the director and/or management and/or related persons of the director and/or management, for all processes within the company.

## 2.2.2 Investment risks of securities holders



**The risk of having a significant concentration of shareholding in the hands of the Rojwongcharas family, Rojwongjaras family, or Rojwongjaras family, collectively owning more than 50% of the fully paid-up capital.**

The company has a significant proportion of shares held by the Rojwongcharas family, including Rojwongjaras, and Rojwongjaras, totaling 75% of the paid-up capital. This shareholding proportion has a significant influence on the direction of the company's management policies. The family can control the company's policies and management in one direction and have the power to control the approval of majority shareholder meetings. Therefore, other shareholders of the company may have the risk of collecting votes to balance and examine the issues proposed by the major shareholders at the meeting. However, when considering the company's management structure, including the Board of Directors and the Audit Committee, it was found that the management structure has clearly defined the scope, duties, and responsibilities of each committee and is transparent. Measures have also been put in place to deal with item related to director, major shareholders, person who has power to control the company and conflicting person by having no right to vote in approving that agenda. In addition, an independent audit committee has been appointed to participate in the consideration and decision-making process for transparency and to create confidence among shareholders that the company's management structure has a balance of power and efficient management.

After offering shares to the general public, the Rojwongcharas Family, also known as Rojwongjaras or Rojwongjaras, will hold a combined 74.6% of the paid-up capital, divided into 55.0% of shares that are restricted from being sold within 1 year from the date of the stock's first trading day on the Stock Exchange of Thailand in accordance with the regulations of the Securities and Exchange Commission of Thailand regarding the offering of ordinary shares or preferred shares as registered securities, BE 2558 (2015).

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## 2.2.3 The risks of investing in foreign securities

N/A

## 3. Business Sustainability Development

### 3.1 Sustainability policy and management objectives

The company has established policies to operate its business towards the goal of becoming a market leader in the printing and paper packaging industry. The company aims to achieve sustainable growth while conducting business based on social and environmental considerations through a well-defined corporate governance policy. This is to maximize the benefits to all stakeholders, including employees, investors, shareholders, customers, partners, communities, and other affected parties. The company reviews its sustainability management policies annually and provides details of the relevant policies, including the following:



#### Good Corporate Governance Policy

##### Defining the company's mission and core objectives

The company has established its objectives and main goals that are aimed at sustainability, which are determined or overseen by the board of directors to ensure that objectives are aimed at sustainability and creating value for the company, employees, customers, stakeholders, shareholders, and overall society. These objectives are as follows:

- 1) The board of directors shall establish clear and appropriate objectives for the company, which can be used as a fundamental concept in developing the business model and communicating to everyone in the organization to move in the same direction. This shall be developed as a vision and values, principles and purposes, or other similar statements for the organization.
- 2) In order to achieve the objectives or main goals, the board of directors will establish a business model that can create value for the company, stakeholders, and overall society.
- 3) The board of directors will promote the organization values in fostering good corporate governance.
- 4) The board of directors will encourage communication and strengthen the integration of the objectives and main goals of the organization in the decision-making and operations of employees at all levels, until they become the organization culture.

## Setting objectives and goals, including medium-term strategies, and/or the company annual strategies

The board of directors will oversee that the objectives, goals, and strategies for the medium-term strategies, and/or annual strategies of the company are aligned with the company's main objectives and goals. This will be done through the appropriate and secure use of technology.

- 1) The board of directors will supervise the development of strategies and annual plans that align with the company's objectives and main goals. They will support the creation or revision of objectives, targets, and strategies for the medium-term period of 3 to 5 years to ensure that the strategies and annual plans, concerning the long-term impact and are reasonably predictable.
- 2) Setting the company's strategies and annual plans, the board of directors manages an analysis of the environmental factors, risks, and others that may impact stakeholders throughout the value chain, including those that may affect the company's core objectives and achievement. There are mechanisms which truly understand the stakeholders need.
- 3) The board of directors will set appropriate targets that are along with the business environment and the company potential, while being aware of the risks associated with setting goals that may lead to illegal or unethical conduct.
- 4) The board of directors will supervise the dissemination of objectives and goals throughout the organization via strategies and plans.
- 5) The board of directors will oversee the allocation of resources and ensure appropriate control of operations, including monitor progress towards the strategic and annual plans.



## 3.2 Managing the impact on stakeholders in the business value chain.

### 3.2.1 Business value chain.



### 3.2.2 Stakeholder analysis in business value chain

Stakeholders	Method of finding expectation	Expectation	Corporate responsiveness
Shareholder/ Investor / Analyst	<ul style="list-style-type: none"> <li>● Shareholders' meeting</li> <li>● Quarterly performance presentation</li> <li>● Financial analyst meeting</li> <li>● Opportunity Day</li> <li>● Inviting investors to visit the factory</li> </ul>	<ul style="list-style-type: none"> <li>● Good return on investment</li> <li>● Good corporate governance</li> <li>● A business has sustainable growth</li> <li>● The company's information is accurate, complete, up-to-date, and transparent</li> <li>● There is a risk management system</li> <li>● There is a good inspection and control system</li> </ul>	<ul style="list-style-type: none"> <li>● The business is transparently and ethically governed, and can be audited</li> <li>● Pay dividends appropriately /proportionately</li> <li>● Disclosing information transparently.</li> <li>● Developing a business strategy plan</li> <li>● Managing risks systematically</li> </ul>
Customers	<ul style="list-style-type: none"> <li>● Meeting with customers</li> <li>● Coordinating with customers at every process</li> <li>● Conducting customer satisfaction survey</li> <li>● Opening opportunities for customers to visit the production process</li> <li>● Engaging in activities with customers</li> </ul>	<ul style="list-style-type: none"> <li>● Receiving accurate information about products and services</li> <li>● The product price is reasonable</li> <li>● The pricing competition is transparent</li> <li>● Receiving products and services quality</li> <li>● There is the products and services warranty</li> <li>● The problem can be solved as quickly as possible</li> <li>● Maintaining the confidentiality of customer information</li> </ul>	<ul style="list-style-type: none"> <li>● Supervising the business transparently and fairly, and allowing for verification</li> <li>● There is a policy to combat corruption</li> <li>● Managing quality with ISO 9001 system</li> <li>● Maintaining ethics in preserving customer data confidentiality</li> <li>● Inviting customers to visit the production process</li> <li>● Developing high-quality products that meet customer needs</li> </ul>
Partner	<ul style="list-style-type: none"> <li>● Contacting the partner to purchase raw materials /use their services</li> <li>● Evaluating the satisfaction of the partner</li> <li>● Engaging in activities together with the partner</li> </ul>	<ul style="list-style-type: none"> <li>● Complying with the regulations and requirements related to procurement of the company</li> <li>● Conducting business together transparently, fairly, and equally</li> <li>● Maintaining the confidentiality of partner information</li> </ul>	<ul style="list-style-type: none"> <li>● Increasing the efficiency of the procurement-related workflow</li> <li>● Maintaining the confidentiality of partner information</li> </ul>

Stakeholders	Method of finding expectation	Expectation	Corporate responsiveness
Employee	<ul style="list-style-type: none"> <li>Communicating information related through appropriate communication channels and with suitable frequency</li> <li>Conducting employee satisfaction survey</li> <li>Listening to ideas and feedback through various channels</li> </ul>	<ul style="list-style-type: none"> <li>A good return on investment has the potential to propel one's career and contribute to the stability of the company</li> <li>Working environment includes adequate resources and facilities for performing tasks, as well as having welfare and safety in operations</li> </ul>	<ul style="list-style-type: none"> <li>Encouraging development of skills and knowledge among employees in line with the personnel development plan</li> <li>Establishing guidelines and practices for workplace safety and occupational health, as well as promote employee well-being through the health improvement</li> <li>Developing a succession plan for career growth in key positions</li> </ul>
Society and Community	<ul style="list-style-type: none"> <li>Conducting business with consideration for the potential impact on society and community, and having a general responsibility towards society and community</li> <li>Listening to comments and suggestions through various channels of the company</li> </ul>	<ul style="list-style-type: none"> <li>Reducing the impact on the environment and community nearby</li> <li>Ensuring safety in production according to the prescribed safety standards</li> <li>Collaborating to develop the community, create careers and income, for the stable community</li> </ul>	<ul style="list-style-type: none"> <li>Working safety and occupational health practices</li> <li>Increasing the efficiency of resource utilization and reducing the impact of greenhouse gas emissions</li> </ul>

## 3.3 Sustainable environmental management

### 3.3.1 Environmental policies and practices

The company considers great importance on quality, safety standards, and environmental concerns. It is committed to reducing the environmental impact of its operations, including raw material usage, energy consumption, water usage, and the use of renewable resources. The company also addresses the release and management of waste generated during its production processes, as well as greenhouse gas emissions. These principles are the foundation of the company's policy for responsible business practices and social responsibility. The company conducts annual environmental quality assessments by an environmental consulting firm to monitor environmental quality within its production facilities and to aid in the development of preventive measures and solutions to mitigate the impact on the health of its employees and neighboring communities. In addition, the company is a regular participant in the Green Industry project initiated by the Ministry of Industry. The company has been awarded a Level 3 Green System certification for its comprehensive and systematic approach to environmental management, which includes ongoing evaluation, review, and continuous improvement. The company has also received recognition and certification for various environmental standards, and has been honored with environmental awards as well.

### 3.3.2 Environmental Performance



#### Energy consumption

The company is committed to reducing its electricity consumption purchased from the Provincial Electricity Authority which is the main energy source used to drive machinery in the printing industry. The company has installed solar panels on the roof of its factory in 2019, which can generate electricity from sunlight instead of using regular electricity in the production process. The company can reduce its electricity consumption that uses fossil fuels, and solar energy is a clean energy source that does not produce pollutants during electricity production. This helps reduce greenhouse gas emissions in another way. In addition, the company uses FSC-certified paper in its production process, which is paper from responsibly sourced forests and can be traced back to its origin. The main raw material for paper that the company orders from its major paper suppliers (subsidiaries of SCGP) is mostly paper waste from the production process (waste paper), which the company sells back to paper suppliers for recycling. Furthermore, the company designs products that consider the appropriate use of paper, aiming to reduce the amount of paper used and the amount of paper waste generated. For office operations, the company raises awareness among employees to conserve energy by emphasizing the need for necessary use of resources. They have implemented policies such as turning off lights and air conditioning during lunch breaks from 12:00 pm – 1:00 pm, using the reuse paper within the company, and limiting overtime for office to less than 5 hours per week.



## Water consumption

The company is committed to reduce water usage and maximizing the benefits of water resources since 2019. The company has started implementing the RO (Reverse Osmosis) water system to use water for consumption and to use wastewater generated from the RO process for cleaning purposes such as cleaning glue pots and screens, achieving a 100% recycling rate for wastewater generated during production. The company also has a wastewater treatment system and a wastewater holding pond that complies with the standards of Department of Industrial Works. In addition, the company regularly assesses the quality of water used for production and consumption purposes as well as the quality of wastewater before discharging it into the public drainage system to ensure compliance with legal standards.



## Waste management and hazardous waste disposal

The company aims to reduce waste and pollutants generated from its printing processes for the benefit of society and the surrounding communities. Regular assessments of the quality of waste management and pollution control measures are conducted, including monitoring of heat, light, sound, chemicals, and particulate matter, in accordance with relevant legal standards. These assessments are carried out annually, and the company ensures compliance with applicable regulations.



## Management to reduce Greenhouse Gas problems

In addition to improving resource efficiency and using solar energy to reduce the impact of greenhouse gas emissions, the company has hired consultants and auditors and provided training to its management and staff to develop appropriate strategies for reducing greenhouse gas emissions. In 2022, the company conducted its first carbon footprint assessment to serve as a baseline, collecting retrospective data for one year from January 1, 2022 to December 31, 2022, and used the "Guidelines for Calculating and Reporting Corporate Carbon Footprints (Version 7, Revision 5, January 2022)" of the Carbon Management Organization (CMO) to calculate and report the company's carbon footprint. The data was audited at a limited level of assurance with a materiality level of 5% by LRQA (Thailand) Limited, which reviewed the following greenhouse gas emissions data of the company:

- Direct greenhouse gas emissions: 423.78 metric tons of carbon dioxide equivalent (CO<sub>2</sub>e)
- Indirect greenhouse gas emissions (Scope 2): 702.29 metric tons of CO<sub>2</sub>e
- Other indirect greenhouse gas emissions: 16,904.88 metric tons of CO<sub>2</sub>e

Note that the greenhouse gas emissions data for 2022 is currently under review.

## 3.4 Management of social sustainability

### 3.4.1 Social policy and practice

The company has set guidelines for conducting business with the aim of achieving returns on investment and sustainable progress for the future. The company recognizes that sustainable growth does not only rely on profits or benefits to the company, but it is also essential to consider returning benefits to society. Therefore, the company uses social responsibility in its management practices to ensure sustainable business success. The company has established policies and practices in various social dimensions, as follows:



#### Social Responsibility Policy

The company has established a social responsibility policy which can be summarized as follows:

1) Conducting business with integrity, honesty, and quality standards as setting, while also operating in a socially responsible manner in compliance with laws, ethics, and a commitment to do good for individuals, communities, society, and the environment. Treating customers and partners fairly, not disclosing customer information, allowing customers to complain about product and service deficiencies, providing accurate information about products and services, and promoting and instilling a sense of social responsibility among all employee levels.

2) The company opposes corruption and its board members, executives, and employees must adhere strictly to the anti-corruption policy. They are committed to create and maintain an organizational culture that firmly rejects any form of corruption, including corrupt transactions involving government officials and private sector. The company will not tolerate or neglect any acts of corruption and will provide protection and fairness to employees who refuse to engage in or report corruption. The board members and executives of the company are expected to lead by example and act with integrity in accordance with the anti-corruption policy.

3) Respect for human rights is a policy supported and upheld by the company, which applies to all stakeholders, including employees, communities, and the surrounding society. The policy is based on respect for human dignity, equality, and freedom, without violating basic human rights or discriminating against individuals based on race, nationality, religion, skin color, gender, age, education, physical condition, or social status. The company also ensures that the business does not contribute to human rights violations, such as forced labor, child labor, or sexual harassment. In addition, the company promotes and provides opportunities for employees, communities, and society to participate in expressing their opinions or filing complaints about any violations of their rights by the company or its employees. The company also organizes community engagement activities to communicate the production process of the company and its internal management system, addressing any doubts or questions from the community. Furthermore, the company has employed people with disabilities as regular employees, following the guidelines under Section 33 of Employment of Persons with Disabilities Act B.E. 2550.

4) Treat Employees fairly for human rights and adherence to labor laws is ensured, with processes for hiring and job conditions being fair. The development of employees is promoted through training, seminars, and workshops, to enhance knowledge, skills, and potential, as well as instill good values, ethics, and teamwork. Employee benefits are provided according to the law, such as social security, and beyond legal requirements, such as pension funds, health insurance, and accident insurance, as well as various types of financial assistance. Safe and healthy working conditions are maintained, and employees are encouraged to express their opinions or file complaints regarding unfair practices or inappropriate actions within the company. Protection is also provided for employees who report such incidents. During the COVID-19 pandemic, the company provided full assistance to employees, including finding hospitals or facilities for quarantine, close monitoring of their health, and providing weekly Covid Test Kits for all employees.

5) Responsibility to customers, creating, presenting, and managing the company's products and services with standards and ethics. With a commitment to finding ways to develop products and services that meet the needs of customers, the company practices fairly in product and service. Providing accurate and adequate information about products and services and ensuring that there are processes for customers to report any problems or inappropriate services.

6) Environmental care and social responsibility. The cooperation will be provided to develop community and society in business operation. This includes setting policies for business operations that prioritize the environment and complying with laws and regulations related to the environment. Clear policies for corporate social responsibility (CSR) should also be established. It is important to promote awareness and responsibility for the environment and society among employees, and to respect local customs, traditions, and culture. Activities should be carried out to create and maintain a sustainable society, community, and environment by cooperating with communities. Effective rapid response to events that impact the environment, community, life, and property resulting from the company's operations should be provided. This includes full cooperation with government officials and relevant agencies. The safety and well-being of employees in the workplace should also be prioritized.

7) Community and social development through supporting social welfare activities, improving people the quality of life for the communities, promoting continuous voluntary work related to community and social development, and instilling a sense of responsibility towards the community, society, and environment for employees of all levels.

8) Innovation and innovation dissemination. The company will support innovation at both the organizational process level and inter-organizational level to increase in value. The innovation goal is positive change to make things better and creates an increasing productivity for all benefits of society. Communication and dissemination will be provided to stakeholder groups through direct and indirect communication channels.



9) Operating and preparing reports in accordance with the company policies, focusing on cultivating employees' understanding of the organization's goals and working with a sense of social responsibility. The company prepares an annual report on the performance in accordance with its policies of social responsibility, which is submitted to management. The yearly report data is presented a sustainable report which is published annually after being registered with the Stock Exchange of Thailand.



## Anti-Corruption Policy

The company has established a policy to combat corruption, in which the board of directors, executive officers, and all employees are responsible for implementing and supporting the anti-corruption policy strictly. They must not be involved in any form of corruption, directly or indirectly, in any case. Anyone who violates this policy will be subject to disciplinary action in accordance with the company's regulations, and may also face legal penalties, regulations, or other related requirements.

### The anti-corruption policy includes the following prohibitions:

1. Prohibiting to give or to receive goods, money, benefits, or any form of compensation that may constitute corruption.
2. Prohibiting the preparation of off-the-books or separate accounts for the purpose of facilitating or concealing inappropriate or unauthorized payments.
3. Prohibiting from paying money, compensation, or any other benefits to support and assist politically unacceptable activities that are illegal.

### The following are actions taken to enforce the policy to prevent corruption:

1. Implement a risk assessment process to identify potential corruption risks in all units and activities.
2. Establish measures, procedures, and practices that align with the policy, covering activities with sufficient and appropriate levels of risk related to corruption. This should include building relationships with individuals related to the company's business, such as government officials, other individuals, or businesses.
3. Implement a communication strategy that ensures complete and accurate reporting of information to the public, without distorting the fact.
4. Ensure that there is communication and training provided to employees to build their knowledge and understanding of policies and guidelines regarding anti-corruption measures.
5. Establish a whistle-blower channel for reporting suspicions of misconduct, which should be available to both employees and external parties. There should be a designated person responsible for investigating the allegations and handling the complaints, and employees who report misconduct should be protected. This includes cases where employees refuse to engage in misconduct, resulting in the company losing business opportunities.



6. Establish an internal control system that includes appropriate and adequate document and data storage for monitoring and reporting purposes.

7. Require that there is regular monitoring, auditing, and verification of the process of implementing this policy to ensure compliance.

### **3.4.2 Social performance**

The company recognizes the importance of education, which is important in developing individuals and the country. As such, the company has provided financial support for students studying in the department of printing and packaging technology at King Mongkut's University of Technology Thonburi. The support was given on December 15th, 2022.

## 4. Analysis and explanation of management

### 4.1 Analysis of operations and financial position

#### Overview of business operations and significant changes

The company has only one operating segment as a service provider of printing and paper packaging, which provide since the development and design of packaging, high quality plate production, maximum printing 12 colors and offers value-added services for printing such as UV coating, polishing, plastic film coating, gold foil stamping, silver foil stamping, corrugated splicing, die-cutting, etc. The company operates in the same geographic area, in Thailand only. The company's revenue consists of a) Sales revenue, which is the revenue from the production of packaging with paper provided by the company and b) Service revenue, which is the revenue from the production of packaging with paper supplied by customers.

Most of the company's main customers are producers and distributors of canned seafood and processed seafood. The top 10 main customers of the company cover more than 90.0% of revenue from sales and services in 2020 - 2022 . They mostly are the top 10 customers of the company continuously in 2019 - 2022.

The situation of COVID-19 epidemic (COVID-19 situation) which started at the end of 2019, has severely affected all sectors, in 2020 and 2021, the Thai economy decrease 6.1% and slightly grew 1.5% respectively. Measures to control the spread of COVID-19 such as social distancing, working from home, controlling travel in and out of foreign countries, regulating economic activities, lockdowns have caused significant changes in lifestyle and consumption habits. Concerns about the unresolved COVID-19 situation resulted in people being more cautious in their spending.

Printing businesses that were most negatively impacted by the COVID-19 situation were concern to advertising, exhibition, trade show, meeting and events. However, the COVID-19 situation has driven the printing business related to packaging to achieve remarkable growth as demand for food and consumer products continues to increase. as a result of various COVID-19 epidemic control measures. In addition, consumer behavior has changed, such as the preference for more disposable packaging, choosing packaged products instead of unpackaged products, buying more products at a time, etc., resulting in increased demand for packaging

In 2022, there was a conflict between Russia and Ukraine, several countries jointly imposed sanctions on Russia in various fields, while Russia also imposed countermeasures, both the termination of oil and natural gas transmission. This poses risks to the global economy and trade at large. Energy prices soared and held at high levels for a long time. There was a shortage of commodities, both metal and agricultural products, causing severe inflation in many countries, leading to the solution by raising the policy interest rates by the national bank of many countries. As a result, people in relevant countries have reduced purchasing power. In addition, many countries are at risk of a recession until affecting the large business sector that has announced a reduction in the number employees down to slow down the impact on the business. The sign of slowing down of the market affects orders sent by the company's main customers decreased in volume, especially in the fourth quarter of 2022, due to the company's main customers have a majority of customer bases in foreign countries.

## Statement of Comprehensive Income

(Thousand Baht)	2020		2021		2022	
Revenue from sales and services	440,576	96.8%	561,335	96.9%	541,576	96.3%
Cost of sales and services	(264,962)	-58.2%	(348,226)	-60.1%	(351,771)	-62.5%
Gross profit	175,614	38.6%	213,109	36.8%	189,805	33.7%
Other income	14,491	3.2%	18,215	3.1%	20,996	3.7%
Distribution costs	(15,290)	-3.4%	(15,941)	-2.8%	(16,530)	-2.9%
Administrative expenses	(54,174)	-11.9%	(55,277)	-9.5%	(56,760)	-10.1%
Profit from operating activities	120,640	26.5%	160,106	27.6%	137,512	24.4%
Finance costs	(6,669)	-1.5%	(6,298)	-1.1%	(5,196)	-0.9%
Profit before income tax	113,971	25.0%	153,808	26.5%	132,316	23.5%
Tax expense	(18,565)	-4.1%	(30,024)	-5.2%	(22,671)	-4.0%
Profit for the year	95,406	21.0%	123,784	21.4%	109,645	19.5%
Other comprehensive income :						
Components of other comprehensive income						
that will not be reclassified to profit or loss						
Gains on re-measurement of defined benefit plans	(609)	-0.1%	959	0.2%	215	0.0%
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	122	0.0%	(192)	0.0%	(43)	0.0%
Total other comprehensive income - net of tax	(487)	-0.1%	767	0.1%	172	0.0%
Total comprehensive income for the year	94,919	20.9%	124,551	21.5%	109,817	19.5%

	2020	2021	2022
Earnings per share			
Basic earnings per share (Baht)	31.80	5.25	1.23
Weighted average number of ordinary shares (Shares)	3,000,000	23,597,260	89,004,932

## Income

(Thousand Baht)	2020		2021		2022	
Sales revenue	425,160	93.4%	547,263	94.4%	522,734	92.9%
Service revenue	15,416	3.4%	14,071	2.4%	18,842	3.3%
Total	440,576	96.8%	561,335	96.9%	541,576	96.3%
Other income	14,491	3.2%	18,215	3.1%	20,996	3.7%
Total income	455,067	100.0%	579,550	100.0%	562,572	100.0%
Growth Rate – Revenue from Sales and Services	19.0%		27.4%		-2.93%	

In 2021, sales revenue increased , but service revenue decreased from 2020 as a result of the allocation of production capacity to support increasing sales revenue. As a result, production capacity to support revenue from services is quite limited.

In 2022, severe inflation in many countries caused by the crisis in Russia and Ukraine had an indirect negative impact to orders sent by the company's main customers decreased in volume especially in the Q4. As a result, sales revenue and service revenue for the year 2022 decreased compared to the previous year.

(Thousand Baht)	2020		2021		2022	
Revenue from the sale of scrap materials	9,679	66.8%	16,688	91.6%	18,399	87.6%
Interest income	404	2.8%	258	1.4%	1,603	7.6%
Profit (loss) from the sale of assets	199	1.4%	521	2.9%	0.00	0.0%
Other income	4,209	29.0%	748	4.1%	995	4.7%
Total	14,491	100.0%	18,215	100.0%	20,996	100.0%

In 2020, the company had other income of 14.5 million Baht, mainly consisting of revenue from the sale of scrap materials in the amount of 9.7 million Baht and other income in the amount of 4.2 million Baht, which were mainly the corporate income tax exemption privileges received from the Office of the Board of Investment (BOI) in the amount of 3.9 million Baht.

In 2021, the company had other income of 18.2 million Baht, mainly consisting of revenue from the sale of scrap materials in the amount of 16.7 million Baht. The revenue from the sale of scrap materials increased from the previous year as a result of the remaining paper scraps increased according to the increased production and the purchase price is higher according to the price of good paper

In 2022, the company had other income of 21.0 million Baht. The increase of 2.8 million Baht, resulting from the sale of scrap materials from production which increased according to the volume and selling price during the Q1 to Q3 and interest income from the investment of the residual liquidity of the proceeds from the sale of capital increase shares during the Q3 to Q4.

### Cost of sales and services and gross profit margin

(Thousand Baht)	2020	2021	2022
Sales and service revenue	440,576	561,335	541,576
Cost of sales and services	264,962	348,226	351,771
Proportion of cost of sales and services	60.1%	62.0%	64.9%

In 2021, the proportion of cost of sales and services compared to revenue from sales and services increased from 2020, mainly due to the increase in paper prices following higher freight charges.

In 2022, the proportion of cost of sales and services compared to revenue from sales and services continued to increase because the purchase price of paper, which is the main raw material, continued to increase from 2021, hiring outsourcers to produce certain stages of production to support orders during the period that exceeds the full capacity and economies of scale that are reduced from lower sales in the Q4.

### Gross profit

(Thousand Baht)	2020		2021		2022	
Sales and service revenue	440,576	100.0%	561,335	100.0%	541,576	100.0%
Cost of sales and services	[264,962]	-60.1%	[348,226]	-62.0%	[351,771]	-65.0%
Gross profit	175,614	39.9%	213,109	38.0%	189,805	35.0%

In 2021, the company's gross profit margin decreased from the previous year mainly due to the increase in paper prices.

In 2022, the company's gross profit margin decreased from the previous year due to lower sales according to orders from main customers decreased in Q4 and the proportion of cost of sales and services compared to revenue from sales and services continued to increase.

### Distribution costs

In 2021, the company had distribution costs of 15.9 million Baht. The increase in distribution costs of 0.7 million Baht from the previous year, mainly due to an increase in transportation costs of 1.1 million Baht as a result from the increase in hiring outsourcers from the previous year and an increase in staff expenses of 0.5 million baht according to the increased production orders. This was partly offset by a decrease in marketing expenses of Baht 1.2 million.

In 2022, the company has distribution costs of 16.5 million Baht which is close to the previous year, mainly consisting of employee expenses of 10.5 million Baht and transportation costs of 3.4 million Baht.

### Administrative expenses

In 2021, the company had administrative expenses of 55.3 million Baht. The increase of 1.1 million Baht from the previous year mainly from an increase in other expenses of 2.0 million Baht due to expenses. about cloud server, land mortgage fee and public relations expenses for this public offering of securities. This was partially offset by a decrease in staff expenses of Baht 1.3 million as a result of the resignation of an executive.

In 2022, the company had administrative expenses of 56.8 million Baht. the increase of 1.5 million Baht or 2.7 % mainly due to an increase in public relations expenses for listing in Market for Alternative Investment amount 1.3 million baht and loss from write-off of buildings and land improvements of 2.1 million Baht for the construction of a new factory, deducted by a decrease in staff costs due to the transfer of salaries and other benefits of 2 executives who directly supervise production to cost of production by applying this criterion since Q3 of 2021 onwards.

### Net profit

(Thousand Baht)	2020	2021	2022
Net profit for the year	95,406	123,784	109,645
Net profit margin	21.0%	21.4%	19.5%
Return on Equity ratio	59.7%	64.1%	24.8%

In 2021, the company had a net profit of 123.8 million Baht or a net profit margin of 21.4% and return on equity ratio at 64.1%. An increase of net profit of 28.4 million baht from the previous year, mainly from the increase in sales and service revenue resulting from economies of scale. Some of costs and expenses are fixed costs and do not vary with the increase in revenue. The increase in net profit in 2021, together with the dividend payment during the year of 130.1 million baht, resulted in a decrease in shareholders' equity caused the return on equity increased from the previous year.

In 2022, the company had a net profit of 109.6 million baht or a net profit margin of 19.5% and a return on equity ratio at 24.8%. A decrease in net profit of 14.2 million baht from the previous year, mainly due to from revenue from sales and services decreased while the proportion of cost of sales and services compared to revenue from sales and services rising.



## Statement of Financial Position

(Thousand Baht)	31 Dec. 2020		31 Dec. 2021		31 Dec. 2022	
<b>ASSETS</b>						
Current assets						
Cash and cash equivalents	14,231	3.2%	21,784	4.5%	18,891	2.2%
Trade and other receivables	90,549	20.5%	109,416	22.4%	102,667	12.2%
Inventories	23,009	5.2%	56,262	11.5%	56,434	6.7%
Other current financial assets	-	0.0%	-	0.0%	326,677	38.7%
Other current assets	992	0.2%	1,245	0.3%	1,453	0.2%
Total current assets	128,781	29.2%	188,708	38.6%	506,122	60.0%
Non-current assets						
Building and equipment	124,036	28.1%	123,987	25.4%	197,407	23.4%
Right-of-use assets	155,119	35.1%	142,955	29.3%	131,391	15.6%
Intangible assets	3,716	0.8%	3,231	0.7%	2,495	0.3%
Non-current financial assets pledged as collateral	29,673	6.7%	29,486	6.0%	6,267	0.7%
Other non-current assets	46	0.0%	48	0.0%	47	0.0%
Total non-current assets	312,590	70.8%	299,708	61.4%	337,607	40.0%
Total assets	441,371	100.0%	488,415	100.0%	843,729	100.0%

(Thousand Baht)	31 Dec. 2020		31 Dec. 2021		31 Dec. 2022	
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
Current liabilities						
Trade and other payables	100,693	22.8%	64,889	13.3%	56,401	6.7%
Current portion of long-term borrowings from financial institutions	12,968	2.9%	4,573	0.9%	2,979	0.4%
Current portion of lease liabilities	17,543	4.0%	15,318	3.1%	14,103	1.7%
Corporate income tax payable	11,949	2.7%	19,238	3.9%	8,373	1.0%
Total current liabilities	143,154	32.4%	104,016	21.3%	81,856	9.7%
Non-current liabilities						
Long-term borrowings from financial institutions	11,174	2.5%	6,774	1.4%	3,968	0.5%
Lease liabilities	125,373	28.4%	110,108	22.5%	96,059	11.4%
Deferred tax liabilities	6,274	1.4%	6,715	1.4%	7,051	0.8%
Provisions for employee benefits	15,059	3.4%	15,164	3.1%	16,192	1.9%
Total non-current liabilities	157,880	35.8%	138,760	28.4%	123,270	14.6%
Total liabilities	301,033	68.2%	242,777	49.7%	205,126	24.3%
<b>SHAREHOLDERS' EQUITY</b>						
Share capital						
Authorised share capital:						
30,000 ordinary shares at a parvalue of 100 baht per share as of 31 Dec. 2020 and 100,000,000 ordinary shares at a par value of 1 baht per share as of 31 Dec. 2021 and 31 Dec. 2022	3,000		100,000		100,000	
Issued and paid-up share capital						
30,000 ordinary shares fully paid as of 31 Dec 2020 and 76,400,000 ordinary shares at 1 baht per share as of 31 Dec 2021 and 100,000,000 ordinary shares Shares, par Value of 1 baht per share as of 31 Dec. 2022	3,000	0.7%	74,600	15.3%	100,000	11.9%
Premium on share capital	-	0.0%	-	0.0%	417,748	49.5%
Retained earnings						
Appropriated to legal reserve	300	0.1%	6,489	1.3%	10,000	1.2%
Unappropriated	137,038	31.0%	164,549	33.7%	110,855	13.1%
Total shareholders' equity	140,338	31.8%	245,639	50.3%	638,604	75.7%
Total liabilities and shareholders' equity	441,371	100.0%	488,415	100.0%	843,729	100.0%



## Ability to manage assets and liabilities

### Asset

The company has total assets in 2021 and 2022 in the amount of 488.4 million Baht and 843.7 million Baht respectively. Total assets mainly consist of trade accounts receivable, inventories, other current financial assets, plant and equipment and right-of-use assets. The list of important assets has details and changes as follows:

### Trade accounts receivable

(Thousand Baht)	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022
Trade accounts receivable	86,385	104,041	67,770
deduct Allowance for expected credit losses	[4]	0	0
Trade accounts receivable – net	86,381	104,041	67,770

In 2021, the company had trade accounts receivable of 104.0 million Baht. The increase in trade accounts receivable of 17.7 million Baht as a result of an increase in revenue and no provision for expected credit losses due to no trade accounts receivable delay to pay from the normal billing cycle. The company had reversed the allowance for expected credit losses in the amount of 3,862.7 Baht because the customer has already made the payment in full.

In 2022, the company had trade receivables in the amount of 67.8 million Baht. The decrease in trade receivables in the amount of 36.2 million Baht was due to the decrease in sales and service revenue in the Q4.

(Thousand Baht)	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022
Current	72,581	84,626	57,276
Overdue – not over 3 months	13,804	19,414	10,494
Total	86,385	104,041	67,770
Allowance for expected credit losses	[4]	–	–

The company pays attention to the debt collection period and closely monitors the payment of customers by set up the policy to set an allowance for expected credit losses which is considered from the age of the debtor and the results of debt collection as follows:

Period of overdue (from the date of picking up the check from the normal billing cycle)	Credit loss allowance rate expected
no more than 30 days	5% or 10% if the exact payment schedule is not informed from the customer
31 – 60 days	25%
61 – 90 days	50%
more than 90 days	80% or 100% if the customer does not cooperate

## Inventories

(Thousand Baht)	31 Dec. 2020	31 Dec. 2021	31 Dec. 2022
Finished goods	6,600	12,161	13,927
Raw material	7,905	23,686	40,454
Work in progress and goods in transit	10,065	22,373	5,344
deduct Allowance for diminution in the value of goods	(1,562)	(1,958)	(3,291)
Inventories – net	23,009	56,262	56,434

In 2021, the company had inventories of 56.3 million Baht, mainly consisting of raw materials of 23.7 million Baht, Work in progress and goods in transit amounting to 22.4 million Baht and finished goods amounting to 12.2 million Baht. An increase in inventories in the amount of 33.3 million Baht, mainly from an increase in raw materials in the amount of 15.8 million Baht as a result of increasing storage volume during the period of raw material shortage and higher prices to support production orders and an increase in work in progress and goods in transit in the amount of 12.3 million Baht in line with the increase in production orders.

In 2022, the company had inventories of 56.4 million Baht , which was close to the previous year. Mainly consisting of raw materials amounting to 40.4 million Baht, increasing storage volumn of paper more than usual during the continuous price increase, work in process and goods in transit amounting to 5.3 million Baht and finished goods amounting to 13.9 million Baht.

The company has set up a policy for allowance for impairment of inventories as follows:

Inventory type	Allowance rate for impairment
Out of date and long-standing products with age over 1 year	50% off for 1 year moving items and 100% off for 1 year inactive items.
Finished goods produced in excess of the order without the purpose of being a reserve for the next order.	100%

### Other current financial assets

In 2021, the company did not invest in temporary investments due to no excess liquidity.

In 2022, the company has invested in temporary investments, increasing by 326.7 million Baht from the investment of the remaining liquidity of the proceeds from the sale of capital increase shares.

### Building and equipment

(Thousand Baht)	31 Dec. 2020		31 Dec. 2021		31 Dec. 2022	
Land improvement	2,585	2.1%	10,439	8.4%	13,922	7.1%
Buildings and building improvements	34,888	28.1%	36,956	29.8%	37,440	19.0%
Furniture and office equipment	2,043	1.6%	1,823	1.5%	3,540	1.8%
Machinery and factory equipment	73,337	59.1%	61,314	49.5%	68,678	34.8%
Vehicle	8,478	6.8%	9,733	7.9%	11,907	6.0%
Assets in transit and machinery under installation	2,704	2.2%	3,721	3.0%	61,920	31.4%
Total building and equipment – net	124,036	100.0%	123,987	100.0%	197,407	100.0%

In 2021, the company had net buildings and equipment of 124.0 million Baht , mainly consisting of machinery and factory equipment of 61.3 million Baht and buildings and building improvements of 37.0 million Baht. The decrease in net machinery and equipment of 12.0 million Baht was mainly from depreciation of 13.8 million Baht, which was partially offset by additional investment in land improvements in the amount of 7.9 million Baht and additional investments in buildings and building improvements in the amount of 2.1 million Baht, net of those sold or transferred out.

In 2022, the company had net buildings and equipment of 197.4 million Baht , mainly consisting of machinery and factory equipment of 68.7 million Baht, assets in transit and machinery under installation in the amount of 61.9 million Baht and buildings and building improvements of 37.4 million Baht. An increase in net machinery and equipment of 7.4 million Baht, mainly from additional purchases of 18.8 million Baht less depreciation of 11.5 million Baht. The increase in assets on the way and the machine during installation, mainly from the construction of a new factory in

the amount of 43.6 million Baht, the staff dormitory building in the amount of 5.5 million Baht and 2 machines in the amount of 5.1 million Baht.

### Right-of-use assets

(Thousand Baht)	31 Dec. 2020		31 Dec. 2021		31 Dec. 2022	
Land and office building	90,013	58.0%	86,201	60.3%	82,388	62.7%
Machinery and factory equipment	55,413	35.7%	50,215	35.1%	45,017	34.3%
Vehicle	9,693	6.2%	6,539	4.6%	3,986	3.0%
Total right-of-use assets - net	155,119	100.0%	142,955	100.0%	131,392	100.0%

In 2021, the company had right-of-use assets of 143.0 million Baht. The decrease in right-of-use assets of 12.2 million Baht, mainly from total depreciation of 10.3 million Baht and the transfer of vehicles from right-of-use assets to buildings and equipment, net amounting to 1.9 million Baht.

In 2022, the company had right-of-use assets of 131.4 million Baht. The decrease in right-of-use assets of 11.5 million Baht, mainly from depreciation of 10.0 million Baht. and the transfer of vehicles from the right to use assets to buildings and equipment, net amounting to 1.5 million Baht.

### Liabilities

The company has total liabilities in 2021 and 2022 in the amount of 242.8 million Baht and 205.1 million Baht respectively. Total liabilities mainly consist of trade and other payables, lease liabilities and loans. The list of important liabilities has details and changes as follows:

### Trade and other payables

(Thousand Baht)	31 Dec. 2020		31 Dec. 2021		31 Dec. 2022	
Trade payable	41,796	41.5%	49,813	76.8%	39,616	70.2%
Accrued expenses	11,124	11.0%	12,312	19.0%	15,049	26.7%
Accrued dividends	39,285	39.0%	-	0.0%	3	0.0%
Revenue Department payable	8,487	8.4%	2,693	4.2%	1,210	2.1%
Other creditors	1	0.0%	71	0.1%	523	0.9%
Total	100,693	100.0%	64,889	100.0%	56,401	100.0%
Increase (decrease)	55,562		[35,804]		[8,487]	

In 2021, the company had trade and other payables in the amount of 64.9 million Baht, mainly consisting of trade payables in the amount of 49.8 million Baht and accrued expenses in the amount of 12.3 million Baht, which mainly consisted of accrued employee expenses in the amount of 5.1 million Baht and accrued audit fees of 0.9 million Baht. The increase in trade payables of 8.0 million Baht was in line with the increase in cost of sales and services.

In 2022, the company had trade and other payables in the amount of 56.4 million Baht, mainly consisting of trade accounts payable in the amount of 39.6 million Baht and accrued expenses in the amount of 15.0 million Baht, mainly consisting of accrued employee expenses in the amount of 5.1 million Baht, factory construction costs in the amount of 3.4 million Baht, and accrued rebate in the amount of 3.0 million Baht. The decrease in trade payables of Baht 10.2 million was in line with a decrease in transactions from lower Q4 revenue.

### Lease liabilities

(Thousand Baht)	31 Dec. 2020		31 Dec. 2021		31 Dec. 2022	
Portion due within 1 year	17,543	12.3%	15,318	12.2%	14,103	12.8%
Portions due over 1 year	125,373	87.7%	110,108	87.8%	96,059	87.2%
Total	142,916	100.0%	125,425	100.0%	110,162	100.0%
Increase (decrease)	[15,183]		[17,491]		[15,263]	

In 2021, the company had lease liabilities in the amount of 125.4 million Baht. The decrease in lease liabilities of 17.5 million Baht, mainly from the payment of 22.7 million Baht, which was partially offset by interest in the amount of 5.2 million Baht. However, the proportion of lease liabilities due within 1 year and over 1 year accounted for 12.2% and 87.8% respectively. Repayment caused liabilities under the lease agreement continued to decline.

In 2022, the company had lease liabilities in the amount of 110.1 million Baht. The decrease in lease liabilities of 15.3 million Baht, mainly from the payment of 20.0 million Baht, which was partly offset by interest in the amount of 4.7 million Baht. However, the proportion of lease liabilities due within 1 year and over 1 year accounted for 12.8% and 87.2% respectively. Repayment caused liabilities under the lease agreement continued to decline.

### Loan

(Thousand Baht)	31 Dec. 2020		31 Dec. 2021		31 Dec. 2022	
Current portion of long-term loans from financial institutions	12,968	53.7%	4,573	40.3%	2,978	42.9%
Long-term loans from financial institutions	11,174	46.3%	6,774	59.7%	3,967	57.1%
Total	24,142	100.0%	11,346	100.0%	6,946	100.0%

In 2021, the company had loans in the amount of 11.3 million Baht. The decrease of 12.8 million Baht in loans from the repayment of loans. The proportion of long-term loans due within 1 year and over 1 year accounted for 40.3% and 59.7%, respectively.

In 2022, the company had loans in the amount of 6.9 million Baht. The decrease of 4.4 million Baht from the repayment of loans. The proportion of long-term loans due within 1 year and over 1 year accounted for 42.9% and 57.1% respectively.

## Equity

(Thousand Baht)	31 Dec. 2020		31 Dec. 2021		31 Dec. 2022	
Issued and paid-up capital	3,000	2.1%	74,600	30.4%	100,000	15.7%
Share premium	-	0.0%	-	0.0%	417,748	65.4%
Retained earnings						
Legal reserve	300	0.2%	6,489	2.6%	10,000	1.6%
Unallocated	137,038	97.6%	164,549	67.0%	110,855	17.4%
Total	140,338	100.0%	245,639	100.0%	638,603	100.0%
Dividend Payout ratio	99.3%		105.1%		145.9%	

The change in unallocated profit is due to profitable operating results, which was partially offset by dividend payment during the period. as the following details

- The annual general meeting of shareholders held on March 24, 2021 resolved to pay dividends at the rate of 373.3 Baht per share, totaling 11.2 million Baht. The company paid such dividends on April 23, 2021.
- The board of directors' meeting held on August 13, 2021 resolved to approve the interim dividend payment at the rate of 2,655.0 Baht per share, totaling 79.7 million Baht on 27 August 2021.
- The extraordinary general meeting of shareholders No. 1/2021 held on August 31, 2021 resolved to approve the capital increase by issuing not more than 97,000,000 ordinary shares as follows:

71,600,000 shares to be offered to existing shareholders in proportion.

25,400,000 shares to accommodate the issuance and offering of newly issued ordinary shares to the public on first time.

- The board of directors' meeting held on February 28, 2022 resolved to propose to the shareholders' meeting to approve the dividend payment at the rate of 1.88 Baht per share, totaling 140.0 million Baht. The company paid such dividends on April 25, 2022, using the company's operating cash flow of 100.0 million Baht and promissory notes from financial institutions in the amount of 40.0 million Baht.

- The board of directors' meeting held on August 15, 2022 resolved to pay interim dividends at the rate of 0.20 Baht per share, totaling 20 million Baht. The company paid such dividends on September 13, 2022.

## Cash flow statement

(Thousand Baht)	2020	2021	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax	113,971	153,808	132,316
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities			
Depreciation and amortisation	35,413	36,728	33,381
Reversal of expected credit losses	4	(4)	-
Loss on devaluation of inventories	(142)	396	1,334
Loss on impairment of current assets (reversal)	-	51	(19)
Gain on changes in fair value of investments	-	-	(395)
Unrealised loss on exchange rate	-	-	409
Loss on write-off fixed assets	-	-	2,088
Gain on disposal of fixed assets	(199)	(535)	-
Provisions for employee benefits	1,383	1,509	1,608
Interest income	(404)	(258)	(1,603)
Finance costs	6,669	6,298	5,196
Profit from operating activities before changes in operating assets and liabilities	156,696	197,992	174,314
Changes in operating assets (increase) decrease			
Trade and other receivables	(14,956)	(18,873)	6,972
Inventories	(5,411)	(33,650)	(1,506)
Other current assets	(237)	(304)	(190)
Non-current financial assets pledged as collateral	(193)	237	23,184
Other non-current assets	717	(3)	2
Changes in operating liabilities increase (decrease)			
Trade and other payables	16,326	3,494	(14,223)
Employee benefit obligations paid	-	(445)	(365)
Cash generated from operations	152,942	148,449	188,188
Reversal of previous income tax	(3,861)	-	-
Income tax paid	(5,998)	(22,487)	(33,242)
<b>Net cash provided by operating activities</b>	<b>143,082</b>	<b>125,963</b>	<b>154,946</b>

(Thousand Baht)	2020	2021	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Increase in other financial assets	-	[80]	[326,281]
Purchases of building and equipment	[18,142]	[24,079]	[91,262]
Proceeds from disposal of equipment	565	1,013	-
Purchases of intangible assets	[390]	[429]	[88]
Interest received	509	298	1,529
Net cash used in investing activities	[17,459]	[23,277]	[416,102]
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term borrowings from financial institution	10,350	20,000	-
Repayments of short-term borrowings from financial institution	-	[20,000]	-
Repayments of borrowings from financial institutions	[11,684]	[12,796]	[4,400]
Repayments of lease liabilities	[20,962]	[17,491]	[15,263]
Proceeds from increase in ordinary shares	-	71,600	443,148
Finance costs paid	[6,718]	[6,311]	[5,225]
Dividend payment	[94,715]	[130,135]	[159,997]
Net cash provided by (used in) financing activities	[123,730]	[95,133]	[258,262]
Net increase (decrease) in cash and cash equivalents	1,893	7,553	[2,894]
Cash and cash equivalents at beginning of the year	12,338	14,231	21,784
Cash and cash equivalents at end of the year	14,231	21,784	18,891



## Liquidity and Capital Sufficiency



### Cash flow from operating activities

In 2021, the company had net cash provided by operations of 126.0 million Baht, mainly from profit before tax of 153.8 million Baht, which was adjusted for changes in non-cash items and non-operating activities totaling 44.2 million Baht, the effect of changes in operating assets and liabilities totaling (49.5) million Baht and income tax payment of 22.5 million Baht, adjusted for non-cash items and non-operating activities were mainly from depreciation and amortization of 36.7 million Baht and finance costs of 6.3 million Baht. For changes in operating assets and liabilities, mainly due to an increase in trade and other receivables of 18.9 million Baht, an increase in inventories of 33.7 million Baht and an increase in trade and other payables of 3.5 million Baht.

In 2022, the company had net cash provided by operations of 155.0 million Baht, mainly from profit before tax of 132.3 million Baht, adjusted for changes in non-cash items and non-operating activities totaling 42.0 million Baht, the effect of changes in operating assets and liabilities totaling 13.9 million Baht and income tax payment of 33.2 million Baht, adjusted for non-cash items and non-operating activities were mainly from depreciation and amortization of 33.4 million Baht and finance costs of 5.2 million Baht. For changes in operating assets and liabilities, This was mainly due to a decrease in trade and other receivables of 7.0 million Baht, an increase in inventories of 1.5 million Baht, a decrease in non-current financial assets used as collateral. 23.2 million Baht and a decrease of trade and other payables of 14.2 million Baht.



### Cash flows from investing activities

Company's capital expenditure, mainly consists of investment in assets related to operations such as investment in buildings and equipment, the purchase of intangible assets, etc., and the purchase of temporary investments for the purpose of maximizing capital management.

In 2021, the company had net cash used in investing activities of 23.3 million Baht , mainly from the purchase of equipment and intangible assets totaling 24.5 million Baht. which was partially offset by the sale of equipment in the amount of 1.0 million Baht.

In 2022, the company had net cash used in investing activities in the amount of 416.1 million Baht, mainly from the purchase of equipment in the amount of 91.3 million Baht and take the excess liquidity to invest 326.3 million Baht.



## Cash flows from financing activities

In 2021, the company had net cash used in financing activities in the amount of 95.1 million Baht, mainly from dividend payment in the amount of 130.1 million Baht, repayment of loans from financial institutions in the amount of 12.8 million Baht, repayment of lease liabilities in the amount of 17.5 million Baht and the payment of finance costs in the amount of 6.3 million Baht, which was partly offset by cash received from the capital increase of ordinary shares in the amount of 71.6 million Baht.

In 2022, the company had net cash received from financing activities in the amount of 258.3 million Baht , mainly from receipts from selling shares to increase capital for listing on the Market for Alternative Investment (mai) in the amount of 443.1 million Baht, deducted from the dividend payment in the amount of 160.0 million Baht , repayment of loans from financial institutions in the amount of 4.4 million Baht, repayment of lease liabilities amounting to 15.3 million Baht. and payment of financial costs in the amount of 5.2 million Baht.

## 4.2 Factors or events that will affect the financial position or operations in the future

From the situation of COVID-19 in 2020 – 2022, it has severely affected all sectors. But the printing business related to packaging has seen remarkable growth due to the continuous increase in demand for food and consumer goods. At present, although the epidemic situation has greatly improved, but such demand continues to persist due to changes in consumer behavior. The company therefore intends to expand sales to this market in the country to support the production capacity that will increase in the Q2 – Q3 of 2023.

For the severe inflation problem that occurs around the world due to the ongoing conflict between Russia and Ukraine. Many countries are at risk of a recession. Consumers have to spend more carefully. As a result of the slowdown in the market, the orders sent by the company's main customers decreased in volume, especially in the Q4 of 2022. The company expects orders to gradually pick up as inflation eases under individual country management because the main products of the company's main customers are in the pet food industry where the global market is expected to grow at a CAGR of 7.3% in 2023 and some of the main customers have projects to expand pet food production lines which is expected to be completed in the first half of 2023.

## 4.3 Key financial ratios

Financial ratio	2020	2021	2022
<b>Liquidity Ratio</b>			
Current ratio (times)	0.9	1.8	6.2
Quick ratio (times)	0.7	1.2	1.1
Operating cash flow ratio (times)	1.3	1.0	1.7
Accounts receivable turnover ratio (times)	5.6	5.9	6.3
Average collection period (days)	64	61	57
Inventory turnover ratio (times)	40.8	37.1	27.0
Average sales period (days)	9	10	13
Accounts payable turnover ratio (times)	7.2	7.6	8.1
Payment period (days)	50	47	45
Cash Cycle (days)	23	23	26
<b>Profitability Ratio</b>			
Gross profit margin	39.9%	38.0%	35.0%
Operating profit margin	27.4%	28.5%	25.4%
Net profit margin	21.0%	21.4%	19.5%
Return on Equity	59.7%	64.1%	24.8%
<b>Efficiency Ratio</b>			
Return on assets	21.9%	26.6%	16.5%
Return on fixed Assets	46.0%	58.8%	48.0%
Asset turnover ratio (times)	1.0	1.2	0.8
<b>Financial Policy Ratio</b>			
Debt to equity ratio (times)	2.1	1.0	0.3
Interest coverage ratio (times)	23.4	31.3	32.9
Interest-bearing debt to EBITDA ratio (times)	1.1	0.7	0.7
Debt service coverage ratio (times)	5.1	9.9	10.0
Dividend pay-out ratio	99.3%	105.1%	145.9%

## Liquidity ratio

### Current ratio

In 2021, the company's current ratio was 1.8 times. The increase in the liquidity ratio mainly came from the increase in current assets at a rate greater than the increase in current liabilities. The main cause of the increase in current assets was from an increase in trade accounts receivable and inventories, in line with the increase in sales and service revenue, meanwhile the increase in current liabilities was mainly due to an increase in trade accounts payable in line with an increase in cost of sales and services. However, an interim dividend payment in August of 79.7 million Baht negatively affected the liquidity ratio insignificantly because such dividend after withholding tax in the amount of 71.6 million Baht was returned to increase the company's capital.

In 2022, the company's liquidity ratio was 6.2 times. The increase in liquidity ratio mainly came from the increase in current assets from proceeds from the sale of capital increase shares for listing in the Market for Alternative Investment.

### Cash cycle

In 2021, the cash cycle was unchanged from 2020, primarily due to a decrease in average collection period of 3 days , which was partially offset by a decrease in debt settlement period of 3 days.

In 2022, the cash cycle increases by 3 days, mainly due to a decrease in the average collection period of 4 days and an increase in the average inventory turnaround time of 3 days, which was partly offset by a decrease in the settlement period of 2 days.

## Efficiency Ratio

### Return on assets ratio

In 2021, the company's return on assets ratio was 26.6%. The increase in return on assets ratio mainly came from net profits increasing at a rate greater than the increase in total assets . While total assets increased mainly from an increase in trade accounts receivable and inventories in line with the increase in sales and service revenue.

In 2022, the company's return on assets ratio was 16.4%. The decrease in the return on assets ratio was mainly due to the decrease in net profit compared to the previous year, While total assets increased mainly from the increase from the proceeds from selling shares to increase capital for listing on the Market for Alternative Investment.

## Asset turnover ratio

In 2021, the company's asset turnover ratio was 1.2 times. The increase in asset turnover ratio mainly came from the increase in total income at a rate greater than the increase in total assets, while total assets increased mainly from an increase in trade accounts receivable and inventories in line with the increase in sales and service revenue.

In 2022, the company's asset turnover ratio was 0.8 times, a decrease from the asset turnover ratio in 2021 due to a decrease in total income, while total assets increased mainly from the increase from the proceeds from selling shares to increase capital for listing on the Market for Alternative Investment.

## Financial Policy Ratio

### Debt to equity ratio

In 2021, the company's debt to equity ratio was 1.0 times. The decrease in debt to equity ratio was mainly due to the decrease in total liabilities, while the shareholders' equity increased. The decrease in total liabilities was mainly due to the decrease in trade payables and the repayment of loans and lease liabilities. The increase in equity was mainly due to profits generated during the period, which were partially offset by dividend payments. However, an interim dividend payment in August of 79.7 million Baht negatively affected the debt to equity ratio insignificantly because such dividend after withholding tax in the amount of 71.6 million Baht was returned to increase the company's capital.

In 2022, the company's debt to equity ratio was 0.3 times. The decrease in debt to equity ratio was mainly due to the decrease in total liabilities, while the shareholders' equity increased. Total liabilities decreased mainly from income tax payable in the amount of 10.9 million Baht, repayment of loans and lease liabilities of 14.0 million Baht. Shareholders' equity increased mainly from the sale of capital increase shares in the listing on the Market for Alternative Investment and profits generated during the year.

### Interest coverage ratio

In 2021, the company's interest coverage ratio was 31.3 times. The increase in interest coverage ratio was mainly due to a significant increase in EBITDA, while interest expenses decreased compared to last year.

In 2022, the company had an interest coverage ratio of 32.9 times. The increase in interest coverage ratio was mainly due to a decrease in interest expenses at a rate greater than the decrease in EBITDA compared to the previous year.

### Interest bearing debt to EBITDA ratio

In 2021, the company has interest bearing debt to EBITDA ratio of 0.7 times. A decrease in interest-bearing debt to EBITDA ratio was mainly due to a slight increase in total interest-bearing debt following liquidity drawdowns, while an increase in EBITDA in line with higher revenue from sales and services.

In 2022, the company has interest-bearing debt to EBITDA ratio of 0.7 times, unchanged from the previous year.

### Debt service coverage ratio

In 2021, the company's debt service coverage ratio was 9.9 times. An increase in the debt service coverage ratio, mainly from a decrease in debt due within 1 year, while EBITDA increased. Debt due within 1 year decreased according to loan repayment and EBITDA increased in line with higher revenue from sales and services.

In 2022, the company's debt service coverage ratio was 10.0 times, slightly increased from the previous year.

## 5. General and Other important information

### 5.1 General information

Company name	SAHATHAI PRINTING & PACKAGING PUBLIC COMPANY LIMITED (“STP”)
Englist company name	SAHATHAI PRINTING & PACKAGING PUBLIC COMPANY LIMITED
Company registration number	0107564000359
Nature of Business	Printing and packaging services for all paper types and printed materials
Head office	200/1 Soi Jaransanitwong 42 Yak 9 Jaransanitwong Road, Bangyeekhan, Bangplad, Bangkok 10700
Factory	Mu 3 Taling Chan-Suphan Buri Rd., Na mai, Lat Lum Kaeo, Pathum Thani 12140
Tel	0-2423-0051-2
Fax	0-2424-7027
Website	<a href="http://sahathaiprinting.com">http://sahathaiprinting.com</a>
Authorized capital	100,000,000 Baht
Paid-up capital	100,000,000 Baht
Par Value	1 Baht
Securities Registrar	Thailand Securities Depository Co., Ltd. 93 14th Floor, Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400 Tel: 0-2009-9999
Auditor	PV Audit Co., Ltd. 46/8, 10th Floor, Rungrojthanakul Building, Ratchadapisek Road, Huai Khwang, Huai Khwang, Bangkok 10310, Thailand Tel: 0-2645-0080



### 5.2.1 Other important information that may have a significant impact on investor decision-making

The company has no other information that may have an impact on the investment of investors decision-making. However, if the company deems that there is other necessary and information that may have an impact on the investment of investors decision-making or for the sake of equality in accessing information among all groups of investors, the company will promptly disclose accurate and complete information so that investors can use the information to make investment decisions through the Stock Exchange of Thailand's system and the company's website.

### 5.2.3 Legal dispute

As of December 31, 2022, the Company has no legal disputes that may cause any damage to the Company's assets exceeding 5% of the shareholding portion, and there are no other legal disputes that may have a significant impact on the Company's business operations.



The company has realized the importance of good corporate governance as a key factor in promoting efficient and sustainable operations that will ultimately benefit all stakeholders, including employees, investors, and shareholders. Therefore, The Board of Directors of Directors has deemed it necessary to develop a corporate governance policy that covers important principles ranging from the structure, roles, responsibilities, and accountability of The Board of Directors, to transparent, clear, and auditable management practices. This policy is based on best practices and guidelines for good corporate governance for registered companies in 2017 by the Securities and Exchange Commission to provide guidance for managing the organization in a manner that ensures that all operations are conducted fairly and in the best interest of all stakeholders. As such, the company has established eight core principles of good corporate governance, which are as follows:

1

Principle 1

Roles and  
Responsibilities of  
The Board of Directors  
of Directors

2

Principle 2

Objectives and  
Goals of the  
Company

3

Principle 3

Strengthening an  
Effective Board of  
Directors

4

Principle 4

Recruit and Develop  
Top Management

5

Principle 5

Promoting innovation  
and responsible  
business practices

6

Principle 6

Ensure appropriate  
risk management  
and internal control  
systems

7

Principle 7

Maintain financial  
credibility and  
disclosure

8

Principle 8

Supporting  
Participation and  
Communication with  
Shareholders



# 1.1 Overview of Corporate Governance Policies and Practices

## Principle 1 Roles and Responsibilities of The Board of Directors of Directors

### Principle 1.1

The Board of Directors of Directors shall understand their role and responsibilities as leaders responsible for overseeing effective management of the organization, which includes:

- (1) Setting Objectives and Goals.
- (2) Strategy formulation, operational policies, and allocation of key resources to achieve objectives and goals.
- (3) Monitoring, evaluating, and reporting business performance.

### Principle 1.2

The Board of Directors of Directors shall oversee the company to achieve good governance outcomes, at least including the following:

- (1) Be able to compete and have sustainable business results with consideration of long-term impacts.
- (2) Conduct business with ethics, respect and responsible for shareholders' and stakeholders' rights.
- (3) Benefits society and contributes to the environmental development or reduces negative environmental impact.
- (4) Adaptive to change factors.

The Board of Directors of Directors shall adhere to the following principles in overseeing the company to achieve good governance outcomes

1.2.1 The Board of Directors of Directors will prioritize ethics and the social and environmental impact, in addition to financial performance.

1.2.2 The Board of Directors of Directors will serve as a role model in leading the company's governance to promote a culture of ethics and integrity.

1.2.3 The Board of Directors of Director will establish policies for The Board of Directors, executives, and employees that demonstrate the principles and guidelines for conducting operations with integrity, such as business ethics.

1.2.4 The Board of Directors of Directors will oversee effective communication to ensure that every board member, executive, and employee understands and has adequate mechanisms in place to implement the policies and practices outlined above. This includes monitoring performance, regularly reviewing policies and practices, and providing feedback to ensure compliance.

### Principle 1.3

The Board of Directors of Directors will oversee that all directors and executives fulfill their duties with care and loyalty to the organization, and ensure that the operations are conducted in compliance with laws, regulations, resolutions of shareholders' meetings, as well as policies and guidelines that have been established. They will also establish processes for approving significant actions such as investments, transactions that significantly impact the company, dealings with related parties, acquisition/disposal of assets, and dividend payments, etc.

### Principle 1.4

The Board of Directors of Directors will ensure that all board members and executives understand their roles and responsibilities, and will establish clear assignments and responsibilities for the CEO and management team. They will also monitor and oversee the performance of the CEO and management team to ensure that they carry out their assigned responsibilities, and provide support as needed.

1.4.1 The Board of Directors of Directors will establish a code of conduct or policies to govern the oversight of the company by specifying the roles and responsibilities of The Board of Directors members for use as a reference in the performance of their duties, and will ensure that the code is reviewed regularly, at least once per year. Additionally, The Board of Directors will regularly review the division of roles and responsibilities among The Board of Directors chair, CEO, and management team to ensure alignment with the organization's direction.

1.4.2 The Board of Directors of Directors shall have a clear understanding of its own scope of responsibilities and delegate management powers to the management team, while keeping a written record of such delegation. However, such delegation shall not relieve The Board of Directors of its responsibilities. The Board of Directors shall monitor and ensure that the management team performs their duties in accordance with the delegation. The scope of responsibilities of The Board of Directors, CEO, and management team may be divided as follows.

The matters that should be taken care of to ensure proper implementation: The Board of Directors of Directors is primarily responsible in carrying out appropriate actions. In this regard, The Board of Directors of Directors may assign the management team to propose matters for consideration. These matters may include, but are not limited to, the following:

- (a) Setting business objectives and main goals.
- (b) Building an organizational culture that upholds ethics and sets a good example.
- (c) Ensuring that The Board of Directors structure and practices are appropriate for achieving the business objectives and main goals efficiently.
- (d) Recruitment, development, compensation, and performance evaluation of the CEO.
- (e) Establishing a compensation structure that motivates employees to perform in line with the organization's goals and objectives.

The matter to be jointly handled with the management team: refers to matters that The Board of Directors of Directors, CEO, and management team will consider together. The management team proposes to The Board of Directors for approval, with The Board of Directors overseeing that the overall policy is consistent with the organization's objectives and main business goals. Additionally, The Board of Directors may delegate the management team to carry out operations, while The Board of Directors monitors and receives reports from the management team periodically, as appropriate. Examples of such matters include:

- (a) Defining and reviewing strategies, objectives, and annual plans.
- (b) The adequate maintenance of the internal control and risk management system.
- (c) Delegating appropriate authority to the management team in accordance with their responsibilities.
- (d) Setting frameworks for resource allocation, development, and budgeting, such as policies and plans for personnel management, information technology.
- (e) Monitoring and evaluating work performance.
- (f) Ensuring reliable and transparent disclosure of financial and non-financial information.

Issues that The Board of Directors of Director should not be involved in are those that are overseen at the policy level, with primary responsibility delegated to the executive management and operational teams. These include the following matters:

- (a) Execution refers to the process of managing and implementing strategies, policies, and plans that have been approved by The Board of Directors of Directors.  
The Board of Directors should delegate the responsibility of decision-making and operational management, including procurement, recruitment, etc., to the relevant departments according to established policies and monitor the results without interfering unless necessary.
- (b) Matters that are prohibited, such as approving items in which The Board of Directors of Director has a conflict of interest.

## Principle 2 Establish the Company's Sustainable Objectives and Goals.

### Principle 2.1

The Board of Directors of Directors shall establish or oversee the objectives of the Company in order to achieve sustainable development, which are objectives and goals that align with creating value for the Company, customers, stakeholders, and society as a whole.

2.1.1 The Board of Directors of Directors has the responsibility to oversee that the company has clear and appropriate objectives or main goals that can be used as the main concept in developing the business model, and communicate them to everyone in the organization to move in the same direction. This is done by developing a vision and values or principles and purposes, or other similar objectives.

2.1.2 To achieve the objectives or main goals, The Board of Directors of Directors will establish a business model that can create value for both the company, stakeholders, and society as a whole. This will be done by considering various factors.

(1) Environmental conditions and various factors of change, including the appropriate utilization of technology.

(2) Customer's and stakeholder's needs and requirements.

(3) Readiness, Competence, and Competitiveness of the Company.

(4) Objectives of establishing a company.

(5) The company's primary customer group.

(6) Ability to generate profits or compete by creating value for the company and customers [Value Proposition].

(7) The ability of the company to sustain in the long term, taking into account both opportunities and risks that affect the company and its stakeholders.

2.1.3 The Board of Directors of Directors promotes the values of the organization in overseeing good business practices such as accountability, integrity, transparency, and due consideration of social and environmental responsibilities.

2.1.4 The Board of Directors of Directors will promote communication and cultivate a culture where the organization's objectives and main goals are reflected in the decision-making and operations of personnel at all levels.

### Principle 2.2

The Board of Directors of Directors will oversee that the objectives, targets, as well as strategies for the mid-term and/or annual period of the company are aligned with the achievement of the company's main objectives and goals.

2.2.1 The Board of Directors of Directors will oversee the development of strategies and annual plans that align with the company's objectives and goals, taking into account the company's environmental factors at that time, as well as opportunities and risks that are acceptable, and support the development or review of medium-term (3–5 year) objectives, goals, and strategies to ensure confidence that strategies and annual plans take into account longer-term impacts and can be reasonably anticipated.

2.2.2 The Board of Directors of Directors will oversee the analysis of the environment, factors, and risks that may impact stakeholders throughout the value chain, as well as the factors that may affect the company's main objectives when setting the strategy and annual plan. This will involve mechanisms to truly understand the needs of stakeholders.

(1) Establish methods, processes, and communication channels to all stakeholder group to ensure that the company can access and receive accurate information and feedback from them.

(2) Identify stakeholders of the company, both internal and external, including individuals, groups, and organizations such as employees, investors, customers, partners, communities, government agencies, regulatory bodies, and so on.

(3) Identify the issues and expectations of stakeholders in order to analyze and prioritize them based on their importance and impact on both the company and stakeholders. This will enable the selection of key issues to be addressed that can create shared value for stakeholders.

2.2.3 The Board of Directors of Directors will set goals that are appropriate to the business environment and potential of the company, taking into consideration both financial and non-financial targets. Additionally, The Board of Directors will be aware of the risks associated with setting goals that may lead to illegal or unethical conduct.

2.2.4 The Board of Directors of Directors will oversee the dissemination of the organization's mission and objectives through strategies and plans throughout the organization.

2.2.5 The Board of Directors of Directors will oversee the allocation of resources and ensure appropriate operational controls are in place, as well as monitor progress towards the organization's strategies and annual plans. This will be achieved by assigning responsibilities to individuals to oversee and track performance.



## Principle 3 Strengthening an effective Board of Directors

### Principle 3.1

Board of Director is responsible for defining and reviewing the structure of Board of Director, including the appropriate and necessary proportion of independent directors to lead the organization towards its objectives and goals.

3.1.1 The Board of Directors of Director is responsible for ensuring a diverse board with a range of skills, experiences, abilities, and unique characteristics to ensure confidence that The Board of Directors as a whole possesses the appropriate qualifications to understand and respond to the needs of stakeholders. This includes having at least one non-executive director with experience in the company's primary industry or business.

3.1.2 The Board of Directors of Director will consider the appropriate number of directors necessary to effectively fulfill their duties, which must include at least 5 directors.

3.1.3 In the long run, The Board of Directors of Director will ensure a balanced proportion between executive and non-executive directors that reflects an appropriate distribution of power. The non-executive directors will be appointed based on criteria set by the Securities and Exchange Commission and the Stock Exchange of Thailand, including the number and qualifications of independent directors. The Board of Directors of Director will also ensure that independent directors can work effectively with The Board of Directors as a whole and provide independent viewpoints.

3.1.4 The Board of Directors of Directors shall disclose its policy on the composition of The Board of Directors of Directors that promotes diversity, and information on directors such as age, educational background, experience, shareholding proportion, number of years served as a director, and directorship in other registered companies, in the company's annual report.

### Principle 3.2

The Board of Directors of Directors will select a suitable person as the chairman of The Board of Directors and ensure that the composition and functioning of The Board of Directors support the exercise of independent judgment in decision-making with confidence.

3.2.1 Chairperson is an independent director.

3.2.2 The chairman of The Board of Directors and the CEO have different responsibilities. The Board of Directors will define the roles and responsibilities of the chairman and the CEO clearly to prevent any individual from having unchecked power. The company will separate the individuals serving as the chairman of The Board of Directors from those serving as the CEO.

3.2.3 The chairman of The Board of Directors has a role as the leader of The Board of Directors, with responsibilities that include the following:

(1) Ensuring effective governance, monitoring, and oversight to ensure that The Board of Directors's duties are performed efficiently and in line with the organization's main objectives and goals.

(2) Ensuring that all board members participate in promoting an organizational culture of ethics and good governance, and overseeing the company's operations effectively.

(3) Scheduling board meetings in consultation with the CEO and ensuring important matters are included on the agenda.

(4) Allocating sufficient time for management to present topics and for board members to thoroughly discuss important issues together. Encouraging board members to exercise sound judgment, express their independent views freely, and promote constructive debate.

(5) Building good relationships between executive and non-executive directors, as well as between The Board of Directors and management.

3.2.4 The Board of Directors of Directors shall establish a policy that independent directors shall serve for a consecutive term not exceeding nine (9) years from the date of their initial appointment as independent director. In case of appointment for more than 3 consecutive terms (9 Years), The Board of Directors of Directors shall consider the necessity thereof carefully and reasonably.

3.2.5 In order to thoroughly consider important matters, The Board of Directors will appoint subcommittees to examine specific issues, filter information, and propose a course of action before presenting it to the full board for approval.

3.2.6 The company will require The Board of Directors of Directors to adhere to principles 3.3 and 3.4.

3.2.7 The Board of Directors of Directors will oversee the disclosure of the roles and responsibilities of The Board of Directors and its subcommittees, as well as the number of meetings held and attendance records of each director in the past year, and report on the performance of all subcommittees.

### Principle 3.3

3.3.1 The Board of Directors of Directors will convene a meeting to consider the criteria and methods for selecting individuals who possess the appropriate knowledge, expertise, and qualifications to serve on The Board of Directors. They will present these nominees to the shareholders for appointment. Additionally, the company will provide sufficient information to shareholders about the proposed individuals to enable them to make decision.

3.3.2 The Board of Directors of Directors will review the criteria and methods for selecting directors before the end of their terms. In the case of re-nominating a current director, The Board of Directors will consider their performance in fulfilling their duties.

3.3.3 In the event that The Board of Directors of Directors appoints an individual as a consultant to The Board of Directors. In the process of selecting and determining compensation, any disclosure of information related to the consultant in the annual report will include their independence and absence of conflicts of interest.

### Principle 3.4

When proposing the remuneration of The Board of Directors of Directors for shareholder approval, The Board of Directors will consider a compensation structure and rate that is appropriate for the responsibilities and incentives that motivate The Board of Directors to lead the organization to achieve short- and long-term goals.

3.4.1 The remuneration of directors should align with the company's long-term strategy and objectives, taking into account their experience, duties, role scope, accountability, and responsibility. Additionally, it should reflect the benefits that each director is expected to bring. All of these factors should be benchmarked against industry standards.

3.4.2 Shareholders must approve the structure and compensation rate of the directors, both monetary and non-monetary. The Board of Directors of Directors will consider each form of compensation to be appropriate, including fixed compensation (such as regular compensation and meeting fees) and performance-based compensation (such as bonuses and incentives) linked to the value that the company creates for shareholders, but not at a level that is too high and causes a focus on short-term performance only.

3.4.3 The Board of Directors of Directors will disclose a policy and criteria for determining the compensation of directors that reflects the duties and responsibilities of each individual, including the format and amount of compensation. The disclosed amount of compensation should include the compensation received by each director for serving on subsidiary boards.

### Principle 3.5

The Board of Directors of Directors has a responsibility to oversee that all directors have accountability for their duties and adequate time allocation.

3.5.1 The Board of Directors of Directors is responsible for ensuring that there are mechanisms in place to support directors in understanding their roles and responsibilities.

3.5.2 The Board of Directors of Directors will establish criteria for holding positions on The Board of Directorss of other companies, taking into account the performance of directors who hold multiple board positions and ensuring that directors can devote sufficient time to their duties at the company. The number of registered companies that each director may serve on will be determined to be appropriate for the nature or circumstances of the company's business.

3.5.3 The Board of Directors of Directors will report on any board member's positions in other companies and make it publicly known.

3.5.4 In the case where a director or executive officer has a direct or indirect interest or conflict of interest in another business that conflicts with the interests of the company or may use the company's opportunity or information for personal gain, The Board of Directors of Directors must ensure that the company has sufficient measures to prevent such conflicts of interest and to disclose such conflicts to shareholders as appropriate.

3.5.5 Each director shall attend at least half of the total number of board meetings held during the year, unless there are compelling reasons for the director's absence.

### Principle 3.6

The Board of Directors of Directors has a responsibility to establish frameworks and mechanisms to oversee policies and operations of subsidiary and other business that the company invested in. This includes ensuring that there is a mutual understanding among the company and its subsidiary and other invested ventures.

3.6.1 The Board of Directors of Directors will consider establishing policies for overseeing subsidiary, including:

(1) The company shall appoint representatives to serve as directors of each subsidiary and other business that the company invested in, in proportion to its shareholding, to ensure that such entities are governed in compliance with the law, good corporate governance policies, and the company's other policies. However, the appointment of such representatives as directors of each subsidiary and company's invested business must be considered and approved by The Board of Directors of Directors of the company, taking into account the appropriateness of such appointment for each entity.

(2) If any transactions or operations of the subsidiary involve the acquisition or disposal of assets, or related party transactions, which will result in the company having to seek approval at the Company's board of directors meeting and/or from the Company's shareholder meeting and/or from relevant agencies according to the law before proceeding with the transaction or operation. The subsidiary can proceed with the transaction or operation only after receiving approval from the Company's board of directors meeting and/or from the Company's shareholder meeting and/or from the relevant agencies (depending on the case) are obtained.

In addition, if in some cases the subsidiary's transaction or event requires the parent company to disclose information according to the established criteria, the representative director of the subsidiary is responsible for notifying the management department of the parent company immediately upon learning of the subsidiary's plan to carry out the transaction or the occurrence of the event.

(3) The Board of Directors of Directors and executives of each subsidiary and other invested ventures have important responsibilities and liabilities under relevant laws, such as disclosing financial status and operating results to the company. They must comply with the relevant announcements of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as disclose and submit their own and related persons' information regarding relationships and transactions with the company, subsidiary, and other invested ventures in a manner that may create conflicts of interest or avoid potential conflicts of interest.

(4) The company will establish plans and take actions to ensure that subsidiary and other invested ventures disclose information about their financial performance and status. The company will also implement necessary measures and monitoring to ensure that subsidiary and other invested ventures have sufficient and appropriate systems for internal control and disclosure of information in order to conduct business with confidence.

In addition, the company will closely monitor the performance and operations of the aforementioned subsidiary and invested ventures, and present an overall analysis including comments or recommendations to The Board of Directors of Directors of both the parent and subsidiary companies and invested ventures. This is to be used to aid in the consideration of policy formulation or improvement to promote the continuous development and growth of the businesses of the subsidiary companies and invested ventures.

3.6.2 In case of significant investment in other businesses, such as holding a voting stake ranging from 20% but not exceeding 50%, and if additional investment is necessary and important to the company, The Board of Directors of Directors will ensure that a shareholders' agreement or other agreements are made to clarify the authority to manage and participate in important decision-making. The performance of the invested businesses will be closely monitored and the information will be used to prepare the financial statements of the company in accordance with standards and timelines.

### Principle 3.7

The Board of Directors of Directors will arrange for an evaluation of the performance of The Board of Directors, as well as an evaluation of the individual directors, in order to review their accomplishments, problems, and obstacles each year. This will enable the company to use the results of the evaluation to develop and improve its operations in various areas.

### Principle 3.8

The Board of Directors of Directors will oversee that each member of The Board of Directors and committee has knowledge and understanding of their roles and responsibilities, the nature of the business, and the laws related to conducting business. They will also provide support for all board members to receive ongoing skills and knowledge development to effectively fulfill their duties as directors.

3.8.1 The Board of Directors of Directors will ensure that newly appointed directors receive guidance and useful information to carry out their duties, including an understanding of the organization's purpose, main objectives, vision, mission, values, as well as the nature of the business and the company's business strategies.

3.8.2 The Board of Directors of Directors will ensure that board members receive continuous training and development of essential knowledge.

3.8.3 The Board of Directors of Directors will ensure that they understand the laws, regulations, standards, risks, and environmental factors related to conducting business. They will also stay informed of current information on these topics.

3.8.4 The Board of Directors of Directors will disclose information on The Board of Directors' continuous training and development in the annual report.

### Principle 3.9

The Board of Directors of Directors will ensure that their operations are conducted smoothly and that they can access to necessary information with the assist from secretary with sufficient knowledge and experience to support their work.

3.9.1 The Board of Directors will schedule meetings and agendas in advance to ensure that board members can schedule and attend meetings.

3.9.2 The number of board meetings shall be appropriate to the duties and responsibilities of The Board of Directors and the nature of the company's business, but not less than four (4) times per year.

3.9.3 The Board of Directors will ensure that there are mechanisms for each director and the management team to propose agenda items that are beneficial to the company to include in the meeting agenda.

3.9.4 The supporting documents for the meeting will be sent to the directors in advance of no less than seven (7) days before the meeting. Unless it is necessary in order to maintain the rights or benefits of the company, the meeting may be scheduled earlier than that.

3.9.5 The Board of Directors will support CEO to invite senior executives to attend board meetings in order to provide additional information relevant to the issues occurred and to provide an opportunity to get to know senior executives for succession planning purposes.

3.9.6 The Board of Directors shall have access to necessary additional information from the CEO, Company Secretary, or other designated executives within the scope of the policy. If necessary, The Board of Directors may arrange for independent advice or professional expertise at the expense of the company.

3.9.7 The Board of Directors may consider a policy to allow non-executive directors to convene meetings among themselves as necessary to discuss issues related to management matters of interest, without the involvement of management. The Chairman of The Board of Directors shall be notified of the outcome of such meetings.

3.9.8 The Board of Directors may establish qualifications and experience for the Company Secretary that are suitable for providing advice on legal and regulatory matters that The Board of Directors needs to know, managing board meeting documentation, important documents, and activities of The Board of Directors, as well as coordinating the implementation of Board resolutions. In addition, The Board of Directors may disclose the qualifications and experience of the Company Secretary in the company's annual report.

3.9.9 The Company Secretary will continuously receive training and develop knowledge that will be beneficial to their duties. In the case where there are certified programs available, the Company Secretary will attend such programs for certification.

## **Principle 4 Recruitment and development of senior executives and personnel management.**

### **Principle 4.1**

The Board of Directors will ensure that there is a process in place to identify and develop candidates for executive and senior management positions who possess the necessary knowledge, skills, experience, and traits to drive the organization towards its goals.

4.1.1 The Board of Directors will consider the criteria and methods for selecting individuals with suitable qualifications for the position of the CEO

4.1.2 The Board of Directors will monitor and ensure that high-level executives working for the company are suitable. At a minimum, The Board of Directors will work with the CEO to establish criteria and methods for selecting and appointing individuals. The Board of Directors approves the appointment of executives recommended by the CEO.

4.1.3 In order to ensure continuous business operations, The Board of Directors will oversee the development of a Succession Plan to prepare for the succession of the CEO and senior executives.

4.1.4 The Board of Directors will promote and support training and development for the CEO and senior executives to enhance their knowledge and experience for the benefit of their job performance.

### **Principle 4.2**

The Board of Directors will oversee the establishment of a suitable compensation structure and performance evaluation.

4.2.1 The Board of Directors will establish a compensation structure that motivates executives and employees at all levels to align their performance with the organization's main objectives and long-term benefits.

4.2.2 The Board of Directors will review and approve the criteria and factors for performance evaluation, as well as the compensation structure for senior executives, and ensure that the CEO evaluates the performance of senior executives in accordance with the aforementioned principles.

### **Principle 4.3**

The Board of Directors will seek to understand the structure and relationships of shareholders that may impact the management and operations of the company.

4.3.1 The Board of Directors will seek to understand the structure and relationships of shareholders, which may be the form of family agreements, shareholder agreements, or policies of the parent company that affect the power of control of company's management.

4.3.2 The Board of Directors shall ensure that the provisions of Section 4.3.1 do not impede the performance of The Board of Directors' duties, such as the appointment of suitable individuals to succeed key positions.

4.3.3 The Board of Directors will oversee the disclosure of information in accordance with various agreements that may affect the control of the company.

#### Principle 4.4

The Board of Directors will monitor and oversee the management and development of personnel to ensure that they have appropriate knowledge, skills, experience, and motivation.

4.4.1 The Board of Directors will oversee the management of human resources that align with the direction and strategy of the organization. Employees at all levels will have the knowledge, skills, appropriate motivation, and be treated fairly to maintain the organization's capable workforce.

4.4.2 The Board of Directors will oversee the establishment of provident fund or other investing fund to ensure that employees have sufficient savings for retirement, as well as support employees in developing knowledge and understanding of financial management, investment policies that are appropriate for their age, and risk tolerance.



## Principle 5 Promote innovation and responsible business practices.

### Principle 5.1

The Board of Directors promote operations that generate value for the business while also creating benefits for customers or stakeholders, and demonstrating responsibility to society and the environment.

5.1.1 The Board of Directors will prioritize the creation of a corporate culture and oversee that the management team integrates it into the strategy review, development planning, performance improvement, and monitoring process.

5.1.2 The Board of Directors will promote operations that increase the value of the company according to constantly changing environmental factors, which may include shaping the business model, designing and developing products and services, researching, improving production processes and operations, as well as collaborating with partners.

The above operations should be carried out in a manner that creates mutual benefits for the company, customers, partners, society, and the environment. The company should not support inappropriate behavior, illegal activities, or unethical conduct.

### Principle 5.2

The Board of Directors will monitor and ensure that the management team conducts the business responsibly towards society and the environment, and this will be reflected in the operational plan to ensure that all departments of the organization are aligned with the company's main objectives and strategies.

5.2.1 The Board of Directors will oversee the implementation of mechanisms that ensure the company operates with integrity, social, and environmental responsibility, without infringing upon the rights of stakeholders. This will serve as a guideline for all members of the organization to achieve sustainable objectives and goals. The company will develop a business code of ethics that covers the following areas:

(1) Responsibility towards employees and workers includes complying with relevant laws and standards, treating them fairly and respecting their human rights. This includes setting fair compensation and benefits, providing welfare benefits that are no less than what the law requires or more than what is appropriate, taking care of health and safety at work, and providing training and development opportunities.

(2) Responsibility towards customers by complying to relevant laws and standards and considering health, safety, fairness, customer data privacy, and providing post-sales service and follow-up to measure customer satisfaction in order to improve products and services. Advertising and sales promotion must be conducted responsibly without causing misunderstandings or taking advantage of customers' misunderstandings.

(3) Responsibility towards business partners includes ensuring fair and ethical purchasing and contracting processes, as well as fair and ethical terms and conditions of agreements or contracts. It involves providing knowledge and development opportunities to improve production and service standards, and guiding partners to respect human rights and treat their own workforce

fairly. It also entails social and environmental responsibility, as well as monitoring, auditing, and evaluating partners to ensure sustainable business practices.

(4) Responsibility towards the community by utilizing business knowledge and experience to develop projects that can create and enhance benefits for the community in a fair manner. There should be monitoring and evaluation of progress and long-term success.

(5) Responsibility towards the environment involves preventing, reducing, and managing negative impacts on the environment caused by the company's operations. This includes covering the use of raw materials, energy consumption, water use, sustainable resource use, emissions and waste management resulting from business operations, and greenhouse gas emissions.

(6) Fair competition by conducting business with transparency and not engaging in unfair competitive practices.

(7) Anti-corruption and collusion by complying with relevant laws and standards and publicly announcing the company's policies to oppose corruption and collusion to the public. The company may consider joining an anti-corruption and collusion network and supporting other companies and partners in announcing their anti-corruption policies, as well as joining the network.

### Principle 5.3

The Board of Directors will monitor and oversee the management of resource allocation to ensure efficiency and effectiveness in achieving the company's main objectives and goals on a sustainable basis.

5.3.1 The Board of Directors will be aware of the necessity of resources that need to be used, as well as the awareness that the use of each type of resource has interdependent impacts.

5.3.2 The Board of Directors will be aware that different business models have different impacts on resources. Therefore, in making decisions about choosing a business model, the company should consider the impact and value that affects the resources while still being based on ethics, responsibility, and creating sustainable value for the company.

The company should consider at least 4 types of resources, including Financial Capital, Human Capital, Social and Relationship Capital, and Natural Capital.

### Principle 5.4

The Board of Directors will establish a framework for overseeing and managing information technology at the organizational level that aligns with the company's needs. They will also ensure that information technology is used to increase business opportunities and improve operations, and to manage risks to enable the company to achieve its objectives and goals.

5.4.1 The Board of Directors will establish policies for allocating and managing information technology resources, which include ensuring sufficient resources are allocated to support business operations and developing contingency plans for situations where resource allocation falls short of established requirements.

5.4.2 The Board of Directors will oversee the organization's risk management, which includes managing technology-related risks.

5.4.3 The Board of Directors will establish the security of the information system policies. The framework for overseeing and managing information technology at the organizational level includes:

(1) The company has complied with relevant laws, regulations, rules, and standards related to the use of information technology.

(2) The company has a Data Security System in place to ensure confidentiality, integrity, and availability of information, as well as prevent unauthorized use or unauthorized modification of data.

(3) The company has assessed information technology risks and has policy to manage those risks in various areas.

(4) The company has allocated and managed its information technology resources. It has established criteria and factors for prioritizing its IT plans, such as alignment with the strategic objectives, impact on business operations, urgency of implementation, budget, IT personnel resources, and alignment with the business model.

## **Principle 6 Ensure there is an appropriate risk management and internal control system.**

### **Principle 6.1**

The Board of Directors will oversee and ensure that the company has a suitable system of risk management and internal controls to achieve effective objectives and comply with relevant laws and standards.

6.1.1 The Board of Directors will seek to understand the key risks of the company and approve acceptable risk levels.

6.1.2 The Board of Directors will review and approve a risk management policy that aligns with the company's objectives, key targets, strategies, and acceptable risks. This policy will serve as a framework for everyone in the organization to follow in the risk management process. The Board of Directors will prioritize the warning signals and ensure regular policy reviews.

6.1.3 The Board of Directors will oversee the risk identification for the company by considering both internal and external factors that may prevent the company from achieving its stated objectives.

The main risks that The Board of Directors will give importance to may be divided into Strategic Risk, Operational Risk, Financial Risk, and Compliance Risk, etc.

6.1.4 The Board of Directors will oversee that the company has evaluated the impact and potential opportunities of identified risks to prioritize them and have appropriate risk management strategies.

6.1.5 The Board of Directors may delegate the task of reviewing or screening Sections 6.1.1–6.1.4 to Audit Committee before presenting them for The Board of Directors' consideration.

6.1.6 The Board of Directors will monitor and evaluate the effectiveness of risk management on a regular basis.

6.1.7 The Board of Directors is responsible for ensuring that the company operates in compliance with relevant laws and standards, both domestically and internationally.

6.1.8 In the case where the company has significant investments in subsidiary or other businesses (e.g. ownership of voting shares ranging from 20% to less than 50%), The Board of Directors will take the results of internal control and risk management assessments as part of the overseeing process according to items 6.1.1–6.1.7.

### **Principle 6.2**

The Board of Directors may establish an audit committee that is effective and independent to perform its duties in the future.

6.2.1 The Board of Directors shall establish an audit committee composed of at least three members, all of whom must be independent directors and possess qualifications and duties in accordance with the criteria of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6.2.2 The Board of Directors will specify the duties of the audit committee in writing, which must include at least the responsibilities outlined in the audit committee charter.

6.2.3 The Board of Directors shall ensure that the company has mechanisms or tools in place to enable the audit committee to access necessary information to perform their duties, such as facilitating the audit committee's ability to call relevant persons to provide information, conducting joint meetings with the auditor, or seeking independent professional advice to assist the audit committee in its deliberations.

6.2.4 The Board of Directors will arrange for an independent individual or internal unit to audit and oversee the development and performance testing of the internal control and risk management system. The responsible party will be responsible for providing reports to the audit committee and disclosing the results of the testing in the annual report.

6.2.5 The audit committee must provide an opinion on the adequacy of the internal control and risk management system and disclose it in the annual report.

### Principle 6.3

The Board of Directors will monitor and manage conflicts of interest that may arise between the company and management, The Board of Directors, or shareholders. This includes preventing the misuse of company assets, information, and opportunities, as well as transactions with related parties that are not in the best interests of the company.

6.3.1 The Board of Directors will oversee the implementation of a data security system, which includes the development of policies and procedures to maintain confidentiality, integrity, and availability of data, as well as the management of market-sensitive information. In addition, The Board of Directors will ensure that The Board of Directors members, senior executives, employees, and relevant external parties, such as legal and financial advisors, comply with the data security system.

6.3.2 The Board of Directors shall oversee the management to monitor the transactions that may create conflicts of interest, and ensure that such transactions are conducted in accordance with established procedures and disclosure requirements, as required by law, and for the benefit of the company and its shareholders as a whole. Persons with a potential conflict of interest should not participate in the decision-making process.

6.3.3 The Board of Directors will ensure that there are provisions for board members to disclose any conflicts of interest prior to consideration of agenda items, which will be recorded in The Board of Directors' meeting report. The Board of Directors will oversee that board members who have significant conflicts of interest are unable to provide independent opinions, or they are excluded from deliberating on that agenda item.

### Principle 6.4

The Board of Directors will oversee the development of the policies and practices to anti-corruption and communicate them to all employees of the company and to external stakeholders to ensure their effective implementation. This includes supporting activities that promote and embed compliance with relevant laws and regulations among all employees.

### Principle 6.5

The Board of Directors will oversee the company to have a mechanism for receiving complaints and handling cases of whistleblowing.

6.5.1 The Board of Directors will oversee the establishment of mechanisms and processes for handling complaints from stakeholders, and ensure that multiple convenient channels are available for lodging complaints. Additionally, The Board of Directors will promote transparency by publishing these complaint channels on the company's website and in annual reports.

6.5.2 The Board of Directors will oversee the development of clear policies and guidelines for addressing whistleblowing cases. This will include establishing mechanisms for receiving and addressing complaints that are convenient and accessible through multiple channels, such as the company's email. Additionally, there will be processes for verifying information, taking appropriate action, and reporting to The Board of Directors.

6.5.3 The Board of Directors will ensure that appropriate measures are in place to protect whistleblowers who report with good faith.

## Principle 7 Maintain financial integrity and disclosure of information.

### Principle 7.1

The Board of Directors has the responsibility to oversee that the financial reporting and disclosure systems are adequate, timely, comply with relevant laws, standards, and best practices.

7.1.1 The Board of Directors will ensure that personnel involved in the preparation and disclosure of information have the knowledge, skills, and experience necessary for their responsibilities and that there is an adequate number of personnel. Such personnel includes Top Management, Accounting and Finance staff, Internal Auditors, Corporate Secretaries, and Investor Relations personnel.

7.1.2 When considering approval for disclosure of information, The Board of Directors should take into account relevant factors, including at least the following factors for financial reports:

(1) Assessment of the Adequacy of Internal Control System

(2) Accountant's opinion on the financial statements and observations on the internal control system, including any additional observations communicated to management outside of the financial statements (if any).

(3) Board of Directors' Opinion

(4) Alignment with the company's objectives, main goals, strategies, and policies.

7.1.3 The Board of Directors oversees the disclosure of information, including financial statements Form 56-1. The disclosed information should adequately reflect the financial position and operational results. The Board will also support the company in preparing the Management Discussion and Analysis (MD&A) to accompany the financial statements every quarter. This is to provide investors with information and a better understanding of the changes in the financial position and operational results of the company in each quarter. The MD&A provides additional analysis and explanation rather than the numerical data in the financial statements alone

7.1.4 In the case where the disclosure of certain information pertains to a specific director, that director shall ensure that the disclosure pertaining to themselves is complete and accurate. For example: Information regarding Shareholding , Disclosure of Shareholders' Agreement, etc.

### Principle 7.2

The Board of Directors will monitor and oversee the adequacy of the financial liquidity and debt repayment capability.

7.2.1 The Board of Directors will oversee that the management team monitors and assesses the financial status and debt repayment capability of the company, and reports regularly to The Board of Directors. The Board of Directors and management will work together to find solutions promptly if there are indications of financial liquidity and debt repayment problems.

7.2.2 When approving any transaction or proposing any opinion for approval at the shareholders' meeting, The Board of Directors will ensure that such transactions or opinions will not affect the continuity of business operations, financial liquidity, or ability to repay debts.

### Principle 7.3

In the event that the company faces financial difficulties or is at risk of facing financial difficulties, The Board of Directors will ensure that the company has a plan to solve the issues or has other mechanisms to solve the issues, while also considering the rights of the affected parties.

7.3.1 In the event that the company is likely to have difficulty repaying its debts or has financial difficulties, The Board of Directors will closely monitor and oversee the company, ensuring that it conducts its business with caution and complies with disclosure requirements.

7.3.2 The Board of Directors will oversee the company's development of a plan to solve financial issues while considering fairness to stakeholders, including creditors, and closely monitor progress in implementing the plan. Management will be responsible for regularly reporting the status of the plan to The Board of Directors.

7.3.3 The Board of Directors will ensure that any decision made to solve the company's financial problems, regardless of the method used, is reasonable and logical.

### Principle 7.4

The Board of Directors will consider preparing a sustainable report as appropriate.

7.4.1 The Board of Directors will consider the appropriateness of disclosing information about Compliance with Laws, Ethical Practices, Anti-Corruption Policies, Treatment of Employees and Stakeholders, including Fair Practices and Human Rights, as well as Social and Environmental Responsibility. The information may be disclosed in the annual report or in separate publications, depending on what is deemed appropriate by the company.

7.4.2 The Board of Directors will ensure that the disclosed information is important and reflects practices that will lead to sustainable value creation for the company.

### Principle 7.5

The Board of Directors will oversee that the management establishes units or assigns responsible personnel for Investor Relations, who will be responsible for communicating with shareholders and other stakeholders, such as investors and analysts, in an equitable and timely manner.

7.5.1 The Board of Directors will oversee the establishment of a Communication Policy and Disclosure Policy to ensure that communication and disclosure to external parties are appropriate, timely, and conducted through appropriate channels. These policies will protect confidential information and information that may affect the price of securities. Additionally, the policies will ensure that communication is clear and consistent throughout the organization and that all employees understand and comply with the policies.

7.5.2 The Board of Directors will ensure that there is a designated person responsible for providing information to external parties, who is suitable for the task and has a good understanding of the company's business, objectives, values, and can effectively communicate with the capital market.



7.5.3 The Board of Directors will oversee the management team in establishing direction and supporting activities related to investor relations, such as developing best practices for information disclosure, internal data policies, and defining clear roles and responsibilities for Investor Relations Personnel. This will ensure that communication and information disclosure are effective, and that all involved parties understand their roles and responsibilities.

### Principle 7.6

The Board of Directors will encourage the use of information technology to disseminate information.

7.6.1 The Board of Directors will consider promoting the disclosure of information in both Thai and English through other channels, such as the company's website, on a regular basis, and presenting up-to-date information.

The company will disclose at least the following information on its website:

- (1) Vision and Values of the Company
- (2) The nature of the business of the company
- (3) List of Board of Directors and Executives
- (4) Financial statements and reports on the financial status, Operating results of both the current and previous years.
- (5) Annual report available for download.
- (6) Any information or documents that the company presents to analysts, fund managers, or the media.
- (7) Direct and Indirect Shareholding Structure.
- (8) Corporate Group Structure, including Subsidiary, Joint Ventures, and Special Purpose Enterprises/Vehicles (SPEs/SPVs).
- (9) Major Shareholders Group, both Direct and Indirect, holding 5% or more of the total issued shares and having voting rights.
- (10) Direct and Indirect Shareholding of Board of Directors, Major Shareholders, and Senior Executives.
- (11) Invitation Letter for Annual and Extraordinary General Meeting of Shareholders.
- (12) Company Regulations and Articles of Association.
- (13) Corporate Governance Policy, Anti-Corruption Policy, Information Technology Security Policy, and Risk Management Policy
- (14) Articles of Association or Bylaws, Duties and Responsibilities, Qualifications, and Terms of Office of Board of Directors, including matters requiring approval from The Board of Directors.
- (15) Business Ethics
- (16) Contact information or complaints, Persons responsible for investor relations, the Company Secretary, or name of the person who can provide information, telephone numbers, email addresses.

## Principle 8 Supporting Participation and Communication with Shareholders

### Principle 8.1

The Board of Directors will ensure that shareholders have a say in important decisions of the company.

8.1.1 The Board of Directors shall ensure that important matters, both those specified by law and those that may impact the direction of the company's operations, are considered and/or approved by the shareholders. Such important matters shall be included in the agenda of the shareholders' meeting.

8.1.2 The Board of Directors will support the involvement of shareholders, such as:

(1) The Board of Directors shall establish criteria for allowing minority shareholders to propose agenda items in advance of the shareholder meeting. The Board of Directors shall consider the matter proposed by the shareholders as an agenda item for the meeting. In the event that The Board of Directors refuses to include the matter proposed by the shareholders as an agenda item, The Board of Directors shall provide a reason for such refusal to the shareholders at the meeting.

(2) Criteria for minority shareholders to nominate candidates for directorship.

The Board of Directors will ensure that the criteria for allowing minority shareholders to nominate candidates for The Board of Directors are disclosed in advance.

8.1.3 The Board of Directors shall ensure that the notice of the shareholders' meeting contains accurate and sufficient information for shareholders to exercise their rights.

8.1.4 The Board of Directors shall ensure that the notice of the shareholder meeting is sent along with relevant documents and published on the company's website at least fourteen (14) days prior to the meeting.

8.1.5 The Board of Directors will provide an opportunity for shareholders to submit questions in advance of the meeting, with criteria for submitting questions to be established and disclosed on the company's website.

8.1.6 The notice of the shareholders' meeting and related documents shall be prepared in both Thai and English versions and published simultaneously.

The Shareholders Meeting Book contains the following agenda:

(1) Date, Time, and Place of Shareholders' Meeting.

(2) The agenda of a meeting should clearly specify the topics to be discussed and whether they are for informational purposes or for approval. Each topic should be clearly defined. For example, in an agenda item related to The Board of Directors, the topics of electing board members and approving board member compensation should be listed separately.

(3) The objectives and reasons, as well as the opinions of The Board of Directors for each agenda proposed.

A. Agenda item: Approval of dividend payment – Dividend payment policy, proposed dividend rate, and supporting reasons and information. In case of proposing to withhold dividend payment, provide explanation of reasons and supporting information.

B. Agenda item: Appointment of directors – Naming, age, educational and professional backgrounds, number of registered companies and general companies served as a director, criteria and selection process, type of director proposed. In case of proposing to re-appoint a former director, provide information on their attendance record at previous meetings and date of appointment as director of the company.

C. Agenda item: Approval of director remuneration – Director remuneration policy and criteria, and remuneration for each type of director in both monetary and non-monetary forms.

D. Agenda item: Appointment of auditor – Auditor's name, affiliated company, work experience, independence of the auditor, audit fees, and other service fees.

(4) Letter of Authorization according to the format prescribed by the Ministry of Commerce.

(5) Additional meeting information, such as the voting process, vote counting and announcement of results, rights of each type of share to vote, information about independent directors proposed by the company to serve as proxies for shareholders, documents that shareholders must present before attending the meeting, and a map of the meeting venue, etc.

## Principle 8.2

The Board of Directors shall ensure that the proceedings of the shareholder meeting are conducted in an orderly, transparent, efficient and effective manner, and that shareholders are able to exercise their rights.

8.2.1 The Board of Directors will determine the date, time, and location of the meeting, taking into account the convenience of shareholders to attend the meeting, such as a suitable and adequate time for discussion and a convenient location for travel.

8.2.2 The Board of Directors will ensure that no actions are taken that limit the opportunity for shareholders to attend the meeting or create unnecessary burdens. For example, shareholders or proxies are not required to provide documentation or evidence beyond what is specified in the relevant regulatory bodies.

8.2.3 The Board of Directors will promote the use of technology in shareholder meetings, including registration, vote counting, and result presentation, to ensure that the meeting proceedings are conducted efficiently, accurately, and promptly.

8.2.4 The Chairman of The Board of Directors serves as the chairperson of the shareholder meeting and is responsible for ensuring that the meeting is conducted in accordance with relevant laws, regulations, and company policies. They allocate time for each agenda item as specified in the notice of the meeting and provide opportunities for shareholders to express their opinions and ask questions on matters related to the company.

8.2.5 To enable shareholders to make important decisions, the directors, both as participants and shareholders, do not support the adding of additional meeting agenda without prior notice, particularly important agenda that require shareholders to study information before making decisions.

8.2.6 Supporting all members of The Board of Directors and relevant executives to attend meetings, in order for shareholders to be able to inquire about various relevant topics.

8.2.7 Before the meeting starts, the company shall notify the shareholders of the number and proportion of shareholders who attend the meeting in person and by proxy. The procedures for conducting the meeting, voting, and vote counting shall also be announced.

8.2.8 In the case where there are multiple agenda items, the chairperson will arrange for separate voting on each item, such as when shareholders exercise their right to elect individuals as directors in the agenda item of director election.

8.2.9 The Board of Directors will support the use of voting cards for important agenda items and encourage an independent person to oversee or verify the vote count at the meeting. The results of the vote, including those in favor, against, and abstaining, should be disclosed and recorded in the meeting minutes.

### Principle 8.3

The Board of Directors will oversee the disclosure of resolutions made during the meeting and ensure that the minutes of the meeting are prepared accurately and completely.

8.3.1 The Board of Directors will oversee the company to disclose the resolutions made at the shareholders' meeting along with the results of the vote within the next business day through the news system of the Stock Exchange of Thailand and on the company's website.

8.3.2 The Board of Directors shall ensure that the copies of the shareholder meeting reports are sent to the Stock Exchange of Thailand within fourteen (14) days from the date of the shareholder meeting.

8.3.3 The Board of Directors will ensure that the shareholder meeting reports include at least the following information:

(1) List of attending directors and executives, and the proportion of directors who attended and did not attend the meeting.

(2) The method of voting and counting the votes, including the results of each agenda item (approved, not approved, abstained)

(3) Agenda items, questions, and answers at the meeting, including the names of the questioners and respondents.

### Code of Conduct for Directors

(1) Directors must act and make decisions with caution, appropriateness, and fulfill their duties with honesty and integrity for the maximum benefit of the company.

(2) Directors must not take advantage of their position, both directly and indirectly, for personal gain or the benefit of related parties. Directors must disclose any information regarding their personal benefits that may cause conflicts of interest with the company's benefits or lead to conflicts of interest in the company's interests.

(3) Directors must not use information obtained from their position as a director in an inappropriate manner. Using internal information to trade securities of the company is strictly prohibited. Directors must report their ownership of securities of the company accurately, timely, and as required.

(4) Directors must not disclose trade secrets or confidential business information to outsiders, and must not provide any information that is not yet disclosed to the public to anyone.

(5) Directors must consider the fair benefits of all parties involved in the company, including shareholders, employees, customers, and suppliers, when making decisions as a representative of the company.

(6) Directors must comply with the law with strict transparency and accountability. Directors must not accept any proposals, gifts, or anything of value from interested parties with the intention of influencing any business decisions or actions, or any appointments that are dishonest, corrupt, or in conflict of interest.

(7) Directors must protect the rights of shareholders.

(8) Directors must not make decisions that unfairly benefit shareholders or other individuals by using the company's expenses or shareholder funds.

### Code of Conduct for Executives.

(1) Manage work with honesty and integrity for the maximum benefit of the company.

(2) Perform duties by applying knowledge and management skills to the fullest extent possible in all circumstances.

(3) Manage work with caution, prudence, and without creating any binding conflicts with their future duties.

(4) Take responsibility for their own decisions and actions and be able to explain or justify them.

(5) Not seeking personal or related-party gains by using any undisclosed company information and refraining from any actions that may conflict with the company's interests, while avoiding any potential conflicts of interest, is essential.

(6) Place importance on developing the knowledge and abilities of employees by providing equal and regular opportunities for all staff.

(7) Practice in compliance with laws and regulations related to employees strictly, and listen to employees' suggestions.

(8) Treat employees with politeness, respect their individual dignity and worth, and avoid any actions that are unfair, demeaning, or may threaten their emotional well-being.

(9) Emphasize the importance of ethics and the roles that employees can play in promoting ethical behavior throughout the company.

(10) Emphasize instilling a sense of social responsibility in all employees at every level, by refraining from actions that may cause harm to natural resources and the environment.

(11) Ensure that employees comply with the spirit of the law and regulations strictly.

(12) Executives must maintain confidentiality by keeping the company's and customers' information confidential and not disclosing any information or news that is not yet appropriate.

## The ethics of employees.

It is the responsibility of employees to understand and comply with the code of ethics. If there are any questions or concerns, they should consult with their supervisors, human resources, or individuals designated by the company to be responsible for monitoring compliance with the code of ethics. Employees should also report any observed or suspected violations of the code of ethics and cooperate in investigations conducted by designated units or individuals assigned by the company.

## Ethics towards stakeholders

The company establishes guidelines for The Board of Directors, Executives, and Employees to follow as fundamental principles for carrying out operations, as follows:

### Ethics towards Shareholders

(1) Treat all shareholders equally with regard to disclosing information and conducting shareholder meetings in compliance with relevant regulations and laws.

(2) Adhere to the law, regulatory objectives of the company, board resolutions, and good corporate governance principles, as well as ethics and morality in conducting business operations, as determined by the shareholder meeting.

(3) Manage the company's operations to be progressive, stable, and provide appropriate returns to shareholders.

(4) Perform duties and make decisions with competence and caution, by applying knowledge, experience, expertise, and management skills to the fullest.

(5) Reporting the status and performance of the company to shareholders equally and consistently, and providing complete and accurate information based on reality.

(6) Not seeking personal benefits or benefits of related parties by using any information of the Company that has not been disclosed to the public.

(7) Not disclose confidential information of the company to others without authorization.

(8) Shall not engage in any activities that may cause conflicts of interest with the company.

(9) Create a website for the company to provide a channel for shareholders to access the company's information.

### Ethics towards customers

(1) Produce high-quality products and adhere to the agreements, contracts, or conditions that have been made with customers in a transparent and equitable manner. In the event that we are unable to fulfill these obligations, we must promptly negotiate with customers in advance to find solutions and prevent any potential losses.

(2) We are committed to creating customer satisfaction and confidence by providing excellent quality services that are safe, technologically appropriate, and continuously improving our standards.

(3) Disclose information and news about our services completely, accurately, timely and without distortion of facts. Additionally, maintain a good and lasting relationship.

(4) Establish a customer service system and communication channels for customers to file complaints and ensure that the issues are addressed promptly and to the best of our ability, in order to meet customers' needs quickly and efficiently.

(5) Giving importance to preserving customer's confidential information at all times and not using such information for one's own benefit and/or for the benefit of other related parties.

### Business ethics towards business partners.

(1) Adhere to agreements, terms, and conditions with business partners in a transparent and equitable manner.

(2) Do not claim, receive, or pay any business benefits with the business partner in an unethical manner.

(3) In case it is not possible to fulfill the conditions, promptly notify the business partner in advance to discuss and find a reasonable solution based on the principles of fairness and reasonableness.

### Business ethics towards competitors

(1) Conducting trade with fairness and equity towards competitors, and based on the principle of receiving just compensation for both parties.

(2) Refuse to demand, receive, or pay any business benefits with dishonest business partners.

(3) Not seek confidential information of business competitors through dishonest or inappropriate means.

(4) Do not destroy the reputation of business competitors by making false and malicious accusations.

### Ethics towards creditors.

(1) Adhere to the agreements, terms, and conditions towards creditors with transparency, fairness, and equality.

(2) Report the company's financial status accurately, honestly, and in a timely manner to creditors consistently.

(3) In the event that it is not possible to comply with the conditions, promptly notify and negotiate with creditors in advance to find a solution and prevent any losses.



### Ethics towards employees.

(1) Provide fair and appropriate compensation based on the knowledge, skills, responsibilities, and job performance of each employee.

(2) The appointment, transfer, as well as the giving of rewards and punishments to employees must be done fairly, impartially, and based on knowledge, ability, and suitability, as well as the actions or performance of the individual employee.

(3) Treat employees fairly and prioritize the development and transfer of knowledge and skills among them, while placing emphasis on the principles of justice. Provide equal opportunities to all employees consistently.

(4) Comply with laws and regulations related to employees rigorously.

(5) Taking care of and maintaining a safe working environment for the life, physical health, and property of employees at all times.

(6) Managing work by avoiding any actions that are unfair and may affect the job security of employees.

(7) Listen to the opinions and suggestions of employees at all levels equally and fairly.

(8) Encourage employees to understand ethics and responsibilities in order to promote behavior that is consistent with the company's ethics across The Board of Directors.

(9) Empowering employees to participate in decision-making and problem-solving for the betterment of the department and the company as a whole.

(10) Encourage employees to receive additional training in relevant fields related to their job duties.

(11) Promote employees to be good and have morality.

### Ethics towards community, society, and environment.

(1) Do not engage in any activity that causes damage to natural resources and the environment beyond the limits prescribed by law.

(2) Do not support any activities that are harmful to society or moral virtues.

(3) Give importance to community and social activities by focusing on social development, community, and environmental conservation, promoting creativity, and conserving natural resources.

(4) Provide support for activities that generate public benefits.

(5) Instill a sense of responsibility towards society and the environment in the company and all employees at every level continuously.

(6) Cooperate and ensure strict compliance with all relevant laws and regulations.

(7) Provide prompt and efficient response to any events that may have an impact on the community and environment resulting from the company's operations, and cooperate fully with government officials and related agencies.

(8) Provide a complaint system for issues that may impact the community, investigate the cause, improve and resolve the issue, and inform the complainant of the results in a timely manner.



### Code of ethics regarding the exchange of gifts, providing entertainment and hospitality.

(1) Not accepting, receiving, or consenting to accept any money, goods, or other benefits from business associates of the company.

(2) Giving or receiving gifts may be done according to cultural customs and not intended to motivate or encourage actions that are inappropriate. It may have an influence on business decisions or result in unfair benefits.

(3) Gift exchanges should be done openly and without excessive value beyond expectation. After an exchange has taken place, it should be reported to superiors in the appropriate chain of command. If a gift received in the form of money or valuable items exceeds three thousand baht, it should be refused and returned.

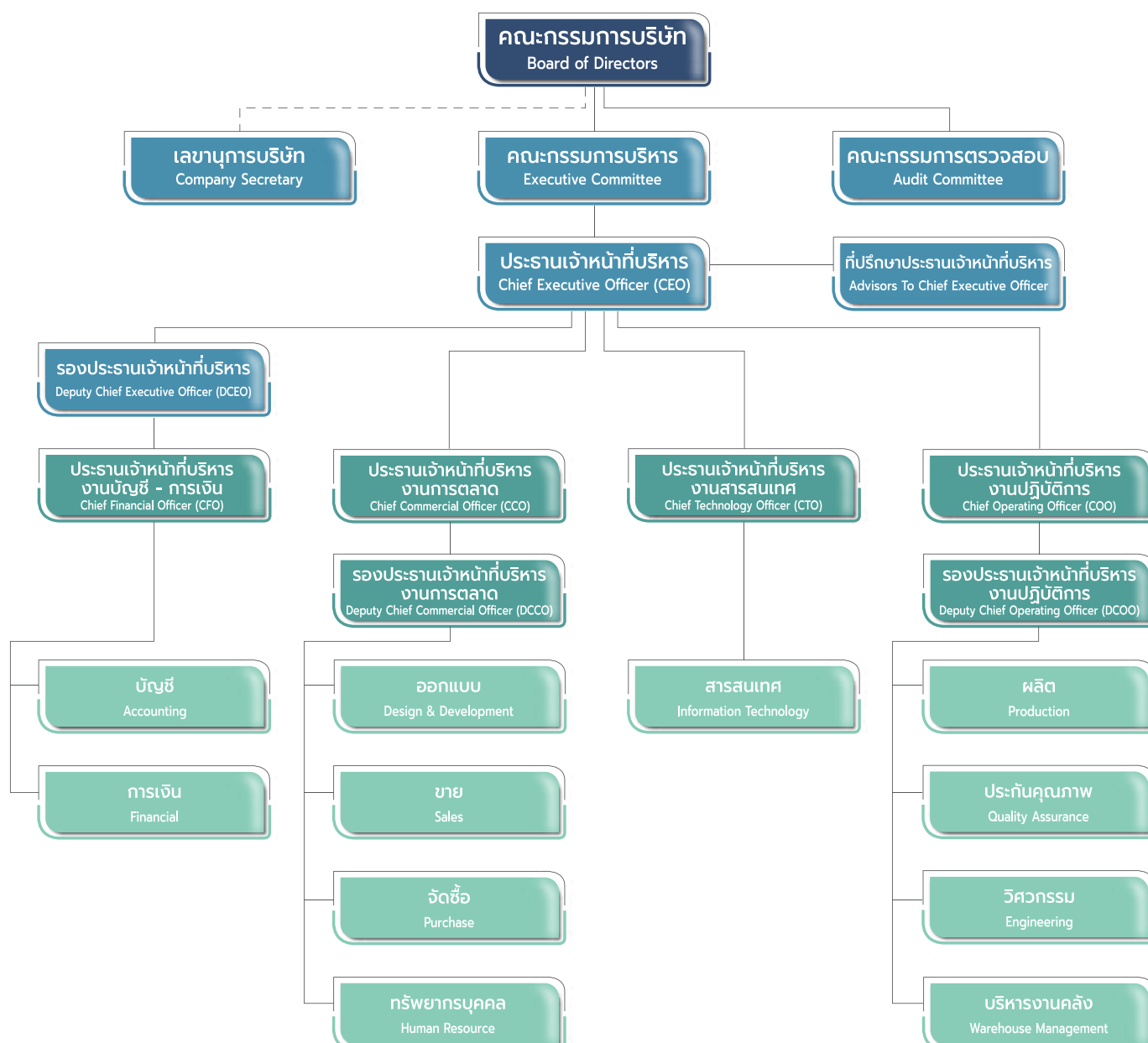
## 1.3 Significant changes and developments in policies, practices, and governance systems have taken place over the past year.

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- 1) Establish the budget and investment plan for the fiscal year 2022, as well as review the expenditure report according to the investment plan and compare the actual results with the budget on a monthly basis.
- 2) Improve the risk management policy to keep up with the current situation, including providing reports on the results of risk management to The Board of Directors.
- 3) The company conducts an annual review of its corporate governance policies.

## structure and key information about the Board of Directors, Committees, Executives, Employees, and Others.

### 2.1 Corporate governance structure





## 2.2 Information about the Board of Directors

### 2.2.1 The components of Board of Directors

The Board of Directors of the consists of 9 members, including 3 independent directors, 5 executive directors, and 1 non-executive director. All 9 directors are qualified and possess the full qualifications as stipulated in Section 68 of the Public Limited Company Act, B.E. 2535, and in accordance with the Notification of the Securities and Exchange Commission No. 39/2016 regarding Applications for and Approval of Offerings of Newly Issued Securities dated September 30, 2016, as well as all subsequent amendments.

#### Term of office

At the annual ordinary shareholders' meeting, One-third of the directors whom has been in the office the longest should vacate from the office. If the number of directors to be retired by rotation is not divisible by three, the number nearest to but not exceeding one-third shall retire. A retiring director shall be eligible for re-election.

The Directors hold their positions for a term of 3 years, and upon expiration of their term, may be considered for re-election as company directors.

The independent director has a maximum consecutive term of 9 years from the date of first appointment as an independent director. However, unless approved by the shareholders' meeting, an independent director who has served as an independent director for a consecutive period of more than 9 years may be re-appointed as an independent director.

Apart from the expiration of the term, a director ceases to hold office when:

- Decease
- Resign
- Disqualified or prohibited by law
- Removed by a resolution of shareholders with at least 3/4 of the total votes of the shareholders present and entitled to vote, and the total number of votes in favor is not less than half of the total number of shares held by the shareholders who attended the meeting and were entitled to vote
- Ordered by a court

## 2.2.2 Information on company directors and officers with control authority.

The list of 9 company directors is as follows:



**Mr. Sawong Dhangwatnotai**  
Chairman of the Board  
Independent Director  
Audit Committee



**Mr. Thanadech Mahapokai**  
Independent Director  
Chairman of the Audit Committee



**Mr. Somchat Baramichai**  
Independent Director  
Audit Committee



**Ms. Amornrat Rotwongjarat**  
Director



**Mr. Surasak Rojwongcharas**  
Director  
Advisor to Chief Executive Officer



**Mr. Suranai Rojwongcharas**  
Director  
Chief Executive Officer



**Mrs. Nisachol Chaiyawat**  
Director  
Deputy Chief Executive Officer



**Mr. Prasong Rojwongjaras**  
Director  
Chief Operating Officer



**Mr. Prasert Rojwongjaras**  
Director  
Chief Technology Officer

According to the resolution at the 1/2023 on February 24, 2023, it was resolved to appoint Mr. Sawong Dhangwatnotai as Chairman of the Board of Directors, replacing Mr. Somchat Baramichai, effective from February 25, 2023 onwards.

### Authorized signatory of the company

The three authorized directors who signed the company's binding agreement are Mr. Surasak Rojwongcharas, Ms. Amornrat Rotwongjarat, and Mrs. Nisachol Chaiyawat. They have jointly signed and affixed the company's official seal.

Details of the Board of Directors' meetings for the fiscal year ended December 31, 2022 and 2021 are as follows:

Name	Number of Meetings Attended / Total Meetings	
	2021	2022
1. Mr.Sawong Dhangwatnotai	6/6	8/8
2. Mr.Thanadech Mahapokai	6/6	8/8
3. Mr.Somchat Baramichai	6/6	8/8
4. Ms.Amornrat Rotwongjarat	6/6	8/8
5. Mr.Surasak Rojwongcharas	6/6	8/8
6. Mr.Suranai Rojwongcharas	6/6	8/8
7. Mrs.Nisachol Chaiyawat	6/6	8/8
8. Mr.Prasong Rojwongjaras	6/6	8/8
9. Mr.Prasert Rojwongjaras	6/6	8/8

### 2.2.3 Roles and responsibilities of the Board of Directors

The scope of authority and responsibilities of the Board of Directors are as follows:

- 1) Carry out duties in compliance with the company's objectives, regulations, and resolutions of the Board of Directors and shareholders with a sense of responsibility, prudence, and integrity.
- 2) Review and approve the details and provide feedback on the vision, mission, business strategy, business direction, business policies, targets, operational plans, and budget of the company as prepared by the management and the planning team.
- 3) Monitor and oversee the management and performance of the executive management and the management team to ensure alignment with the company's vision, mission, business strategy, business direction, business policies, objectives, operational plans, and budgets as set by the Board of Directors.
- 4) Establish and maintain an adequate Internal Control and Accounting System, including an internal audit system, and provide regular feedback on the adequacy of the internal control system.
- 5) Ensure that there are annual reports prepared by the Board of Directors, and take responsibility for the preparation and disclosure of the company's financial statements, to demonstrate the financial status and performance of the company for the past year, and present them to the shareholders' meeting for approval.

6) Review and approve quarterly and annually financial statements, including the preparation of quarterly and annually financial budgets.

7) Arrange for a shareholder meeting to be held within four months from the end of the company's accounting period, and ensure that a Board of Directors meeting is held at least every three months.

8) Establish risk management policies and consider key risk factors that may arise, including appropriate risk management strategies and monitoring results.

9) Approve the appointment of auditors and review the annual audit fees to be presented to the shareholders for approval.

10) Establish, develop, and comply with corporate governance policies, business ethics, and work practices, including anti-corruption policies, as well as relevant policies and practices of the company. Ensure that the Board of Directors, Executives, and all Employees understand and comply with these policies and practices, and regularly review and evaluate policy compliance at least once a year.

11) The Board of Directors will select individuals who possess the qualifications and do not have disqualifications as required by law, and propose them for appointment as directors to the Board of Directors and/or to the shareholders' meeting (as appropriate) for consideration.

12) Review and propose a suitable remuneration package, including other benefits, for the board of directors and subcommittees to be appropriate for approval by shareholders at the meeting.

13) Ensure appropriate disclosure of relevant information about conflicted individuals, affected parties, and stakeholders accurately, completely, and appropriately within the specified time frame and in compliance with relevant laws, regulations, and rules.

14) Appoint and assign powers and duties to sub-committees to facilitate efficient operations.

15) Consider appointing and setting the compensation for the Chief Executive Officer (CEO).

16) Appoint a Company Secretary to be responsible for various operations on behalf of the company or the board, such as maintaining the register of directors, arranging board meetings, and shareholder meetings, etc.

17) Define the authority and approval levels for transactions and operations related to the company's work to be appropriate to the committee or individuals, and in accordance with relevant laws, bylaws, and regulations. Prepare a Power of Authority manual, and ensure that it is reviewed at least once a year.

18) Consider approving transactions related to and/or conducting various transactions between the company, subsidiary companies, and related parties. Consider approving principles related to general trading conditions for conducting transactions between the company, subsidiaries, and board of directors, executives, or related persons, in order to establish a framework for managing transaction authorities and boundaries under relevant laws and criteria, and to ensure that management has the authority to conduct such transactions within the framework and scope of relevant laws and criteria.

19) Provide channels for communication with shareholders and stakeholders in an appropriate manner, while ensuring that shareholders have a say in important decisions of the company.

20) Appoint persons to hold positions as directors or executives of subsidiary or affiliated companies in a number proportional to their shareholding in those companies, and clearly define the scope of authority, duties and responsibilities of the directors and executives appointed. This includes setting clear limits of authority to exercise discretion in voting at meetings of the subsidiary or affiliated companies on important matters, which must be approved by the board of directors of the parent company, to ensure that management is controlled in accordance with the policies of the company. All transactions must be conducted in accordance with the law, including disclosure of financial status, business operations, transactions between related parties, and acquisition or disposal of significant assets to ensure completeness and accuracy.

21) Consider approving the distribution of interim dividend and report such dividend payments to the next shareholder meeting.

22) Consider appointing, modifying, or changing the name of the authorized director(s) of the company.

23) Consideration of conflicts of interest shall be carried out thoroughly, with clear guidelines that aim to benefit both the company and its shareholders. Decisions shall be made without the involvement of those who stand to gain or lose from such decisions.

24) Consider approving transactions of acquisition or disposal of assets of the Company, except when such transactions require approval from a shareholder meeting.

25) Consider and approve transactions or actions that significantly impact the financial position, indebtedness, business operations, and reputation of the Company, while monitoring the adequacy of the financial condition and debt-paying ability.

26) To support and promote innovation and utilize technology to create added value for the business, as well as oversee the management of information technology in line with the needs of the company.

27) Consider delegating authority to one or more directors or other persons to perform any acts on behalf of the board of directors, subject to the control of the board, or may delegate authority to such persons for such period as the board may see fit. The board may revoke, modify or amend such delegation of authority at any time as it sees fit. However, such delegation of authority must not enable the person or persons to consider and approve any transaction in which they or any other person whom they are related may have a conflict of interest or may conflicting interest that affect the Company or its subsidiary (if any) unless the transaction is in accordance with policies and criteria that the board has considered and approved.

28) Evaluate the performance of the entire board of directors and individually assess the performance of each director to review their work, problems, and obstacles each year. This will enable the use of evaluation results to develop and improve job practices in various areas.



### The roles and responsibilities of the Chairman of the Board of Directors.

- 1) The chairman is the leader of the board of directors and serves as the presiding officer at board meetings and shareholder meetings.
- 2) Oversee, monitor, and ensure the efficient performance of the board of directors and its various committees to achieve the main objectives and goals of the company.
- 3) Collaborate with the Chief Executive Officer and Company Secretary to set the agenda for Board meetings, ensuring that important matters are properly included as agenda items, and that the Board receives accurate, complete, and timely information to enable them to make informed decisions.
- 4) In the meetings of the board of directors, sufficient time is allocated for management to present and support issues for the directors to freely and fully discuss and exchange their opinions, using prudent judgment and considering the interests of all parties involved. Resolutions are summarized and decisions made by the board of directors are carried out with confidence that they have been made with due diligence.
- 5) Strengthening good relationships between executive and non-executive directors, as well as between the board of directors and management, and supporting the Chief Executive Officer in carrying out their duties in accordance with the company's policies.
- 6) To support and serve as a good example in adhering to the principles of corporate governance and business ethics of the company, and ensure that all board members contribute to promoting a culture of ethical and effective corporate governance.

### 3. Information about sub-committees of the board of directors.

The Board of Directors has appointed two sub-committees, which are the Audit Committee and the Management Committee.

#### 3.1 Audit Committee

The audit committee consists of 3 independent directors, as follows:



**Mr. Thanadech Mahapokai**  
Chairman of the Audit Committee



**Mr. Somchat Baramichai**  
Audit Committee



**Mr. Sawong Dhangwatnotai**  
Audit Committee

With Mr. Thanadech Mahapokai, an auditor with sufficient knowledge and experience in accounting and finance, serving as an audit committee member to sufficiently examine the reliability of financial statements (Please see Mr. Thanadech Mahapokai experience in the attached document). Ms. Nipa Chawsamun also serves as the secretary of the audit committee.

The office term for the auditor is 3 years, and an auditor who has completed the term may be nominated and re-appointed to serve in the position

Details of the Audit Committee meetings for the fiscal year ending on December 31, 2022 and 2021 are as follows:

Name	Number of Meetings Attended / Total Meetings	
	2021	2022
1. Mr. Thanadech Mahapokai	4/4	5/5
2. Mr. Somchat Baramichai	4/4	5/5
3. Mr. Sawong Dhangwatnotai	4/4	5/5

#### Role and Responsibilities of Audit Committee

1) Review and ensure that the company's financial report is accurate and sufficient by coordinating with external auditors and responsible executives in preparing quarterly and annually financial reports, in order to provide adequate disclosure of the company's relevant information before presenting it to the Board of Directors. The audit committee may also recommend that the auditors review or examine any important and necessary transactions during the audit of the company's accounts.

2) The audit committee shall examine and ensure that the company has adequate and effective internal control systems and internal audit systems, and shall assess the independence of the internal audit unit. The audit committee shall also approve the appointment, transfer, termination, and hiring of the head of the internal audit unit and/or the engagement of any other internal audit firm or unit responsible for internal audit activities.

3) Audit to ensure that the company has an appropriate, efficient, and effective risk management system.

4) Audit to ensure that the company complies with the laws and regulations related to its business.

5) To nominate, select and propose appointment of an independent person to act as an auditor of the company, and to propose remuneration of such person to the Board of Directors for consideration and approval at the next shareholders meeting. Consideration will be given to the suitability, efficiency, and effectiveness of the resources and workload of the audit office, as well as the experience of the personnel assigned to audit the company's accounts. In addition, to coordinate with the auditor regarding the objectives, scope, plan, and problems encountered during the audit, as well as the issues that the auditor deems important. Furthermore, to attend meetings with the auditor at least once a year without the presence of management.

6) Evaluate and review transactions with related parties, assets acquired and sold by the company or potential transactions that may have conflicting interests, including ensuring the accuracy and completeness of information disclosed in conducting such transactions in accordance with the law. This is to ensure that such transactions are reasonable and provide maximum benefits to the company and its shareholders.

7) Prepare a report of the audit committee and disclose it in the company's annual report. The report must be signed by the Chairman of the Audit Committee and must include at least the following information:

7.1) Comment on the accuracy, completeness, and reliability of the financial report of the company.

7.2) Comments on the adequacy of the internal control system of the company.

7.3) Opinion on compliance with relevant laws and regulations related to the business of the company.

7.4) Opinion on the suitability of the auditor.

7.5) Opinion on potential conflict of interests in financial reporting.

7.6) The number of audit committee meetings held and the attendance of each committee member at these meetings.

7.7) Overall comments or observations that the audit committee has received from fulfilling their duties according to the charter.

7.8) Other items that the shareholders and general investors should be aware of within the scope of the responsibilities and authority assigned by the company's Board of Directors.

7.9) Any other tasks assigned by the Board of Directors with the approval of the Audit Committee.

8) In carrying out their duties, if the Audit Committee discovers or suspects that there is any of the following transactions or actions that may significantly impact the financial position and operations of the company, the Audit Committee shall report to the Board of Directors for necessary corrective actions within a reasonable period of time as deemed appropriate by the Audit Committee.

8.1) List of potential conflicts of interest.

8.2) Fraud or significant deficiencies in the internal control system

8.3) Non-compliance with laws and regulations related to the company's business.

If the Board of Directors or management does not take action to make the necessary improvements within the above-mentioned timeframe without justifiable reasons, any of the auditors may report the foregoing matters to the relevant regulatory authorities.

9) The audit committee shall report on its activities to the Board of Directors regularly at least once per quarter and review regulations and performance results at least once per year. In evaluating its own performance, the audit committee may use self-assessment methods to assess performance at both the committee and individual levels, and report the results of the assessment to the Board of Directors.

10) Ensure that the company has channels for receiving and addressing complaints and concerns regarding inappropriate financial reporting or other issues. Provide assurance to the complainant that there is an independent review process and appropriate follow-up actions.

11) If necessary, the audit committee may seek advice from external consultants or professional experts regarding audit practices. The company will be responsible for expenses in accordance with the company's regulations.

12) The Audit Committee has the power to request or obtain information from various departments of the company and its subsidiaries for further consideration.

13) Verify the accuracy of reference documents and self-assessment forms related to the company's anti-corruption measures.

14) Evaluate criteria and processes for selecting and proposing suitable candidates to serve as Directors and Chief Executive Officers, when their terms expire or positions become vacant, to present at Board of Directors meetings and/or Shareholders' meetings, as appropriate.

15) Propose the names of individuals with appropriate qualifications according to relevant regulations and laws, to serve as directors in various sub-committees, with clear, transparent and consistent criteria that align with the company's business strategy. These nominations will be presented to the shareholders or the Board of Directors for consideration and appointment, as appropriate.

16) Policy, criteria, and guidelines shall be established for determining compensation, methods of payment, and other benefits for individual members of the Board of Directors, sub-committees of the Board, and the CEO that are appropriate for their roles and responsibilities towards the Company. These shall be presented to the shareholders' meeting or the Board of Directors for approval, as appropriate.

17) Perform any other tasks as assigned by the Board of Directors with the approval of the Audit Committee.

18) Review the audit committee charter at least once a year.

## 3.2 Executive committee

On December 31, 2022, the executive committee consisted of six executive directors, as follows

1. Mr.Suranai Rojwongcharas	Chief Executive Officer
2. Mrs.Nisachol Chaiyawat	Executive director
3. Mr.Prasong Rojwongjaras	Executive director
4. Mr.Prasert Rojwongjaras	Executive director
5. Ms.Haruethai Rojwongcharas	Executive director
6. Mr.Surachai Tarawatanatham	Executive director

The details of the executive committee meetings for the fiscal year ended December 31, 2022 and December 31, 2021 are as follows

Name	Number of Meetings Attended / Total Meetings	
	2021	2022
1. Mr.Suranai Rojwongcharas	12/12	12/12
2. Mrs.Nisachol Chaiyawat	12/12	12/12
3. Mr.Prasong Rojwongjaras	12/12	12/12
4. Mr.Prasert Rojwongjaras	12/12	12/12
5. Ms.Haruethai Rojwongcharas	12/12	12/12
6. Mr.Surachai Tarawatanatham	12/12	12/12

### The roles and responsibilities of the executive committee

1) To conduct and manage the company's operations in accordance with the objectives, regulations, policies, rules, directions, and resolutions of the Board of Directors and/or shareholders' meetings.

2) To review and approve proposals from management, establish policies, directions, business strategies, expansion plans, financial plans, budgets, human resource management, and technology investment plans for the company, and to present them to the Board of Directors for further consideration.

3) To consider appropriate levels of authority and approval for each individual, and dividing responsibilities in a way that could prevent corruption. This should include establishing procedures and methods for transactions with major shareholders, directors, executives, or those associated with them, in order to prevent conflicts of interest and present to the Board of Directors for approval, as well as enforcing compliance with approved principles and requirements.

4) To monitor the company's performance to ensure that it aligns with the policies and objectives set by the Board of Directors, and to provide guidance and oversight to ensure that operations are of high quality and efficiency.

5) Supervise and ensure that there are processes for employees to report any abnormal events, misconduct, or illegal activities to the management in a timely manner. In case such events have significant impact, they must be reported to the Board of Directors for consideration and resolution within a reasonable timeframe.

6) Consider the allocation of the annual budget as proposed by the management team before presenting it to the Board of Directors for consideration and approval.

7) Approve normal business transaction of the company, in accordance with the budget or investment plan approved by the Board of Directors. The amount of fund for each item should comply with the Authorized Operating Authority as approved by the Board of Directors.

8) Review and consider various contracts that bind the company according to the authority outlined in the company's operating manual.

9) Establish organizational structure, authority of the organization's management, including appointment, hiring, transfer, termination, and determination of salaries, compensation, and bonuses for executive-level employees, from Deputy Chief Executive Officer and above, except for the CEO.

10) Responsible for ensuring that the company has sufficient and relevant information to support decision-making by the board of directors and/or shareholders, as well as preparing reliable and transparent financial reports.

11) Evaluate new business ventures or the cessation of business operations for presentation to the board of directors.

12) Any matter that has been resolved and/or approved at the executive committee's meeting must be reported to the board of directors for acknowledgement at the next board of directors' meeting.

13) Undertake any other tasks as assigned by the board of directors from time to time.

14) The Executive committee has the power to delegate any of their authorities to any person or group of persons to perform any acts, subject to the control of the Executive committee or may delegate authorities to any person as deemed appropriate by the executive committee and within the time frame deemed appropriate by the Board of Directors. The Executive committee may revoke, withdraw, change, or amend. The persons delegated with the authority or the delegation of such authority shall not have the authority to approve any item that may cause a conflict of interest, have a detrimental effect, or have other conflicting benefits with the company, its subsidiaries, and/or its affiliates. The Executive committee shall not have the authority to approve such matters, which shall be submitted to the Executive committee and/or the Shareholders' Meeting (as necessary) for approval, except for the approval of items that are in the normal course of business and under normal trading conditions that have been approved in principle by the Board of Directors.

### 3.3.1 List of Executives and Positions

As of December 31, 2022, the company had a total of 6 executives, as follows:



Mr. Suranai Rojwongcharas  
Chief Executive Officer



Mrs. Nisachol Chaiyawat  
Deputy Chief Executive Officer



Mr. Prasong Rojwongjaras  
Chief Operating Officer



Mr. Prasert Rojwongjaras  
Chief Technology Officer



Ms. Haruethai Rojwongcharas  
Chief Commercial Officer



Mr. Surachai Tarawatanatham  
Chief Financial Officer

#### Scope of authority, duties, and responsibilities of the Chief Executive Officer (CEO)

1) Develop and present policies, directions, strategies, business plans, budgets, investment plans, organizational management structures, and criteria for conducting business in line with economic conditions, in order to propose to the board of directors and executive committee of the company for consideration and approval.

2) Supervise and manage daily operations and business activities of the company.

3) Supervise and oversee the daily operations of the company to ensure compliance with approved policies, plans, and budgets set by the board of directors. This includes monitoring and evaluating the company's performance to ensure that it is in line with established policies and reporting progress in management and operational activities to the board of directors, the audit committee, and the company's management.

4) Approve the normal course of business and transactions of the company according to the investment budget or budget approved by the board of directors. The amount for each item shall comply with the Approval Authority Table approved by the board of directors and shall not exceed the budget approved for the current fiscal year by the board of directors, including entering into contracts related to the aforementioned matters.

5) Authority to approve expenses for regular business operations of the company in accordance with the budget approved by the Board of Directors and within the limits set forth in the Approved Authority Table, including entering into contracts related to such expenses.

6) Job responsibilities assigned by the board of directors or subcommittees.

7) Establish organizational structure as well as appointing, hiring, transfer, salary and compensation, bonuses, and termination of employees from the assistant manager level and above.

8) Authority to issue orders, regulations, and announcements in order to ensure that operations comply with company's policies and benefit the company, as well as to maintain discipline within the organization.

9) Authority to delegate and/or assign specific work to others, within the scope specified in the power of attorney document, and/or in accordance with regulations, provisions, or instructions established by the company's board of directors and/or the company.

10) Evaluate investments in new business or business closures in order to present them to the executive management and/or board of directors for consideration.

11) Approve and appoint necessary consultants to facilitate operations.

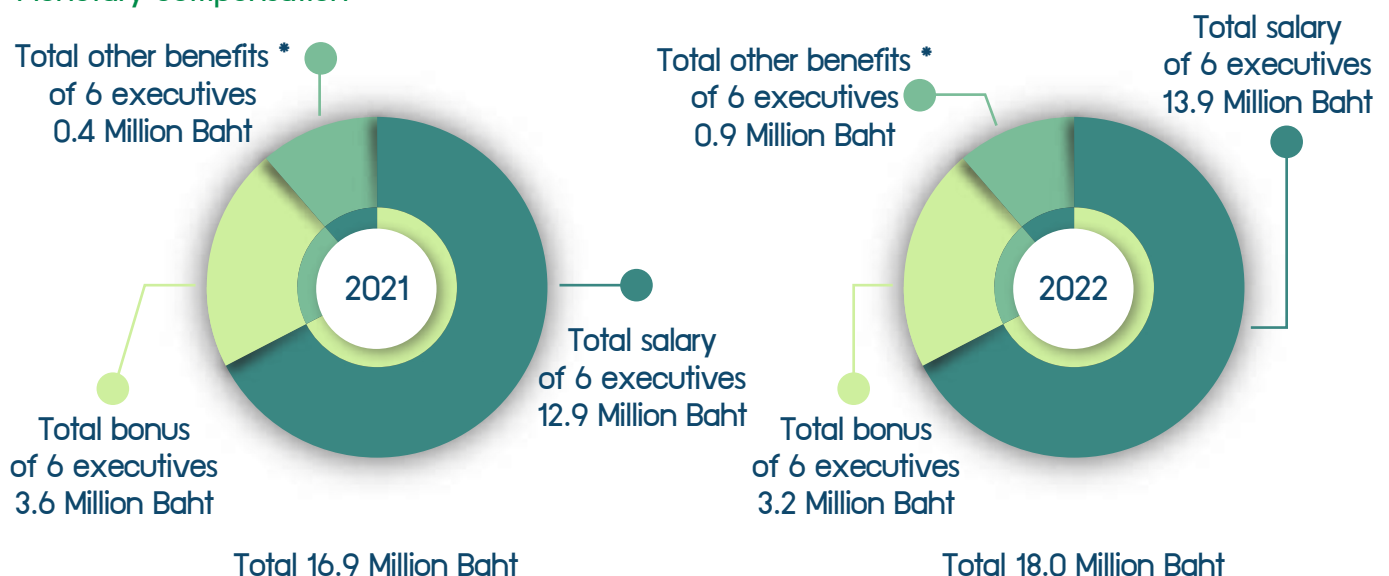
### 3.3.2 Policy on compensation for executives and management personnel.

The board of directors is responsible for considering compensation for the executive management team and CEO to align with their performance and duties.

The compensation of the management team in the company includes salary, bonuses, and other forms of compensation such as fuel allowances, group health insurance, social security contributions, and provident fund contributions.

### 3.3.3 Total compensation for the executive management team and CEO.

#### Monetary compensation



\* Other forms of compensation include gasoline allowances, group health insurance, social security contributions, and provident fund contributions.

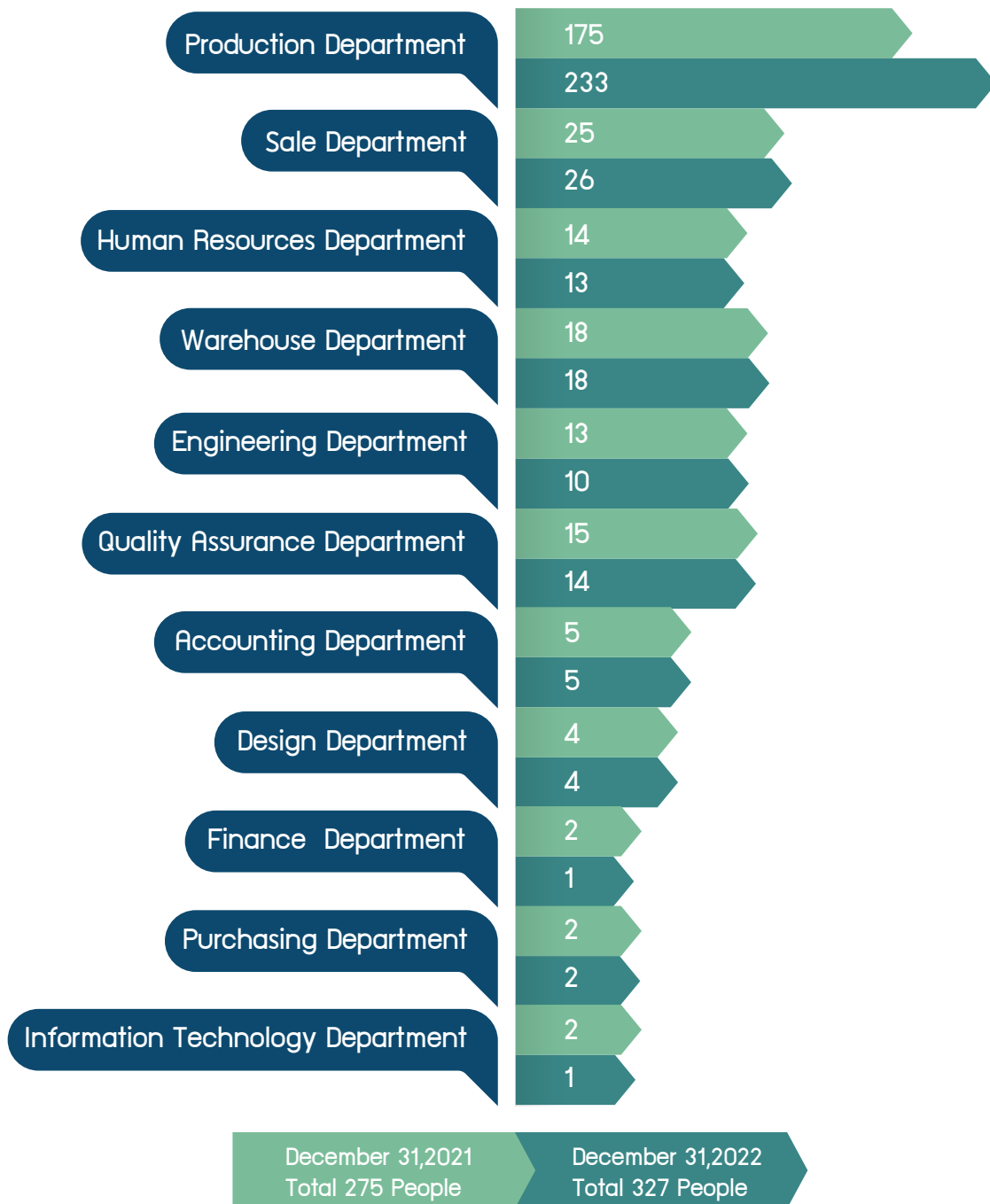
#### Non-monetary compensation

- N/A -



## 3.4 Personnel

The total number of employees (excluding executives) in the company as of December 31,2022 is 327, which is divided by job functions as follows:



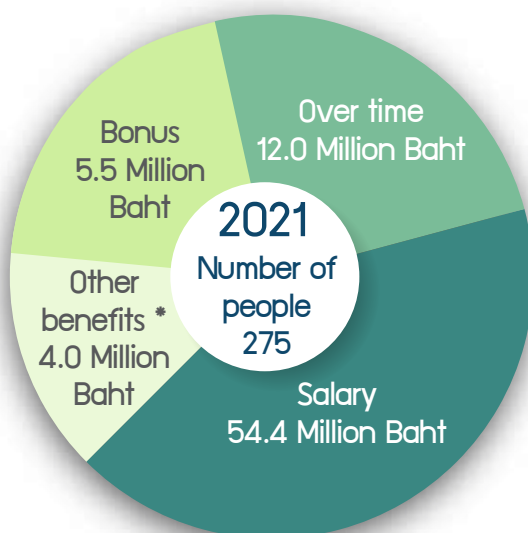
The company has hired 3 persons with disabilities or other disadvantaged group, in accordance with the law.

## Significant changes in the number of employees over the past 3 years.

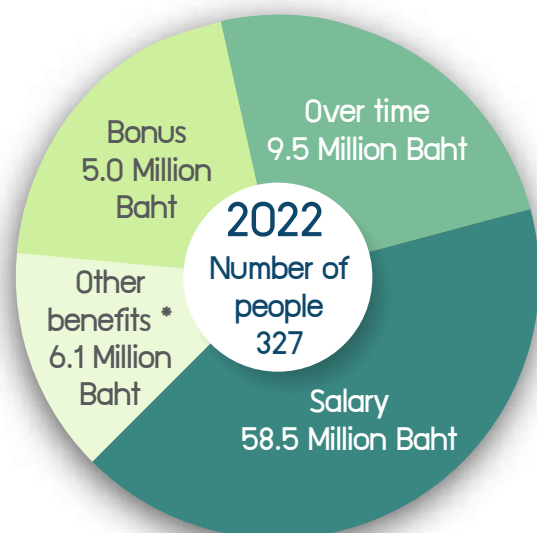
- In 2020, the net increase in the number of employees was 21, mainly due to the expansion of the production department to support business growth.
- In 2021, the employee turnover rate increased mainly due to a decrease in HR, production, and sales departments, which was a result of the COVID-19 pandemic situation, causing some employees to resign and return to their hometowns.
- In 2022, the net number of employees increased by 52 people, with the main addition coming from the expansion of the production department to support business growth.

## Employee compensation

Employee compensation of the company includes salary, bonus, and other forms of compensation such as allowances and commissions.



Total 75.8 Million Baht



Total 79.1 Million Baht

\* Other benefits include diligence allowance, shift allowance, accommodation allowance, inspection fee, dormitory cleaning fee, and provident fund contributions.

## Provident fund

The company has established a provident fund under the management of the TISCO Asset Management Company Limited since October 15th, 2021. The company has set a policy of contributing 2-4% of the salaries of executives and employees.

## Key labor disputes in the past 3 years.

- N/A -

## Personnel Development Policy

The company has always recognized that employees are a valuable resource in driving the organization towards sustainable success and growth. Therefore, the company places great importance on training and developing its personnel in order to enhance their knowledge and skills, enabling them to perform their jobs effectively and keep pace with the company's growth, changes, and strategies. The following criteria are used as guidelines for this development policy.

1) Employee training and development must be planned on an annual basis in accordance with the business plan of the company.

2) Training and development of employees are a joint responsibility that will be carried out as follows:

A. The company has a strong commitment to training and developing its employees, with the Human Resources department being responsible for overseeing the process. Guidelines have been established to determine the amount of training each group of employees should receive annually.

B. The person in charge should take responsibility to provide regular training and development opportunities for subordinates, based on the training plan.

C. Employees must be proactive in developing and improving themselves according to the development plan to keep up with changing tasks.

3) Employee Training and Development consists of two components:

A. Training and development of employees comprise two components: On the Job Training (OJT) and the use of Skill Matrix, which focuses on specialized work-related skills. The results of the Skill Matrix evaluation at each level of competency will be incorporated into the performance appraisal process, enabling skill development that is in line with organizational objectives and maximizes effectiveness.

B. Training on management and other organizational behavior, which will be customized according to the situation and needs.

4) The company has arranged training programs to support the development of employees' abilities and increase their effectiveness at work, with internal departments of the company conducting the training themselves and external training institutes.

5) The company will continuously support employees' participation in external training courses organized by organizations such as the Professional Accounting Association's accounting course.

### 3.4.1 Company secretary



Ms. Nipa Chawsmun  
Company secretary

Education :

Bachelor's degree in Accounting,  
Faculty of Management and Tourism, Burapha University.  
(Details of the company secretary as per Attachment 1)

#### Scope of authority and responsibilities of a company secretary

1) Provide preliminary information and advice to the board of directors and executives regarding compliance with relevant laws, regulations, and company policies, and ensure that they are followed. This includes monitoring and reporting on significant changes in legal requirements that affect the board and executives. Additionally, ensure that newly appointed directors receive the aforementioned guidance.

2) Monitor and ensure the disclosure of information and relevant reports in accordance with regulations, announcements, and requirements.

3) Summary of the report on securities ownership and changes in securities ownership of directors, executives, and managers of the company, as well as spouses or cohabitants, and minor children of the directors, executives, and managers, and of juristic persons in which the aforementioned persons hold shares exceeding 30% of the total voting rights of such juristic persons. The report is presented to the board of directors for acknowledgment every 6 months.

4) Monitoring and ensuring compliance with the company's regulations, bylaws, and relevant practices with regards to shareholder meetings and board of director meetings. This includes tracking and ensuring the implementation of resolutions from shareholders' meetings and board of directors' meetings in accordance with applicable laws and regulations.

5) Preparing and keeping important documents as follows:

- Board of Directors Register
- Shareholder register
- Invitation letter to Board of Directors meeting, Minutes of Board of Directors meeting and sub-committee of Board of Directors.
- Notice of Shareholders' Meeting
- Annual report of the company

6) Keep and maintain reports of conflicts of interest and declarations of independence reported by directors or executives, and provide a copy to the chairman of the board within 7 business days from the date the company received the report.

7) Ensure the disclosure of information and reporting of information to the regulatory agencies responsible for overseeing the company's functions and activities, in compliance with the regulations and requirements of the relevant agencies.

8) Contact and communicate with general shareholders to inform them of their rights and company news.

9) Foster knowledge and understanding of best practices and drive the company towards good governance.

10) Ensure that the company's activities and any other operations are carried out in compliance with the law and/or as directed by the Board of Directors.

Moreover, Ms. Nipa Chawsmun has completed the Company Secretary Program training course offered by the Thai Institute of Directors Association to comply with Section 89/15 of the Securities and Exchange Act B.E. 2535.

### 3.4.2 Person who is directly responsible for controlling and overseeing accounting



Ms. Sunanta Sae-ang

Education :

Bachelor's Degree in Accounting,  
Faculty of Business Administration, Rajabhat Bansomdejchaopraya University.

(Please review the resume of the person who is directly responsible for controlling and overseeing accounting as attached in document 1)

### 3.4.3 Head of Investor Relations

Name	Ms. Nipa Chawsmun
E-mail	investor@sahathaiprinting.com
Website	<a href="https://sahathaiprinting.com/">https://sahathaiprinting.com/</a> contact us
Tel	+662 194 5570 # 303

### 3.4.4 Head of Internal Audit

Company name	Dharmniti Co., Ltd.
Person appointed	Ms. Korakot Wanasawat
Education	Bachelor of Science Program in Computer Science, King Mongkut's University of Technology North Bangkok Bachelor of Accountancy, Ramkhamhaeng University

### 3.4.5 Compensation of Auditor

The certified accountant of the company is PV Audit Co., Ltd. and the authorized accountant is Mr. Boonkasem Sarnklin. His registration number is 11888.

The company paid an accounting examination fee of 1.13 million baht to the certified accountant for the year 2021.

At the annual general meeting of shareholders for the year 2022 held on March 31, 2022, the accounting examination fee for the year 2022 was approved for an amount not exceeding 1.20 million baht.

## 4. Key Operational Oversight Report

### 4.1 Summary of the Board's Performance in the Past Year

#### 4.1.1 Recruiting, Developing, and Evaluating Board Performance

##### Board Member Recruitment

When considering the appointment of board members, it is important to consider a diverse range of qualifications, as well as gender, age, education background, and professional experience of the individuals. This includes specific attributes such as business skills, industry knowledge, management, accounting and finance, legal expertise, and corporate governance.

The Board of Directors is responsible for selecting and screening qualified individuals in accordance with relevant regulations and laws, and proposing names of suitable individuals to be appointed as directors. This is to ensure that the board is composed of diverse and professional individuals, taking into account the structure, size, and composition of the board. Shareholders elect directors based on transparency and clarity in the selection process. The Board of Directors will consider a candidate's knowledge, ability, and experience, with sufficient details for the benefit of the company and shareholders' decision-making. Additionally, the company's Board of Directors will establish criteria for minority shareholders to propose individuals for director positions.

Directors are appointed by a majority vote in Shareholder meeting, using the following criteria and methods:

- 1) Each shareholder has one vote per share.
- 2) Shareholders can use all of their available votes to elect one or more directors, but the allocation of votes among candidates is not allowed.
- 3) The individual who receives the highest number of votes, in descending order, is elected as a director for the number of directors to be elected at that meeting. In the event that individuals who receive votes in the next descending order have an equal number of votes that exceed the number of directors to be elected, the chairman of the meeting shall cast the deciding vote

In the case of a vacancy in the position of a director due to reasons other than the expiration of their term, the board shall consider appointing a person who is qualified and not disqualified by law to serve as a director in place at the next board meeting, unless the remaining term of the director is less than 2 months. The person appointed as a director shall serve only for the remaining term of the director being replaced. The appointment of such person as a director must receive at least  $\frac{3}{4}$  of the votes of the remaining directors.

### Qualifications of Independent Directors

1) Shareholders holding no more than 1 percent of the total voting rights of the company. Major shareholders or controlling persons of the company shall aggregate the shareholding of persons related to the independent director.

2) Not being or having been a management employee, regular employee, consultant who receives regular salary, or a controlling shareholder or person with control power of the company, unless having been free from such characteristic for at least 2 years. This characteristic shall not include the case where the independent director was previously a government official or a consultant for a government agency who was a major shareholder or a person with control power of the company.

3) Not being a person who is related by blood or registered under the law in a manner such as a father, mother, spouse, siblings, and children, including spouses of the children of any directors, executive, major shareholder, or person with controlling power or a person who is being proposed to become a director or person with controlling power of the company.

4) Not having or having had any business relationships with the company, major shareholders, or persons with control over the company that could compromise their independent judgment, including not being or having been a shareholder with a significant interest, or a person with control over a company that has a business relationship with the company, unless they have been free from such relationships for at least 2 years.

5) A business relationship as stated in item 4), including commercial transactions carried out for business purposes, leasing or renting real estate, transactions related to assets or financial management, such as receiving or giving loans, guarantees, providing assets as collateral for debts, as well as other similar behaviors that result in the Company or the contracting party having a debt obligation to the other party of at least 3% of the Company's net assets or at least THB 20 million, whichever is lower. The calculation of such debt obligation shall be made in accordance with the valuation method of the related transactions as announced by the Securities and Exchange Commission on related transactions criteria, and such debt obligation shall include debts incurred during the 1-year period prior to the date of having a business relationship with the same person.

6) Not being or having been an auditor of the company, a major shareholder, or a person with control over the company, and not being a shareholder with a significant interest, a person with control, or a member of the accounting office which is affiliated with an auditor of the company, a major shareholder, or a person with control over the company, unless having been free from such affiliation for at least 2 years.

7) Not being or have ever been a professional service provider, including providing legal or financial consultancy services that receive fees exceeding 2 million baht per year from the company's major shareholders or those with control over the company. And not being a shareholder with significant interest, a person with control, or a partner of the professional service provider, unless having been free from such characteristics for at least 2 years.

8) Not being or ever being appointed as a director to represent the interests of the major shareholders or shareholders related to major shareholders of the company.



9) Not engaged in a business that is of the same nature and competitive with the Company, or is a partner in a partnership or a director who participates in management, an employee, a consultant receiving a regular salary, or holds more than 1 percent of the total voting rights of any other company engaged in the same or competing business as the Company.

10) No other characteristics that would prevent one from providing an independent opinion on the operations of the company.

### **Selection of top-level executives.**

#### ***Chief Executive Officer (CEO)***

The Executive Committee will be responsible for developing a succession plan for the CEO position and presenting it to the company's board for consideration. In the selection process for appointing a person to the position of CEO, the board of directors has arranged for monitoring the progress of succession plan when the position of CEO becomes vacant or the incumbent is unable to perform their duties. The company has a system in place to have executives in a similar level or assistant level to maintain the position until a qualified candidate is selected and appointed by the board. The selected person must possess a vision, knowledge, experience, and be culturally fit to the organization. The board of directors will make the selection based on the established criteria and nominate a suitable person to assume the position of CEO.

Basic qualifications for a CEO are as follows:

- 1) A minimum of a bachelor's degree education.
- 2) Have experience in managing positions as a department head or above.
- 3) Has leadership qualities and has a broad and wide-ranging vision.
- 4) Has the ability to strategize and manage the organization.
- 5) Has sound judgment and is able to solve problems systematically, by considering the maximum benefit of the organization.

#### ***Executives***

When a management position from Deputy Chief Executive Officer level or lower becomes vacant, or when the incumbent is unable to perform their duties, the company will propose a selected successor to the board of directors and/or the appointed committee. The succession planning process for management positions in the company involves the following steps.

- 1) Analyze the company's business situation in terms of its corporate strategy, policies, investment plans, expansion plans, and projects.
- 2) Assess the readiness of the company's workforce to align with its corporate strategy, both in the short and long term.
- 3) Develop a workforce readiness plan, including employee development and recruitment strategies to prepare for employee turnover in the company.

4) Create Recruitment Plans and develop Employee Training and Development Programs in advance before employees retire or leave their position prematurely.

5) Define the qualifications and competencies required for each position, including knowledge, skills, personality, and attitude. Then develop Individual Development Plans.

6) Select, evaluate job performance, and assess employee potential to determine suitability.

7) Identify successors for important positions based on Performance Evaluations and Analysis of Employee's Potential and Achievements. Inform employees in advance to prepare them for job handovers and learning opportunities, and identify backup successors for contingency planning.

8) Develop and evaluate employees who are expected to succeed to positions of higher responsibility, assessing their potential for development and ability to produce the expected results.

If the employee does not meet expectations, take the following steps:

A. Carry out selection and plan for new position succession.

B. Develop other potential successors (if any).

C. Recruitment and selection from external candidates.

If the successor has the qualifications required for the higher position and there is a vacant position or a new position that has a higher responsibility, the employee can propose a promotion or acting appointment in accordance with the company's regulations and subject to approval by the company's board of directors and CEO.

## Development

The company provides orientation and training for newly appointed directors to gain understanding of the company's operations, roles, and responsibilities, as well as promoting continuous development of knowledge and understanding for directors. This comprehensive approach aims to ensure efficient performance of duties that are suitable for changes in external circumstances and sustainable development of the company. In 2022, the board members did not attend any training courses due to the COVID situation.

## Performance evaluation of the board of directors

The company's board requires self-evaluation to be conducted at least once a year, both at the individual and team level, in order to assist the board in reviewing achievements, identifying issues and challenges, and making necessary improvements. The evaluation process includes disclosure of evaluation criteria, procedures, and overall results in the annual report.

The self-assessment results for the board of directors for the year 2022 have been summarized as follows:

- The board of directors of the company, both collectively and individually, have an average score in the excellent range. 100%

## 4.1.2 Attendance at meetings and payment of compensation to individual directors.

### Attendance at Meetings

Attending the board meeting of the company for the year 2022 and 2021.

Name	Number of Meetings Attended / Total Meetings	
	2021	2022
1. Mr.Sawong Dhangwatnotai	6/6	8/8
2. Mr.Thanadech Mahapokai	6/6	8/8
3. Mr.Somchat Baramichai	6/6	8/8
4. Ms.Amornrat Rotwongjarat	6/6	8/8
5. Mr.Surasak Rojwongcharas	6/6	8/8
6. Mr.Suranai Rojwongcharas	6/6	8/8
7. Mrs.Nisachol Chaiyawat	6/6	8/8
8. Mr.Prasong Rojwongjaras	6/6	8/8
9. Mr.Prasert Rojwongjaras	6/6	8/8

### Payment of compensation

Compensation for board members includes meeting fees and monthly compensation.

Position	2021		2022	
	Meeting allowance (Bath/Time)	Monthly compensation (Bath/Month)	Meeting allowance (Bath/Time)	Monthly compensation (Bath/Month)
Chairman of the Board	25,000	5,000	30,000	10,000
Director	15,000	5,000	20,000	10,000

### Remuneration for the Board of Directors for the year 2022 and 2021

Name	Position	Monetary compensation	
		2021	2022
1. Mr.Somchat Baramichai	Chairman of the Board	210,000	335,000
2. Mr.Thanadech Mahapokai	Director	150,000	255,000
3. Mr.Sawong Dhangwatnotai	Director	150,000	255,000
4. Ms.Amornrat Rotwongjarat	Director	150,000	255,000
5. Mr.Surasak Rojwongcharas	Director	150,000	255,000
6. Mr.Suranai Rojwongcharas	Director	150,000	255,000
7. Mrs.Nisachol Chaiyawat	Director	150,000	255,000
8. Mr.Prasong Rojwongjaras	Director	150,000	255,000
9. Mr.Prasert Rojwongjaras	Director	150,000	255,000

According to the resolution passed at the 1/2566 on February 24, 2023, it was resolved to appoint Mr. Sawong Dhangwatnotai as Chairman of the Board of Directors, replacing Mr. Somchat Baramichai, effective from February 25, 2023 onwards.

### 4.1.3 Supervision and Oversight of Subsidiary and Joint Venture Operations

The company has established policies for overseeing and managing its subsidiaries, joint ventures, and affiliates, even if it does not have any subsidiaries or affiliates. The objective of these policies is to establish measures and mechanisms, both direct and indirect, to enable the company to oversee and manage the operations of its subsidiaries, joint ventures, and affiliates. This includes monitoring and ensuring compliance with the various measures and mechanisms established for these entities, as if they were units of the company itself. These policies are in accordance with the company's overall policies, as well as relevant laws and regulations, in order to safeguard the company's investment in its subsidiaries, joint ventures, and affiliates. The details of these policies are as follows:

1) The company will send representatives to serve as directors in each subsidiary, joint venture, and/or affiliate in proportion to their shareholdings in each company. Their role is to oversee and ensure that the operations of the subsidiaries, joint ventures, and/or affiliates comply with the company's policies and other relevant laws and regulations. However, the appointment of company representatives as directors in each subsidiary, joint venture, and/or affiliate must be reviewed and approved by the company's board of directors, taking into account the suitability of each company.

2) If any subsidiary company enters into a transaction or operation that involves the sale, acquisition or disposal of assets under the relevant announcement, or any related transaction under the relevant announcement, which requires the Company to seek approval from the Company's board of directors and/or the Company's shareholder meeting or from the relevant authorities under the law prior to entering into such transaction. The subsidiary company shall be able to enter into such transaction or operation only after obtaining approval from the Company's board of directors and/or the Company's shareholder meeting and/or the relevant authorities (as applicable).

Furthermore, in the event that a subsidiary company enters into a transaction or occurrence that requires the parent company to disclose information according to the specified criteria, the representative directors of the subsidiary company must immediately notify the management of the parent company upon learning of the subsidiary company's plan to enter into the transaction or occurrence.

3) The board of directors and executives of subsidiaries, joint ventures , and/or affiliates have important powers and responsibilities under relevant laws, such as disclosing financial status and performance information to the parent company by utilizing relevant announcements from the Securities and Exchange Commission and the Stock Exchange of Thailand. They must also disclose and submit their own and related persons' information concerning their relationship and transactions with the parent company, subsidiaries, joint ventures, and/or affiliates, in order to avoid conflicts of interest and prevent transactions that may lead to conflicts of interest.

4) The company will establish plans and operations to ensure that subsidiaries, joint ventures, and/or affiliates disclose information about their financial status and operating results. The company will take necessary actions and follow up to ensure that subsidiaries, joint ventures, and/or affiliates have adequate and appropriate internal control and disclosure systems in to conduct their business. In addition, the company will closely monitor the performance and operations of its subsidiaries, joint ventures, and/or affiliates and present an analysis of the results, along with comments or suggestions to the board of directors of the company and the board of directors of the subsidiaries, joint ventures, or affiliates, in order to use as a basis for policy formulation or improvement to promote the continuous development and growth of the businesses of the subsidiaries and/or affiliates.

#### 4.1.4 Enforcing compliance with policies and guidelines for business governance.

##### Preventing conflicts of interest.

The company establishes policies for preventing conflicts of interest based on the principle of good corporate governance. Any decision to engage in a transaction or any other business dealing by the company must be for the maximum benefit of the company's shareholders, and any actions that may lead to conflicts of interest should be avoided.

##### Internal data management

The company places great importance on preventing the misuse of internal data. The policy strictly prohibits directors, executives, employees, and staff of the company from disclosing confidential or internal information that has not been disclosed to the public for their own or others' benefit, whether directly or indirectly, and whether or not they receive compensation. In addition, the policy prohibits trading the company's securities using internal information. The company has established guidelines to prevent the misuse of internal data, as follows:

1) The company will provide knowledge to the directors and executives regarding their duties to prepare and submit reports on the company's securities holdings, whether held by themselves, their spouses or cohabitants, as well as their children who are not of legal age, including legal entities of the directors or executives. If the aforementioned directors and executives collectively hold over 30% of the total voting rights of the company, they must report to the Securities and Exchange Commission in accordance with Section 59 and the penalty provision under Section 275 of the Securities and Exchange Act B.E. 2535 (as amended). In addition, they must report the acquisition or disposition of the company's securities in accordance with Section 246 and the penalty provisions under Section 298 of the Securities and Exchange Act B.E. 2535 (as amended).

2) The company requires its directors and executives to prepare and submit reports on their holdings of securities, as well as the holdings of their spouses, cohabitants, and children who are not of legal age. This also includes the holdings of any legal entities in which the aforementioned directors and executives, their spouses, cohabitants, or children who are not of legal age are shareholders who collectively hold over 30% of the total voting rights of the legal entity, in accordance with the specified report form on securities holdings. The report must be submitted to the company secretary within 30 days of appointment as a director and/or executive, and every time there is a change in holdings of securities, within 3 business days of any purchase, sale, transfer, or receipt of such securities. The company secretary is responsible for summarizing the reports on securities holdings and changes in holdings of securities, and presenting them to the company's board of directors for regular review every 6 months.

3) The company prohibits directors, executives, and employees who have access to internal information from using such information for trading securities, and such individuals must not disclose such information to others who may use it for their own benefit. Any individuals who provide or use such information may be liable under applicable laws, and the company may take disciplinary actions in accordance with its work regulations, including verbal or written warnings,

suspension, termination, or removal from their positions as directors, executives, or employees, depending on the circumstances.

4) The company requires that directors, executives, and finance managers at the managerial level and above must suspend the purchase and sale of securities of the company for a period of 1 month prior to the disclosure of financial statements or internal information to the public, and for a period of 24 hours after such disclosure has been made. Individuals who are involved with internal information must not disclose that information to others until it has been disclosed to the securities market.

5) The company prohibits its directors, executives, and employees, as well as former directors, executives, and employees who have resigned, from disclosing any internal or confidential information of the company or any confidential information of the company's business partners that they have acquired through the performance of their duties to any third party, even if such disclosure would not cause any harm to the company or its business partners.

6) The directors, executives, and employees of the company, as well as former directors, executives, and employees, are responsible for maintaining the confidentiality and/or internal information of the company and are responsible for using such internal information of the company for the benefit of the company's business operations only, without violating any laws. Moreover, it is prohibited for the directors, executives, and employees of the company to disclose the company's confidential and/or internal information to other companies in which they hold shares. Directors, executives, employees, and staff are not allowed to use such information for personal gain.

### Anti-corruption

The company has established an anti-corruption policy as a guideline for implementation, which prohibits any act or support of corruption in any case. The policy also requires regular review and verification of compliance. The company plans to participate in the Private Sector Collective Action Coalition Against Corruption (CAC) project in Thailand after being listed on the Stock Exchange of Thailand.

During the period between 2565 and 2564, there were no complaints regarding acts of corporate corruption.

## Whistleblowing

The company establishes a policy for reporting or disclosing information regarding acts of corruption or non-compliance with the company's regulations, rules, and codes of conduct, by providing channels for complaint and information disclosure as follows:

“

### Reporting and Complaints

Recipient of complaint	Chairman of the audit committee
E-mail	thanadech_m@yahoo.com
Post office	Sealed Letter to the chairman of the audit committee Sahathai Printing & Packaging Public Co., Ltd. 200/1 Soi Jaransanitwong 42 Jaransanitwong Road, Bangyeekhan, Bangplad, Bangkok 10700

”

There were no complaints between 2022 and 2021



## 4.2 Audit committee performance report

### Attending a meeting

Between the year 2022 and 2021, the company had a total of 5 and 4 meetings of the audit committee, respectively. The audit committee members attended the meetings and reported on their duties regularly to the committee. In addition, there were 5 meetings in 2022 and 4 meetings in 2021 where the audit committee, the auditor, and the internal auditor met together without any executives present.

Attendance at the audit committee meeting for the years 2022 and 2021

Name	Number of Meetings Attended / Total Meetings	
	2021	2022
1. Mr.Thanadech Mahapokai	4/4	5/5
2. Mr.Somchat Baramichai	4/4	5/5
3. Mr.Sawong Dhangwatnotai	4/4	5/5

### Remuneration payment

Remuneration of Audit Committee is meeting allowance.

Position	2021 Meeting allowance (Bath/Time)	2022 Meeting allowance (Bath/Time)
Chairman of the Audit Committee	20,000	25,000
Audit Committee	15,000	20,000

The remuneration of the Audit Committee for the years 2022 and 2021 was as follows:

Name	Position	Monetary compensation	
		2021	2022
1. Mr.Thanadech Mahapokai	Chairman of the Audit Committee	80,000	115,000
2. Mr.Somchat Baramichai	Audit Committee	60,000	90,000
3. Mr.Sawong Dhangwatnotai	Audit Committee	60,000	90,000

Summary of the Self-Assessment of the Audit Committee for the year 2022

- The audit committee has an average score in the excellent range of 99%.

## 4.3 Report on the Performance of the Management Committee

### Attending a meeting

Executive Board Meeting for the year 2022 and 2021

Name	Number of Meetings Attended / Total Meetings	
	2021	2022
1. Mr.Suranai Rojwongcharas	12/12	12/12
2. Mrs.Nisachol Chaiyawat	12/12	12/12
3. Mr.Prasong Rojwongjaras	12/12	12/12
4. Mr.Prasert Rojwongjaras	12/12	12/12
5. Ms.Haruethai Rojwongcharas	12/12	12/12
6. Mr.Surachai Tarawatanatham	12/12	12/12

### Compensation

The company does not provide any compensation to the management committee as they are employees of the company and receive compensation in the form of salaries, bonuses, and other benefits (please refer to executive compensation in section 3.3.3).

### Summary of Self-Assessment Results of Management Committee for the year 2022

- The management committee has an average score of 94% in the excellent range.

## and Transactions With Related Party

### 5.1 Internal Control

#### 5.1.1 Adequacy and appropriateness of internal control system

The board of directors is aware of the importance of having a good internal control system and considers it a critical function that must be implemented to ensure that the company has an adequate and appropriate internal control system to effectively manage operations in accordance with objectives, laws, and regulations, as well as to prevent risks and damages that may occur to the company and stakeholders. In addition, the company prepares accurate, reliable, and transparent financial statements and reports, and discloses information in a sufficient and timely manner.

The board of directors has established and reviewed the organizational risk management framework by assessing and analyzing both internal and external risk factors that impact the organization. This is done in order to implement risk management practices throughout the organization and control risks systematically. The board has also delegated the responsibility of overseeing the implementation of risk management policies and frameworks within the organization to the executive team appointed by the board. They monitor the risk management process, ensure adequate risk management practices, and support the development of risk management at all levels throughout the organization.

The audit committee has evaluated the adequacy of the company's internal control system in accordance with the COSO (The Committee of Sponsoring Organizations of Treadway Commission) framework. The framework includes the following components:

- 1) Control Environment
- 2) Risk Assessment
- 3) Control Activities
- 4) Information & Communication
- 5) Monitoring Activities

The audit committee has evaluated the adequacy of the internal control system based on the COSO (The Committee of Sponsoring Organizations of Treadway Commission) framework and concluded that it is sufficient and appropriate for the company's operations. The internal audit function (the company hired Dharmniti Internal Audit Co., Ltd.) was assigned to assess the adequacy of the internal control system, while the company secretary was tasked with monitoring the implementation of the internal control system to ensure that the company's assets are safeguarded from unauthorized

use by the board of directors or executives. The audit committee's opinion is in accordance with that of the company's management, and therefore, the assessment of the adequacy of the company's internal control system for the year 2022 has been approved.

The company stated that it hired Dharmniti Internal Audit to evaluate the internal control systems since 2019, and monitored the internal control systems for the years 2020–2022. At the second audit committee meeting for 2021 held on May 14, 2021, and the second audit committee meeting for 2022 held on February 25, 2022, the committee appointed Dharmniti Internal Audit to perform the internal audit to monitor and evaluate the internal control systems for the years 2021–2022. The audit committee found that the Dharmniti Internal Audit possesses the qualifications and expertise in conducting internal audits and will report directly to the audit committee.

Although the company's major shareholders and key executives are members of the Rojwongcharas family, the company has a clear management structure with well-defined roles and responsibilities. Each process within the company operates according to the authority specified in the authority reference manual and follows the Quality Procedure (QP) specific to that process. When preparing documents for any operation, the following responsibilities are clearly defined.

- Officers of each department are responsible for preparing documents.
- Department managers are responsible for verifying the accuracy of documents.
- The authorized personnel according to the authority reference manual are responsible for approving transactions.

The individuals performing the above roles must be separate individuals, and two out of the three individuals must have no relationship with the directors, executives, and/or related parties of the directors and/or executives. This requirement applies to all processes.

According to the internal control assessment report for the year 2022 conducted by IA (Dharmniti) based on the assessment templates provided by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), the company was found to be in compliance with the internal control guidelines set by the SEC. The report highlighted key internal control measures related to operations management, risk management, supervision and monitoring by management and the board of directors. These measures were found to be effective in ensuring control environment, risk assessment, control activities, information and communication, and monitoring activities.

### **5.1.2 Observations from the auditor regarding the internal control system of the company**

PV Audit Co., Ltd., which is the licensed auditor of the company, reported observations and recommendations regarding the internal control system from the audit of the financial statements for the year ended December 31, 2022, at the 1/2023 Audit Committee Meeting held on February 24, 2023. There were no observations from the auditor regarding the internal control system of the company.

### 5.1.3 Observations made by the internal auditor regarding the company's internal control system.

In 2022, Dharmniti, the internal auditor of the company, conducted an audit and follow-up on the company's internal control system and found that the company had improved its internal controls at both the process design level and in implementing Dharmniti's recommendations. This included improvements in the control environment, development of important policies and operating manuals, and process-level controls.

During the year 2022, five main risk issues were identified, primarily related to employees not following the policies set by the company, unclear or inconsistent policies in relation to actual practice, and incomplete preparation of important documents in various systems such as human resource management, recruitment, selection, employee training, and investment management. The company gradually addressed all of these issues based on recommendations provided, and has since completed all necessary improvements.

For the year 2021-2022, the company continued to engage Dharmniti Internal Audit to perform internal audit duties, with audit plans proposed to the Audit Committee for each quarter. The second quarter audit plan was presented on May 14, 2022, and additional improvement plans were proposed to the Audit Committee for the second quarter on February 25, 2023.

#### Audit Plan for Internal Control System of the Company, Fiscal Year 2021-2022

Item	Quarter 3/2021	Quarter 4/2021	Quarter 1/2022	Quarter 2/2022	Quarter 3/2022	Quarter 4/2022
1. Procurement and Payment	✓					
2. Production Control and Production Costs		✓				
3. Sales and Receivables			✓			
4. Inventory Control and Finished Goods Delivery				✓		
5. Human Resource Management					✓	
6. Procurement/Contracting and Investment Management						✓

For the fiscal year 2021-2022, the audit plan will cover the main processes of the company based on the risks identified from the audit findings of the previous year, 2020-2021.

#### 5.1.4 Internal Audit Manager of the company

The company has outsourced its internal audit function to an external organization since 2019. The company engaged Dharmniti as its internal control system auditor in 2019, with Ms.Korakot Wanasawat serving as the head of the internal audit function. The second Audit Committee meeting for 2021 was held on May 14, 2021, and an additional proposal was presented to the Audit Committee for consideration during the second Audit Committee meeting for 2022, held on February 25, 2022. Dharminti was appointed to serve as the company's internal auditor for the fiscal year 2021-2022. Ms.Korakot Wanasawat, Vice Chairman, was appointed as the principal person in charge of the company's internal audit function.

The Audit Committee has reviewed the qualifications of the outsourced internal auditors, namely Dharminti Co., Ltd., and Ms.Korakot Wanasawat, and found them suitable for the role due to their independence and qualifications, including educational background, experience in internal auditing, and relevant training courses such as the Certified Internal Auditor (CIA) license from the Institute of Internal Auditors in Thailand (CPIAT), COSO 2013 Theory and Practice course, and Internal Audit course from the Institute of Internal Auditors of Thailand, etc.

However, the appointment, removal, transfer, or reassignment of the head of the internal audit unit of the company must be approved by the audit committee. The qualifications of the person holding the position of the head of the internal audit unit are shown in attachment 2.

### 5.2.1 Information about transaction with individuals who may have conflicting interests.

During the years 2022 and 2021, the company had the following transactions with individuals who may have conflicting interests.

Person who may have conflicts	Relationship
1. Ms.Amornrat Rotwongjarat ["Ms.Amornrat"]	<ul style="list-style-type: none"> <li>• Mr. Surasak older sister and aunt of Mr. Suranai, Ms. Haruethai, Mrs. Nisachol, Mr.Prasert , Mr. Prasong, Ms. Titiporn, Mr. Prasit, Mr. Prawit, and Ms. Napaporn serve as directors and authorized signatories.</li> <li>• The major shareholder of the company holds 18,650,000 shares, representing 18.65% of the fully paid-up capital as of December 31, 2022.</li> </ul>
2. Mr.Surasak Rojwongcharas ["Mr.Surasak"]	<ul style="list-style-type: none"> <li>• The younger brother of Ms.Amornrat, the father of Mr. Suranai and, Ms. Haruethai, and the uncle of Mrs. Nisachol, Mr.Prasert, Mr. Prasong, Ms. Titiporn, Mr. Prasit, Mr. Prawit, and Ms. Napaporn.</li> <li>• Hold the position of director, authorized signatory, and advisor to the CEO.</li> <li>• The shareholder of the company holds 4,139,300 shares, which represents 4.14 percent of the paid-up capital as of December 31, 2022.</li> </ul>
3. Mr.Suranai Rojwongcharas ["Mr.Suranai"]	<ul style="list-style-type: none"> <li>• The child of Mr. Surasak, nephew of Ms. Amornrat, sibling of Ms. Haruethai, and cousin of Mrs. Nisachol, Mr. Prasert, Mr. Prasong, Ms. Titiporn, Mr. Prasit, Mr. Prawit, and Ms. Napaporn.</li> <li>• Executive Director, Board Member, Executive Committee Member, and Chief Executive Officer.</li> <li>• The major shareholder of the company holds 7,460,000 shares, representing 7.46% of the fully paid-up capital as of December 31, 2022.</li> </ul>
4. Ms.Haruethai Rojwongcharas ["Ms.Haruethai"]	<ul style="list-style-type: none"> <li>• The child of Mr. Surasak, niece of Ms. Amornrat and younger sibling of Mr. Suranai, and cousin of Mrs. Nisachol, Mr. Prasert, Mr. Prasong, Ms. Titiporn, Mr. Prasit, Mr. Prawit, and Ms. Napaporn.</li> <li>• Executive Committee member and Chief Commercial Officer.</li> <li>• The major shareholder of the company holds 7,460,000 shares, representing 7.46% of the fully paid-up capital as of December 31, 2022.</li> </ul>

Person who may have conflicts	Relationship
5. Mrs.Nisachol Chaiyawat ["Mrs.Nisachol"]	<ul style="list-style-type: none"> <li>• The niece of Ms. Amornrat and Mr. Surasak, older sibling of Mr. Prasert, Mr. Prasong, Ms. Titiporn, Mr. Prasit, Mr. Prawit, and Ms. Napaporn, as well as the cousin of Mr. Suranai and Ms.Haruethai.</li> <li>• Executive Director, authorized signatory, Executive Committee Member, and Deputy Chief Executive Officer.</li> <li>• The shareholder of the company holds 5,333,700 shares, representing 5.33% of the fully paid-up capital as of December 31, 2022.</li> </ul>
6. Mr.Prasert Rojwongjaras ["Mr.Prasert"]	<ul style="list-style-type: none"> <li>• The nephew of Ms.Amornrat and Mr. Surasak, siblings of Mrs.Nisachol, Mr. Prasong, Ms.Titiporn, Mr. Prasit, Mr. Prawit, and Ms.Napaporn, and the cousin of Mr. Suranai and Ms.Haruethai.</li> <li>• Board Member, Executive Director, and Chief Technology Officer.</li> <li>• The shareholder of the company holds 5,326,540 shares, representing 5.33% of the fully paid-up capital as of December 31, 2022.</li> </ul>
7. Mr.Prasong Rojwongjaras ["Mr.Prasong"]	<ul style="list-style-type: none"> <li>• The nephew of Ms.Amornrat and Mr. Surasak, siblings of Mrs.Nisachol, Mr. Prasert, Ms. Titiporn, Mr. Prasit, Mr. Prawit, and Ms.Napaporn, and the cousin of Mr. Suranai and Ms.Haruethai.</li> <li>• Board Member, Executive Director, and Chief Operating Officer.</li> <li>• The shareholder of the company holds 5,326,540 shares, representing 5.33% of the fully paid-up capital as of December 31, 2022.</li> </ul>
8. Ms. Titiporn Rojwongjaras ["Ms. Titiporn"]	<ul style="list-style-type: none"> <li>• The niece of Ms.Amornrat and Mr. Surasak, siblings of Mrs. Nisachol, Mr. Prasert, Mr. Prasong, Mr. Prasit, Mr. Prawit, and Ms.Napaporn, and the cousin of Mr. Suranai and Ms.Haruethai.</li> <li>• Deputy Chief Commercial Officer.</li> <li>• The shareholder of the company holds 5,326,440 shares, representing 5.33% of the fully paid-up capital as of December 31, 2022.</li> </ul>
9. Mr.Prasit Rojwongjaras ["Mr.Prasit"]	<ul style="list-style-type: none"> <li>• The nephew of Ms.Amornrat and Mr. Surasak, siblings of Mrs.Nisachol, Mr. Prasert, Mr. Prasong, Ms. Titiporn, Mr. Prawit, and Ms.Napaporn, and the cousin of Mr. Suranai and Ms.Haruethai.</li> <li>• The shareholder of the company holds 5,333,700 shares, representing 5.33% of the fully paid-up capital as of December 31, 2022.</li> </ul>



Person who may have conflicts	Relationship
10. Mr.Prawit Rojwongjaras (“Mr.Prawit”)	<ul style="list-style-type: none"> <li>• The nephew of Ms.Amornrat and Mr. Surasak, siblings of Mrs.Nisachol, Mr. Prasert, Mr. Prasong, Ms. Titiporn, Mr. Prasit, and Ms.Napaporn, and the cousin of Mr. Suranai and Ms.Haruethai.</li> <li>• The shareholder of the company holds 5,326,540 shares, representing 5.33% of the fully paid-up capital as of December 31, 2022.</li> </ul>
11. Ms.Napaporn Rojwongjaras (“Ms.Napaporn”)	<ul style="list-style-type: none"> <li>• The niece of Ms.Amornrat and Mr. Surasak, siblings of Mrs.Nisachol, Mr. Prasert, Mr. Prasong, Ms. Titiporn, Mr. Prasit, and Mr.Prawit , and the cousin of Mr. Suranai and Ms.Haruethai.</li> <li>• The shareholder of the company holds 5,326,540 shares, representing 5.33% of the fully paid-up capital as of December 31, 2022.</li> </ul>
12. Somwangdee Land Co., Ltd. (“SWD”) (Renting land for business purposes)	<ul style="list-style-type: none"> <li>• There are three committee members, including Mr. Suranai, Mr. Prasong, and Mr. Prasert.</li> <li>• There are 11 shareholders, including:               <ol style="list-style-type: none"> <li>1) Ms.Amornrat (Holding 25.00 percent of the shares.)</li> <li>2) Mr. Surasak (Holding 5.00 percent of the shares.)</li> <li>3) Mr. Suranai (Holding 10.00 percent of the shares.)</li> <li>4) Ms.Haruethai (Holding 10.00 percent of the shares.)</li> <li>5) Mrs.Nisachol (Holding 7.143 percent of the shares.)</li> <li>6) Mr. Prasert (Holding 7.143 percent of the shares.)</li> <li>7) Mr. Prasong (Holding 7.143 percent of the shares.)</li> <li>8) Ms. Titiporn (Holding 7.142 percent of the shares.)</li> <li>9) Mr. Prasit (Holding 7.143 percent of the shares.)</li> <li>10) Mr.Prawit (Holding 7.143 percent of the shares.)</li> <li>11) Ms.Napaporn (Holding 7.143 percent of the shares.)</li> </ol> </li> </ul>
13. Thai Paper Cartons Co., Ltd. (“TPC”) (The business is engaged in manufacturing and distributing corrugated packaging for industrial use and parcel packaging, including boxes and box components.)	<ul style="list-style-type: none"> <li>• There is one shareholder, Mr. Prasit, holding 94.00 percent of the shares.</li> <li>• Mr. Prasit is the authorized director who has the power to sign.</li> </ul>

Person who may have conflicts	Relationship
<p>14. Thai Forest Products Co., Ltd. [“TFP”] [The business is engaged in manufacturing jam and fruit preserves.]</p>	<ul style="list-style-type: none"> <li>• There are three committee members, including Ms. Amornrat, Mr. Suranai, and Mr. Prasert.</li> <li>• There are 6 joint shareholders, including:               <ol style="list-style-type: none"> <li>1) Ms.Amornrat (Holding 10.00 percent of the shares.)</li> <li>2) Mr. Surasak (Holding 0.01 percent of the shares.)</li> <li>3) Mr. Suranai (Holding 14.99 percent of the shares.)</li> <li>4) Mr. Prasong (Holding 15 percent of the shares.)</li> <li>5) Mr. Prasit (Holding 15 percent of the shares.)</li> <li>6) Ms.Napaporn (Holding 15 percent of the shares.)</li> </ol> </li> </ul>
<p>15. Charoen Sin General Partnership Firm [“Charoen Sin”] [The business is engaged in leasing office buildings.]</p>	<ul style="list-style-type: none"> <li>• There are two managing partners, including Mr. Prasit and Mr. Prasong.</li> <li>• There are seven joint partners, including:               <ol style="list-style-type: none"> <li>1) Mrs.Nisachol (Holding 14.29 percent of the shares.)</li> <li>2) Mr. Prasert (Holding 14.29 percent of the shares.)</li> <li>3) Mr. Prasong (Holding 14.29 percent of the shares.)</li> <li>4) Ms. Titiporn (Holding 14.29 percent of the shares.)</li> <li>5) Mr. Prasit (Holding 14.29 percent of the shares.)</li> <li>6) Mr.Prawit (Holding 14.29 percent of the shares.)</li> <li>7) Ms.Napaporn (Holding 14.29 percent of the shares.)</li> </ol> </li> </ul>

For the fiscal years 2022 and 2021, the company has conducted transactions with individuals who may have potential conflicts of interest as detailed below (please refer to the notes to the financial statements for additional information).

Juristic person / person who may have conflicts	Transactions	2021 (Baht)	2022 (Baht)	The opinion of the audit committee
1. TPC	<u>Revenue from sales</u>			The sale of these products is a regular business transaction of the company, with pricing and sales conditions that can be compared to sales to other external customers with similar characteristics. This transaction is necessary and reasonable.
	Domestic sales	290,730	-	
	Value Added Tax	20,351	-	
	Total	311,081	-	
	- The company sells fruit boxes and covers to TPC's customer via TPC. This customer has a long-standing good relationship with TPC and is TPC's only customer who requires beautifully printed packaging. However, since TPC does not have the capability to produce such printed packaging, they hired STP, one of TPC's business partners, as the manufacturer.			
	- The company compares prices and products offered by other suppliers before placing orders, except for when purchasing just the box inserts or outsourcing tasks such as gluing and stapling. However, the company has been unable to find other external suppliers who accept these types of jobs except TPC due to the small volume of work and urgent deadlines involved.			
	<u>Trade receivables</u>			
	Opening balance	-	-	
	Add increase	311,081	-	
	Less received	(311,081)	-	
	Ending balance	-	-	

Juristic person / person who may have conflicts	Transactions	2021 (Baht)	2022 (Baht)	The opinion of the audit committee
	<u>Purchase goods and Outsource</u> Purchase goods and Outsource Value Added Tax Total - The company purchases boxes, box liners, and outsources the box stitching and taping from TPC, which are products that the company does not manufacture. - The company compares prices and products offered by other suppliers before placing orders, except for when purchasing just the box inserts or outsourcing tasks such as gluing and stapling. However, the company has been unable to find other external suppliers who accept these types of jobs except TPC due to the small volume of work and urgent deadlines involved.	19,572 1,370 20,942	4,930 345 5,275	The purchase of these products is a regular business transaction of the company. The purchase price is based on the product price list, as well as information comparing prices and trade conditions with other suppliers. This transactions are necessary and reasonable for the company's operation.
	<u>Trade payable</u> Opening balance Add increase Less payment Ending balance	21,841 20,942 (42,783) -	- 5,275 (2,707) 2,568	
2. TFP	<u>Purchase</u> - The company purchased fruit jam from TFP on an occasional basis as a New Year's gift for business partners. - The company has compared prices and products offered for sale by three other jam manufacturers before considering purchasing from TFP.	52,780	47,214	The purchase of these items is a one-time purchase for a specific purpose, and the purchase price and terms are comparable to other vendors. Therefore, this item is necessary and reasonable.
	<u>Trade payable</u> Opening balance Add increase Less payment Ending balance	36,187 52,780 (44,669) 44,298	44,298 47,214 (44,298) 47,214	

Juristic person / person who may have conflicts	Transactions	2021 (Baht)	2022 (Baht)	The opinion of the audit committee
3. SWD	<u>Land rent</u>			It is necessary for the company to lease land for its business operations, and the rental rate and conditions will be based on the independent appraisal approved by the government's Office of the Valuation Committee. This listing is therefore reasonable and justifiable.
	Depreciation	3,061,400	3,061,400	
	Interest expenses	3,583,430	3,585,560	
	- The company entered into a long-term land lease agreement with SWD for the factory located at 6 Moo 3, Na Mai, Ladlumpkaeo Pathum Thani province, with a total area of 25 rai 89 square wah, effective from August 5, 2019. The lease period is 30 years (September 1, 2019 – August 31, 2049), and the rent is based on the market price assessed by an independent appraiser, PtoSiam Consultants and Services Co., Ltd. The first-year rent is set at THB 3,531,150 and will increase by 10 percent every 3 years. The rent is payable annually in advance on January 10th of each year. The company has fully paid the land rent for the year 2021, amounting to THB 3,531,150, based on the assessed rent rate as of January 16, 2019.			
	<u>Right -Of-Use-Assets</u>			
	Opening balance	87,760,179	84,698,779	
	<u>Less Depreciation</u>	(3,061,400)	(3,061,400)	
	Ending balance	84,698,779	81,637,379	
	<u>Lease agreement</u>			
	Opening balance	91,186,666	91,238,946	
	<u>Add Interest expenses</u>	3,583,430	3,585,560	
	<u>Less payment</u>	(3,531,150)	(3,531,150)	
	Ending balance	91,238,946	91,293,356	
	<u>The sale of vehicles</u>			Selling assets at market price and with comparable conditions to other traders is necessary and reasonable, therefore, the transaction is justified.
	Selling price	691,589	-	
	Value Added Tax	48,411	-	
	Total	740,000	-	
	- The company has sold a personal car to SWD at a price of 740,000 baht because it is no longer in use. The selling price was determined by comparing prices from four external individuals.			

Juristic person / person who may have conflicts	Transactions	2021 (Baht)	2022 (Baht)	The opinion of the audit committee
	<u>Property sales receivables</u> Opening balance Add increase Less received Ending balance	 - 740,000 (740,000) -	 - - - -	
4. Charoen Sin	<u>Office rental fee</u> Depreciation Interest expenses Electricity and water fees Fire insurance premium - On December 28, 2020, the company entered into a lease agreement for office space located at 200/1 Soi Jaransanitwong 42 Jaransanitwong Road, Bangyeekhan, Bangplad, Bangkok. The leased space includes the first and second floors with a total area of 302.315 square meters to be used as the head office, customer contact point, and billing/payment collection center. The lease term is for 3 years from January 1, 2021 to December 31, 2023, with a rental rate of 798,108 baht per year, based on the market approach method of comparing market rental rates. The rental rate was appraised and approved by the Office of the Council of State on October 26, 2020, using an independent appraiser, Pornsiam Consultant and Service CO.,LTD.	 750,904 76,983 159,427 2,337	 750,904 47,604 156,739 -	Renting an office space is necessary for the company's business operations, and the rental rate and conditions are determined by an independent appraiser approved by the Office of the Treasury Department. The transaction is deemed necessary and reasonable based on the opinion of the Office of the Treasury Department.

Juristic person / person who may have conflicts	Transactions	2021 (Baht)	2022 (Baht)	The opinion of the audit committee
	<ul style="list-style-type: none"> <li>- In 2021, the company paid for electricity based on the rate set by the Metropolitan Electricity Authority multiplied by the electricity usage rate of the company's appliances. The company also paid for water based on the invoice for water supply from the Metropolitan Waterworks Authority and proportional to the number of working hours of the company's employees who used the water.</li> <li>- In December 2021, the company installed meters to measure the actual amount of water usage instead of relying on the calculation based on the number of working hours. The company also revised the lease agreement to clarify the calculation of water usage, including the responsibility for insurance premiums which the company will only be responsible for the area it leases and will not bear the burden of central expenses such as parking fees, housekeeping and security personnel wages, etc.</li> <li>- In October 2022, the company installed meters to measure actual electricity usage instead of using the electricity rates set by the Metropolitan Electricity Authority multiplied by the rate of electricity usage of the company's electrical appliances as the reference.</li> </ul>			

Juristic person / person who may have conflicts	Transactions	2021 (Baht)	2022 (Baht)	The opinion of the audit committee
	<u>Right -Of-Use-Assets</u> Opening balance 2,252,711 1,501,807 <u>Less Depreciation</u> (750,904) (750,904) Ending balance 1,501,807 750,903			
	<u>Lease agreement</u> Opening balance 4,412,711 1,531,586 Add Interest expenses 76,983 47,604 <u>Less payment</u> (2,958,108) (798,108) Ending balance 1,531,586 781,082			
	<u>Accrued expenses</u> Opening balance - 15,139 Add Electricity and water fees 159,427 156,739 Fire insurance premium 2,337 - <u>Less payment</u> (146,625) (162,981) Ending balance 15,139 8,897			
5. Mr.Surasak	<u>The compensation for the Consultant of Chief Executive Officer</u> - On May 1, 2020, the company entered into a contract to hire Mr. Surasak as a Consultant to Chief Executive Officer. The contract had a term of 12 months (May 1, 2020 April 30, 2021) and Mr. Surasak was compensated with a monthly salary of 0.27 million baht, an annual bonus of 0.81 million baht, and his main responsibilities included price negotiation, overseeing the delivery of large customer projects, providing advice to improve production efficiency, developing product designs, and creating the company's strategic plan. Mr. Surasak was required to attend at least 30 hours of management board or executive team meetings per month.	3,508,800	3,744,000	Hiring a Consultant to Chief Executive Officer is beneficial for the company, as the rate is reasonable compared to the benefits the company receives in contrast to the expenses it incurs to external parties. Mr. Surasak has a long-standing good relationship with major clients and strives to pass on the continuity to the next generation of management. If the operation is successful, Mr. Surasak plans to retire within 5 years. Therefore, the aforementioned item is necessary and reasonable.



Juristic person / person who may have conflicts	Transactions	2021 (Baht)	2022 (Baht)	The opinion of the audit committee
	<ul style="list-style-type: none"> <li>On May 1, 2021, the company renewed its contract with Mr. Surasak for a period of 10 months (May 1, 2021 – February 28, 2022). Under the new contract, Mr. Surasak received a monthly salary of 0.30 million baht, no bonus, and a provident fund benefit of 4% of his monthly salary. The company began contributing to the provident fund for the first time in November 2021.</li> <li>On February 4, 2022, the Board of Auditors decided to extend the contract of Mr. Surasak with a duration of 12 months (March 1, 2022 – February 28, 2023). Mr. Surasak will receive a monthly salary of 0.3 million baht with a provident fund at a rate of 4 percent of the monthly salary, no bonus.</li> </ul>			
	<u>Account payable</u> Opening balance	814,000	–	
	<u>Add increase</u>	3,508,800	3,744,000	
	<u>Less payment</u>	(4,322,800)	(3,744,000)	
	Ending balance	–	–	

## 5.2.2 Policy or trends for future transactions.

### Measures or procedures for approving transactions with related parties.

The Company has established policies and guidelines for conducting transactions between related parties or interrelated transactions of the Company. The Company shall comply with applicable laws and regulations as well as the requirements regarding the disclosure of related party transactions in the notes to the financial statements that have been audited by the Company's auditors. In conducting such transactions, the Company shall monitor and oversee the transactions without the involvement of any related parties in the decision-making process regarding the related party transactions.

The company's board of directors has established a process for approving transactions between related parties or transactions that are interrelated, under a framework of good corporate governance. The process involves screening by the board of directors, taking into account the benefits to the company and its shareholders, and ensuring that the transactions are conducted in accordance with relevant standards. The board also considers the accuracy and completeness of information disclosure relating to related party or interrelated transactions to the public.

In the case of normal business transactions or transactions supporting the normal business of the company, which may occur continuously in the future, the company has a policy for setting the framework of such transactions, which must have commercial terms similar to those that a prudent person would normally agree to in similar circumstances. This is done with negotiating power that is free from any influence in that the person involved holds a position as a director, executive, or related person, and does not cause any conflicts of interest and/or benefits transfer. Furthermore, it must be demonstrated that such transactions are reasonable, fair, and at market price or have conditions that are justifiable. If the board of directors approves the framework for such transactions in general, the company's management can proceed with the transaction immediately without having to seek approval from the board of directors again. The company will also prepare a summary report of the transactions or related transactions for reporting at every quarterly board of directors meeting.

If there are transactions with related parties, the company must propose to the Board of Directors to consider the appropriateness of the price and the reasonableness of the transactions. In the event that the Board of Directors is not proficient in considering the transactions with related parties, the company will arrange for a person with expertise and independence, such as an accountant or property appraiser, to provide an opinion on the related transactions for the consideration of the Board of Directors or shareholders, as appropriate. However, those who may have conflicting interests or gains or losses in the transaction will not have the right to vote on the approval of the related transactions, in order to ensure that the transaction is not a transfer or appropriation of the company's benefits, but rather a transaction that maximizes the benefits of the company and all shareholders. The company will disclose the related transactions in the footnotes to the financial statements that have been audited by the company's auditors.

### Considering Normal Course of Business Transaction.

1) The transaction is a normal course of business, with a valid purpose and aimed at maximizing benefits for the company. The commercial terms and conditions of the transaction are not different from those with regular customers or external parties.

2) The price and trading terms must be fair and market-based, and not result in any transfer of benefits. They should be prices and terms that the Company or related parties have received or offered to the general public, or prices and terms that can be demonstrated to be appropriate, reasonable, and transparently verifiable, and are in line with the way business is conducted with the general public. They should be presented for the Board's consideration and approval as part of the proposed transaction framework.

### Trends in transaction with related parties in the future.

The trends in future transactions with related parties that may still occur include leasing office buildings from Charoen Sin, trading products between the company and TPC, trading products between the company and TFP, etc. However, the company will comply with the Securities and Exchange Act, regulations, announcements, orders, or requirements of the Securities and Exchange Commission and the stock market. It should be noted that these transactions are not aimed at transferring or benefiting the company or its shareholders, but rather are intended to maximize the benefits of the company and all shareholders.

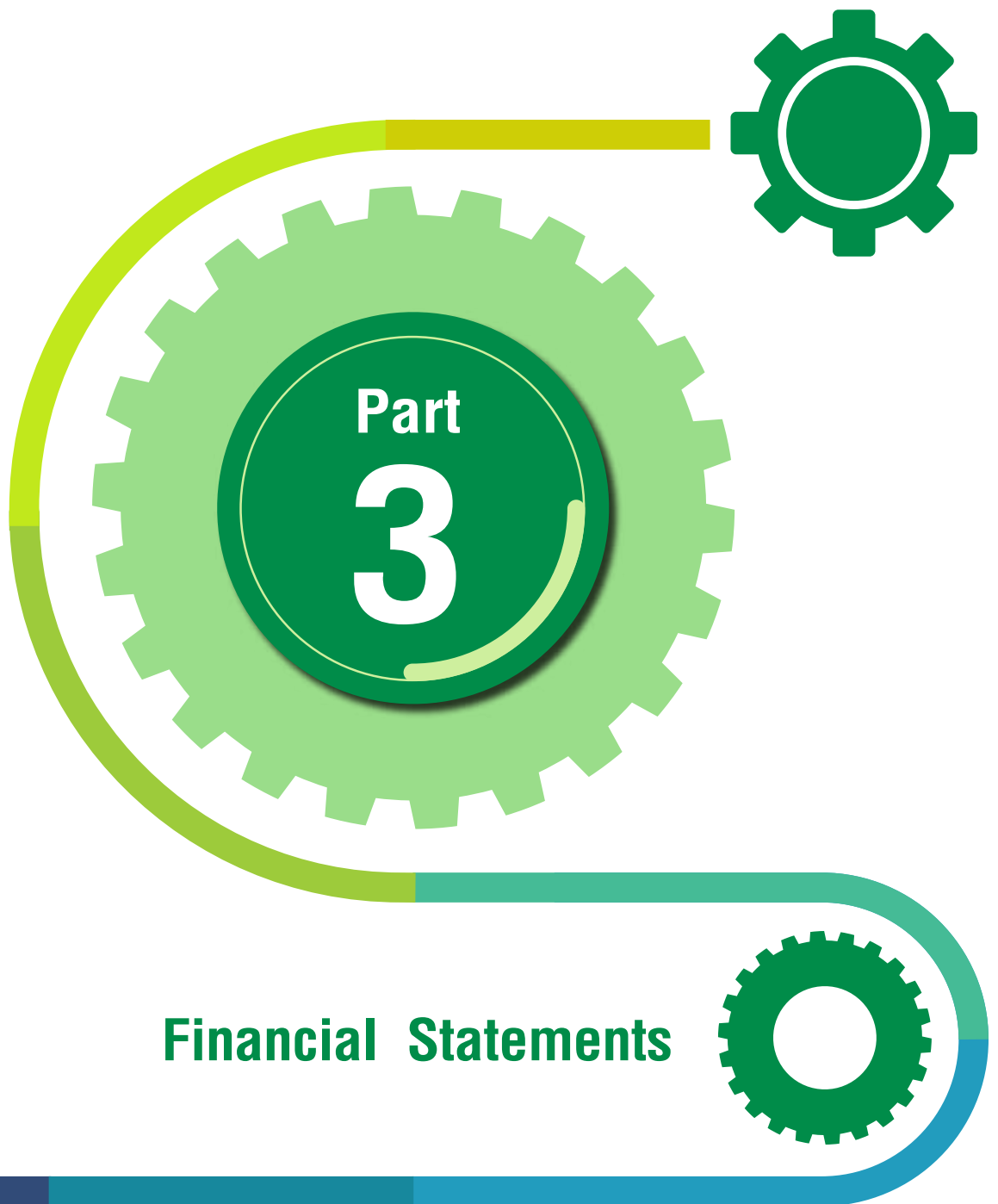
In the case of regular business transactions or recurring business support transactions, the Company has established criteria and guidelines for conducting transactions in accordance with normal commercial practices, with reference to appropriate prices and conditions that are fair and reasonable, transparent, and market-based. These criteria and guidelines can be reviewed and presented to the Audit Committee for their opinion on the appropriateness of such transactions.

In case the board of directors lacks expertise in evaluating a particular transaction, the company will arrange for a specialist, such as an accountant or an independent property appraiser, to provide an opinion on the transaction. The opinion of the board of directors or the specialist will be used to inform the decision-making process of the company's board of directors or shareholders, as appropriate.

In addition, if there are transactions between related parties or transactions that are linked or if there are changes in the terms and conditions of transactions between the company and major shareholders, directors, executives, or individuals who may have conflicts of interest or relationships with the company, the affected director will not participate in the board meeting regarding the consideration of such transactions.

### **5.2.3 The reason why individuals who may have conflicting interests hold more than 10% of the subsidiary company's shares instead of directly holding shares in the company.**

No, as the company does not have any subsidiary companies or associates.



# Report on the Board of Directors' Responsibilities for Financial Statements

The Board of Directors of Sahathai Printing & Packaging Public Company Limited is responsible for the financial statements of the Company, which have been prepared in accordance with financial reporting standards under the Accounting Act B.E. 2543, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535 and its amendments. The Board considers the accounting policies pursued to be appropriate, and that they have been applied consistently with adequate disclosure of important information in the notes to the financial statements. The Company's external auditor has reviewed and audited the financial statements and expressed an unqualified opinion in the auditor's report.

The Board oversees and reviews corporate governance as well as establishes and maintains a pro-active risk management system and internal control system to ensure that accounting records are accurate, complete and timely, and that the Company's assets are properly safeguarded against fraud, operational irregularities and other risks. The Board has appointed an Audit Committee consisting of independent directors to provide effective and efficient oversight of the financial statements, internal control system and internal audit. The Audit Committee's views are reported in the Company's annual report.

The Board is confident that the internal control system and the internal audit of the company provide credibility and reliability that the financial statements of Sahathai Printing & Packaging Public Company Limited for the year ended December 31, 2022 represent the financial position, results of operations, and cash flows that give a true and fair view in accordance with Thai Financial Reporting Standards.



(Mr. Sawong Dhangwatnotai)  
Chairman of the Board



(Mr. Suranai Rojwongcharas)  
Chief Executive Officer

# FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of

**Sahathai Printing & Packaging Public Company Limited**

### Opinion

I have audited the financial statements of Sahathai Printing & Packaging Public Company Limited ("the Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respect, the financial position of Sahathai Printing & Packaging Public Company Limited as at 31 December 2022, and its financial performance and its 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 judgment, 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.

## Revenue Recognition

As discussed in Notes 3 and 28 to the financial statements regarding accounting policies of revenue recognition and details of revenue, the Company has revenue from sales and services for the year ended 31 December 2022 in the amount of Baht 541.58 million. Revenue from sales and services were material to the financial statements and directly affected the financial performance of the Company. The rationality of the recognition of revenues is the key matter that I focus.

I obtained an understanding of the nature of internal control system relevant to the revenue cycle. I also tested the design and the effectiveness of internal control in this cycle to determine the sample sizes for substantive tests by checking invoices and delivery order, and testing the cutoff of revenue recognition. The tests of internal control and substantive tests established audit evidences that the revenue recognition from the rendering of services was accurately and properly recorded in the accounting period.

## Other Information

Management is responsible for the other information. The other information comprises information including in annual report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after that date.

My opinion on the financial statements does not cover the other information and I do not and will 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 identified above 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 materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance to make correction 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 misstatements, 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 judgment 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.

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.

*Boonkasem Sarnklin.*

Boonkasem Sarnklin

Certified Public Accountant

Registration Number 11888

PV Audit Co., Ltd.

Bangkok, 24 February 2023

## STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2022

#### ASSETS

##### Current assets

	Note	Baht	
	3	2022	2021
Cash and cash equivalents	5	18,890,622.54	21,784,248.42
Trade and other receivables	6, 30	102,666,622.91	109,416,231.30
Inventories	7	56,434,200.47	56,262,375.97
Other current financial assets	8, 30	326,676,874.17	-
Other current assets		1,453,480.59	1,244,807.71
Total current assets		506,121,800.68	188,707,663.40

##### Non-current assets

Building and equipment	4, 9	197,406,766.57	123,987,217.88
Right-of-use assets	10	131,391,677.51	142,954,767.65
Intangible assets	11	2,495,106.92	3,231,426.26
Non-current financial assets pledged as collateral	12	6,267,339.81	29,486,162.10
Other non-current assets		46,672.91	48,172.91
Total non-current assets		337,607,563.72	299,707,746.80
Total assets		843,729,364.40	488,415,410.20

## LIABILITIES AND SHAREHOLDERS' EQUITY

### Current liabilities

Trade and other payables

4, 14, 30 56,401,495.49 64,888,770.14

Current portion of long-term borrowings

from financial institutions

15 2,978,500.00 4,572,500.00

Current portion of lease liabilities

4, 16 14,103,243.80 15,317,536.37

Corporate income tax payable

8,372,817.52 19,237,619.08

Total current liabilities

81,856,056.81 104,016,425.59

### Non-current liabilities

Long-term borrowings from financial

institutions

15 3,967,500.00 6,773,500.00

Lease liabilities

4, 16 96,058,777.62 110,107,612.25

Deferred tax liabilities

17 7,051,456.54 6,715,056.50

Provisions for employee benefits

18 16,191,990.15 15,164,196.21

Total non-current liabilities

123,269,724.31 138,760,364.96

Total liabilities

205,125,781.12 242,776,790.55

## SHAREHOLDERS' EQUITY

Share capital

Authorised share capital:

100,000,000 ordinary shares, Baht

1 par value

Issued and paid-up share capital:

100,000,000 ordinary shares in  
year 2022 and

74,600,000 ordinary shares in year 2021,  
fully paid-up

Premium on share capital

Retained earnings

Appropriated to legal reserve

Unappropriated

Total shareholders' equity

Total liabilities and shareholders' equity

Note	Baht	
	2022	2021
3		
19		
	<u>100,000,000.00</u>	<u>100,000,000.00</u>
	100,000,000.00	74,600,000.00
19, 20	417,748,220.25	-
21	10,000,000.00	6,489,196.30
22	<u>110,855,363.03</u>	<u>164,549,423.35</u>
	<u>638,603,583.28</u>	<u>245,638,619.65</u>
	<u>843,729,364.40</u>	<u>488,415,410.20</u>

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2022

		Baht	
	Note	2022	2021
	3		
Revenue from sales and services	4, 28	541,576,094.38	561,334,688.67
Cost of sales and services	4, 24	(351,771,172.80)	(348,225,506.09)
Gross profit		189,804,921.58	213,109,182.58
Other income	23	20,996,134.69	18,215,128.17
Distribution costs	24	(16,529,785.44)	(15,941,239.19)
Administrative expenses	4, 24	(56,759,659.51)	(55,277,082.79)
Profit from operating activities		137,511,611.32	160,105,988.77
Finance costs	4, 24	(5,195,686.75)	(6,297,974.50)
Profit before income tax		132,315,924.57	153,808,014.27
Tax expense	26	(22,670,782.57)	(30,024,088.27)
Profit for the year		109,645,142.00	123,783,926.00
Other comprehensive income:			
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains on re-measurement of defined benefit plans	18	214,501.73	958,535.85
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	26	(42,900.35)	(191,707.17)
Total other comprehensive income - net of tax		171,601.38	766,828.68
Total comprehensive income for the year		109,816,743.38	124,550,754.68
Earnings per share	3		
Basic earnings per share		1.23	5.25
Weighted average number of ordinary shares (Shares)		89,004,932	23,597,260

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2022

	Baht					
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Appropriated	Unappropriated	
Beginning balance as at						
1 January 2021		3,000,000.00	-	300,000.00	137,037,864.97	140,337,864.97
Changes in shareholders' equity						
Increase in ordinary shares	19	71,600,000.00	-	-	-	71,600,000.00
Profit for the year		-	-	-	123,783,926.00	123,783,926.00
Other comprehensive						
income for the year		-	-	-	766,828.68	766,828.68
Legal reserve	21	-	-	6,189,196.30	(6,189,196.30)	-
Dividends	22	-	-	-	(90,850,000.00)	(90,850,000.00)
Ending balance as at						
31 December 2021		74,600,000.00	-	6,489,196.30	164,549,423.35	245,638,619.65
Changes in shareholders' equity						
Increase in ordinary shares	19	25,400,000.00	417,748,220.25	-	-	443,148,220.25
Profit for the year		-	-	-	109,645,142.00	109,645,142.00
Other comprehensive income						
for the year		-	-	-	171,601.38	171,601.38
Legal reserve	21	-	-	3,510,803.70	(3,510,803.70)	-
Dividends	22	-	-	-	(160,000,000.00)	(160,000,000.00)
Ending balance as at						
31 December 2022		100,000,000.00	417,748,220.25	10,000,000.00	110,855,363.03	638,603,583.28

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2022

	Baht	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	132,315,924.57	153,808,014.27
Adjustments to reconcile profit before income tax to net cash provided by (used in) operating activities		
Depreciation and amortisation	33,381,470.72	36,727,522.95
Reversal of expected credit losses	-	(3,862.70)
Loss on devaluation of inventories	1,334,231.38	396,148.54
Loss on impairment of current assets (reversal)	(19,119.05)	50,774.37
Gain on changes in fair value of investments	(395,510.12)	-
Unrealised loss on exchange rate	408,755.20	-
Loss on write-off fixed assets	2,087,810.95	-
Gain on disposal of fixed assets	-	(535,229.69)
Provisions for employee benefits	1,607,621.67	1,509,015.03
Interest income	(1,602,656.67)	(257,959.26)
Finance costs	5,195,686.75	6,297,974.50
Profit from operating activities before changes in operating assets and liabilities	174,314,215.40	197,992,398.01
Changes in operating assets (increase) decrease		
Trade and other receivables	6,972,132.41	(18,872,911.25)
Inventories	(1,506,055.88)	(33,649,628.67)
Other current assets	(189,553.83)	(303,557.14)
Non-current financial assets pledged as collateral	23,184,278.79	236,898.31
Other non-current assets	1,500.00	(2,500.00)
Changes in operating liabilities increase (decrease)		
Trade and other payables	(14,223,477.35)	3,494,052.78
Employee benefit obligations paid	(365,326.00)	(445,332.00)
Cash generated from operations	188,187,713.54	148,449,420.04
Income tax paid	(33,242,084.44)	(22,486,651.16)
Net cash provided by operating activities	154,945,629.10	125,962,768.88



## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2022

	Baht	
	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in other financial assets	(326,281,364.05)	(80,423.42)
Purchases of building and equipment	(91,261,660.88)	(24,078,514.99)
Proceeds from disposal of equipment	-	1,013,168.23
Purchases of intangible assets	(87,760.00)	(428,735.04)
Interest received	1,529,176.15	297,689.51
Net cash used in investing activities	(416,101,608.78)	(23,276,815.71)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings from financial institution	-	20,000,000.00
Repayments of short-term borrowings from financial institution	-	(20,000,000.00)
Repayments of borrowings from financial institutions	(4,400,000.00)	(12,795,596.69)
Repayments of lease liabilities	(15,263,127.20)	(17,491,197.13)
Proceeds from increase in ordinary shares	443,148,220.25	71,600,000.00
Finance costs paid	(5,225,405.05)	(6,311,447.45)
Dividend payment	(159,997,334.20)	(130,134,666.68)
Net cash provided by (used in) financing activities	258,262,353.80	(95,132,907.95)
Net increase (decrease) in cash and cash equivalents	(2,893,625.88)	7,553,045.22
Cash and cash equivalents at beginning of the year	21,784,248.42	14,231,203.20
Cash and cash equivalents at end of the year	18,890,622.54	21,784,248.42
<b>Supplemental cash flows information:</b>		
Non-cash items consisted of		
Dividend payables at beginning of the year	-	39,284,666.68
Dividend payables at end of the year	2,665.80	-

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

## GENERAL INFORMATION

Sahathai Printing & Packaging Public Company Limited, [“the Company”] was incorporated in Thailand under the Civil and Commercial Code on 6 October 1988 and became a public company limited on 17 September 2021. The Company operates the business of printing paper boxes and all types of publications.

On 14 June 2022, the Company was listed on The Stock Exchange of Thailand in Market for Alternative Investment.

The office is located at 200/1 Soi Jaransanitwong 42, Bangyeekhan, Bangplad, Bangkok with factories and warehouses located at 6 Mu 3, Na Mai, Ladlumkaeo, Pathum Thani.

## BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards [“TFRS”] including related interpretations and guidelines promulgated by the Federation of Accounting Professions in conformity with generally accepted accounting principles in Thailand.

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

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

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

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

## Changes in application of revised TFRS

### Revised TFRS that became effective in the current year

During the year 2022, the Company has adopted revised TFRS which are effective for the accounting period beginning on or after 1 January 2022. These TFRS 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.

### Revised TFRS not yet effective

The Federation of Accounting Professions has issued Notification, mandating the use of revised TFRS which are effective for the financial statements for the period beginning on or after 1 January 2023. These TFRS 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 is assessing the impacts of these TFRS on the financial statements for the year in which they are initially applied.



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### The measurement bases used in preparing the financial statements

Other than those disclosed elsewhere in the summary of significant accounting policies and other notes to the financial statements, the financial statements are prepared on the historical cost basis.

### Revenues

- Revenue from sale of goods
- Revenue from sale of goods is recognised at the point in time when control of goods transferred to the customer. Sale is measured at the amount of the consideration received or receivable, of goods supplied after deducting returns and discounts, excluding value added tax.
- Revenues from services are recognised in profit or loss when services are rendered.

- Interest income and other income
- Interest income is recognised as interest accrues, based on the effective interest rate method.
- Other income is recognised on an accrual basis.

## Expenses

### Finance 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.

The interest component of lease payments is recognised in profit or loss using the effective interest rate method.

Other expenses are recognised on an accrual basis.

## Employee benefits

### Short-term benefits

The Company recognises salaries, wages, bonus and social security contribution as expenses when incurred.

### Post-employment benefits – defined contribution plan

The employee benefit obligations in relation to the severance payment under the labor law are recognised as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Company through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

When the actuarial assumptions are changed, the Company recognises actuarial gains (losses) immediately in other comprehensive income.

### Termination benefits

The Company recognises termination benefits as a liability and expense when the Company terminates the employment of an employee or group of employees before the normal retirement date.

### 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 their 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 categorise 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.

### Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 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.

The classification and measurement of financial assets and financial liabilities

The Company classifies its financial assets subsequently measured at amortised cost or fair value in accordance with the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

Financial assets measured at amortised cost only if both following conditions are met: the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount

outstanding. These financial assets are initially recognised on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any).

Financial assets measured at fair value through profit or loss when the financial assets are held within a business model without an objective to hold financial assets in order to collect contractual cash flows or the contractual terms of the financial assets give rise on specified dates to cash flows that are not solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and are subsequently measured at fair value. Unrealised gains or losses from changes in fair value, and gains or losses on disposals of instruments are recognised in profit or loss.

Financial assets measured at fair value through other comprehensive income only if both following conditions are met: the financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, sell the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and subsequently measured at fair value. Unrealised gains or losses from changes in fair value are presented in the other comprehensive income until disposal. The gains or losses on disposals of such instruments are recognised in profit or loss. The gains or losses on exchange rate, expected credit losses and interest income calculated on effective interest rate are recognised in profit or loss.

Financial liabilities are classified and measured at amortised cost.

#### 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 neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the term 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 on its financial assets which measured at amortised cost without requiring a credit – impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

## **Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, cash at banks, and all highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **Trade and other receivables**

Trade and other receivables are stated at their invoice value less allowance for expected credit losses.

The Company is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company applies the simplified approach to consider impairment of trade receivables.

In determining an allowance for expected credit losses of receivables, the management needs to make judgment for estimated losses for each outstanding debtor. The allowances for expected credit losses are determined through a combination of analysis of collection experience, probability of collection, debt aging, taking into account change in the current economic and assumption including the choice of inputs the forecasted macroeconomic variables in the model. However, the use of different estimates and assumptions could affect the amounts of allowances for expected credit losses and adjustments to the allowances may therefore be required in the future.

## **Inventories**

Inventories are valued at the lower of cost using first-in, first-out cost method or net realisable value.

Cost comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories, cost includes an appropriate share of overhead based on normal operating capacity.



Net realisable value is the estimated selling price in the normal course of business less the costs to make the sale.

The Company records allowance for devaluation of inventories for all deteriorated, damaged, obsolete and slow-moving inventories.

### Building and equipment

Building and equipment are stated at cost less accumulated depreciation, and allowance for impairment loss (if any).

### Subsequent costs

The cost of replacing a part of an item of building and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of building and equipment are recognised in profit or loss as incurred.

### Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of assets as follows:

Type of assets	Years
Land improvements	10 and 20
Building and building improvements	5 – 20
Furniture and office equipment	3 – 20
Machinery and factory equipment	5 and 10
Vehicles	3 – 10

No depreciation is provided on assets in transit and machinery under installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Gains or losses on disposals are determined by comparing the proceeds from disposal with the carrying amount and are recognised in profit or loss.

## Leases

### Right-of-use assets

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

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term as follows.

Type of assets	Years
Land	30
Office buildings	3
Machinery	10
Vehicles	7

### Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted 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 modification or reassessment.

### Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

## Intangible assets

Intangible assets are computer software and stated at cost less accumulated amortisation and allowance for impairment (if any). Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of the assets for 3 years, 5 years and 10 years.

No amortisation is provided computer software in progress.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

## Calculation of recoverable amount

The recoverable amount is the greater of the assets' fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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

## Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting

the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

## Foreign currency

### Foreign currency transactions

Transactions in foreign currencies are converted at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are converted to Thai Baht at the foreign exchange rates ruling at that date.

Foreign exchange differences are recognised in profit or loss for the period.

## Dividends paid

Dividends and interim dividend payments are recorded in the financial statements in the period in which they are approved by the shareholders' meeting or the Board of Directors' meeting.

## Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares issued and paid-up during the year, after adjusting the number of ordinary shares to reflect the impact of increase in ordinary share capital and change in par value of share capital (share split) as discussed in Note 19.

For the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Profit for the year (Baht)	109,645,142.00	123,783,926.00
Weighted average number of ordinary shares (Shares)		
Issued ordinary shares as at 1 January	74,600,000	30,000
Effects of issued and paid-up share capital	14,404,932	20,597,260
Effects of change in par value of share capital	-	2,970,000
Weighted average number of ordinary shares (Shares)	89,004,932	23,597,260
Basic earnings per share (Baht)	1.23	5.25

## 4 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 associated companies 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.

During the year, the Company had significant business transactions with related parties. Such transactions, which were summarised below, arose in the ordinary course of businesses and were concluded on commercial terms and agreed upon between the Company and those related parties.

Significant transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	Baht	
	2022	2021
Revenue from sales and services	-	290,730.00
Purchases of goods	-	18,072.00
Disposal of vehicle	-	691,588.79
Consulting fee	3,744,000.00	3,508,800.00
Other expenses	208,883.18	216,044.35
Interest expenses – Lease liabilities	3,633,163.72	3,660,413.49

## Key management personnel compensation

Key management personnel compensation for the years ended 31 December 2022 and 2021 consisted of:

	Baht	
	2022	2021
Short-term benefits	22,425,749.99	21,862,567.00
Post-employment benefits	1,042,230.59	536,939.32
Total	23,467,980.58	22,399,506.32

The significant balances with related parties as at 31 December 2022 and 2021 were as follows:

	Baht	
	2022	2021
<b>Related companies</b>		
Trade and other payables		
Thai Forest Products Co., Ltd.	47,213.96	44,298.00
Thai Paper Cartons Co., Ltd.	2,568.00	–
Lease liabilities		
Somwangdee Land Co., Ltd.	91,293,356.85	91,238,946.52
<b>Related persons (directors/shareholders)</b>		
Accrued expenses	2,065,375.55	2,124,201.28
Lease liabilities	781,081.35	1,531,585.92

### Long-term lease agreements

The Company has lease agreements of land with related company for the period of 30 years and office building with related persons for the period of 3 years.

### Co-guarantee for liabilities with related parties

In year 2021, the Company's directors have used cash at bank as collateral for credit facilities from financial institutions. In addition, the Company's directors had co-guaranteed for credit facilities from financial institutions and partial lease liabilities (see Notes 13, 15 and 16).

### Nature of relationship

Name	Country/Nationality	Type of relation
Thai Forest Products Co., Ltd.	Thailand	Common directors/shareholders
Thai Paper Cartons Co., Ltd.	Thailand	Company related to shareholder
Somwangdee Land Co., Ltd.	Thailand	Common directors/shareholders
Related persons	Thai	Management and/or shareholders

## Bases of measurement for intercompany revenues and expenses

	Pricing policies
Sales of goods and services	As agreed upon basis and compare with market price
Purchases of goods	As agreed upon basis and compare with market price
Disposal of vehicle	As agreed upon basis and compare with market price
Lease agreements	As agreed upon basis and compare with value of the independent appraisal
Consulting fee	As specified in the agreement
Other expenses	As agreed upon basis and compare with market price
Co-guarantee for liabilities	No guarantee charge



## CASH AND CASH EQUIVALENTS

	Baht	
	2022	2021
Cash	26,026.75	23,858.50
Cash at banks	18,864,595.79	21,760,389.92
Total	18,890,622.54	21,784,248.42



## TRADE AND OTHER RECEIVABLES

	Baht	
	2022	2021
Trade receivables	67,770,133.31	104,040,748.53
Deposits	32,156,802.16	1,562,271.18
Other receivables	2,739,687.44	3,813,211.59
Total	102,666,622.91	109,416,231.30
For the years ended 31 December		
Reversal of expected credit losses	-	(3,862.70)

The Company had outstanding balances of trade receivables aged by number of months as follows:

#### Trade receivables

Current

Overdue

Not over 3 months

Total

Baht	
2022	2021
57,276,398.79	84,626,393.09
10,493,734.52	19,414,355.44
67,770,133.31	104,040,748.53



## INVENTORIES

Finished goods

Raw materials

Work in process

Goods in transit

Total

Less: Allowance for devaluation of inventories

Inventories - net

Baht	
2022	2021
13,927,222.41	12,160,855.90
40,454,496.73	23,686,033.60
5,344,436.95	19,849,719.18
-	2,523,491.53
59,726,156.09	58,220,100.21
(3,291,955.62)	(1,957,724.24)
56,434,200.47	56,262,375.97
1,334,231.38	396,148.54

For the years ended 31 December

Loss on devaluation of inventories





## OTHER CURRENT FINANCIAL ASSETS

Securities for trading  
Debt instruments purchased under resale agreements  
Total securities

Baht
2022
154,467,127.51
172,209,746.66
326,676,874.17

The company had traded investments during the year were summarised as follows:

Bought investments  
Sold investments

Baht
2022
1,426,135,999.93
(1,099,854,635.88)



## BUILDING AND EQUIPMENT

	Baht						
	Land improvements	Building and building improvements	Furniture and office equipment	Machinery and factory equipment	Vehicles	Assets in transit and machinery under installation	Total
<b>Cost</b>							
As at 1 January 2021	2,785,878.00	97,646,491.20	9,713,490.74	212,546,913.64	27,522,684.58	2,704,454.50	352,919,912.66
Purchases	-	-	503,398.84	1,544,199.76	1,559,000.00	20,471,916.39	24,078,514.99
Transfer in - Right-of-use assets (see Note 10)	-	-	-	-	5,949,448.60	-	5,949,448.60
Transfer / adjust	8,081,903.30	7,245,199.02	312,692.77	194,675.02	-	(15,834,470.11)	-
Disposals / transfer out	-	-	-	(2,437,632.27)	(1,364,000.00)	(3,620,587.93)	(7,422,220.20)
As at 31 December 2021	10,867,781.30	104,891,690.22	10,529,582.35	211,848,156.15	33,667,133.18	3,721,312.85	375,525,656.05
Purchases	-	498,028.30	2,370,589.96	15,115,633.07	2,086,751.32	76,430,658.23	96,501,660.88
Transfer in - Right-of-use assets (see Note 10)	-	-	-	-	2,740,144.85	-	2,740,144.85
Transfer / adjust	4,472,131.30	7,076,530.56	407,167.60	3,701,908.64	-	(15,657,738.10)	-
Transfer out	-	-	-	-	-	(2,574,151.38)	(2,574,151.38)
Written off	(437,966.18)	(4,510,838.35)	-	-	-	-	(4,948,804.53)
As at 31 December 2022	14,901,946.42	107,955,410.73	13,307,339.91	230,665,697.86	38,494,029.35	61,920,081.60	467,244,505.87

	Baht						
	Land improvements	Building and building improvements	Furniture and office equipment	Machinery and factory equipment	Vehicles	Assets in transit and machinery under installation	Total
<b>Accumulated Depreciation</b>							
As at 1 January 2021	200,668.74	62,758,218.49	7,670,041.37	139,209,831.30	19,044,659.09	-	228,883,418.99
Depreciation	228,237.15	5,177,237.36	1,036,163.58	13,761,805.20	1,718,800.79	-	21,922,244.08
Transfer in - Right-of-use assets (see Note 10)	-	-	-	-	4,056,468.83	-	4,056,468.83
Disposals / transfer out	-	-	-	(2,437,628.25)	(886,065.48)	-	(3,323,693.73)
As at 31 December 2021	428,905.89	67,935,455.85	8,706,204.95	150,534,008.25	23,933,863.23	-	251,538,438.17
Depreciation	634,448.71	5,357,112.44	1,061,253.66	11,453,886.39	1,439,656.60	-	19,946,357.80
Transfer in - Right-of-use assets (see Note 10)	-	-	-	-	1,213,936.91	-	1,213,936.91
Written off	(83,327.73)	(2,777,665.85)	-	-	-	-	(2,860,993.58)
As at 31 December 2022	980,026.87	70,514,902.44	9,767,458.61	161,987,894.64	26,587,456.74	-	269,837,739.30
<b>Net Book Value</b>							
As at 31 December 2021	10,438,875.41	36,956,234.37	1,823,377.40	61,314,147.90	9,733,269.95	3,721,312.85	123,987,217.88
As at 31 December 2022	13,921,919.55	37,440,508.29	3,539,881.30	68,677,803.22	11,906,572.61	61,920,081.60	197,406,766.57

Depreciation for the years ended 31 December were included in

- Cost of sales and services
- Distribution costs
- Administrative expenses

Total

As at 31 December

The cost of assets before less accumulated depreciation which have been fully depreciated and still in use

As at 31 December

The net book value of temporarily ceased machine

Baht	
2022	2021
17,091,779.66	19,419,760.88
424,527.77	352,145.66
2,430,050.37	2,150,337.54
<u>19,946,357.80</u>	<u>21,922,244.08</u>
<u>126,701,561.75</u>	<u>119,432,496.83</u>
<u>11.01</u>	<u>11.01</u>

The Company mortgaged partial machinery against credit facilities from financial institutions (see Note 15).

The Company mortgaged partial building and building improvements against credit facilities from financial institutions (see Note 13).



## RIGHT-OF-USE ASSETS

	Baht				
	Land	Office buildings	Machinery	Vehicles	Total
<b>Cost</b>					
As at 1 January 2021	91,842,048.19	2,252,710.79	65,110,449.78	16,209,822.42	175,415,031.18
Transfer out – Building and equipment (see Note 9)	-	-	-	(5,949,448.60)	(5,949,448.60)
As at 31 December 2021	91,842,048.19	2,252,710.79	65,110,449.78	10,260,373.82	169,465,582.58
Transfer out – Building and equipment (see Note 9)	-	-	-	(2,740,144.85)	(2,740,144.85)
As at 31 December 2022	91,842,048.19	2,252,710.79	65,110,449.78	7,520,228.97	166,725,437.73
<b>Accumulated Depreciation</b>					
As at 1 January 2021	4,081,868.90	-	9,697,672.62	6,516,845.09	20,296,386.61
Depreciation	3,061,401.72	750,903.60	5,197,843.35	1,260,748.48	10,270,897.15
Transfer out – Building and equipment (see Note 9)	-	-	-	(4,056,468.83)	(4,056,468.83)
As at 31 December 2021	7,143,270.62	750,903.60	14,895,515.97	3,721,124.74	26,510,814.93
Depreciation	3,061,401.72	750,903.60	5,197,843.35	1,026,733.53	10,036,882.20
Transfer out – Building and equipment (see Note 9)	-	-	-	(1,213,936.91)	(1,213,936.91)
As at 31 December 2022	10,204,672.34	1,501,807.20	20,093,359.32	3,533,921.36	35,333,760.22
<b>Net Book Value</b>					
As at 31 December 2021	84,698,777.57	1,501,807.19	50,214,933.81	6,539,249.08	142,954,767.65
As at 31 December 2022	81,637,375.85	750,903.59	45,017,090.46	3,986,307.61	131,391,677.51

Depreciation for the years ended 31 December were included in

- Cost of sales and services
- Distribution costs
- Administrative expenses

Total

Baht	
2022	2021
6,847,632.75	6,847,632.75
227,114.84	360,210.55
2,962,134.61	3,063,053.85
<u>10,036,882.20</u>	<u>10,270,897.15</u>

The Company entered into a business collateral contract by bringing the leasehold right of land under the lease agreement against credit facilities from financial institutions (see Note 13).



## INTANGIBLE ASSETS

	Baht		
	Computer software	Computer software in progress	Total
<b>Cost</b>			
As at 1 January 2021	6,131,086.19	5,233.64	6,136,319.83
Purchases	332,975.04	95,760.00	428,735.04
Transfer / adjust	100,993.64	(100,993.64)	-
As at 31 December 2021	6,565,054.87	-	6,565,054.87
Purchases	87,760.00	-	87,760.00
As at 31 December 2022	6,652,814.87	-	6,652,814.87
<b>Accumulated Amortisation</b>			
As at 1 January 2021	2,419,834.82	-	2,419,834.82
Amortisation	913,793.79	-	913,793.79
As at 31 December 2021	3,333,628.61	-	3,333,628.61
Amortisation	824,079.34	-	824,079.34
As at 31 December 2022	4,157,707.95	-	4,157,707.95
<b>Net Book Value</b>			
As at 31 December 2021	3,231,426.26	-	3,231,426.26
As at 31 December 2022	2,495,106.92	-	2,495,106.92

Amortisation for the years ended 31 December were included in administrative expenses

As at 31 December

The cost of intangible assets before accumulated amortisation which have been fully amortised and still in use

Baht	
2022	2021
824,079.34	913,793.79
2,422,374.05	1,026,041.59



## NON-CURRENT FINANCIAL ASSETS PLEDGED AS COLLATERAL

Type of assets	Collateralised	Baht	
		2022	2021
Cash at bank	Credit facilities from financial institutions	250,000.00	23,434,278.79
Government bonds	Guarantee for electricity use	1,017,339.81	1,051,883.31
Debentures	Letter of guarantee for purchases of raw materials	5,000,000.00	5,000,000.00
Total		6,267,339.81	29,486,162.10



## SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

The details of the short-term borrowings from financial institutions were summarised as follows:

Type of credit	Credit line (Million Baht)		Referred interest rate (Percent)	Note	Collateral
	2022	2021			
Bank overdrafts	-	8	Fixed deposit	12	Cash at bank of the Company *
Bank overdrafts	-	35	MOR, Fixed deposit	4	Cash at bank of directors*
				4	Directors guarantee*
				12	Cash at bank of the Company *
Bank overdrafts	-	10	MOR	4	Directors guarantee*
Bank overdrafts	20	20	MOR	4	Directors guarantee*
				9	Building and building improvements
				10	Leasehold right of land
Promissory notes	-	20	Market price	4	Directors guarantee*
Promissory notes	-	20	Fixed deposit	4	Directors guarantee*
				9	Building and building improvements
				10	Leasehold right of land
Letter of credit	35	-	Fixed deposit	9	Building and building improvements
				10	Leasehold right of land

\* As a collateral in year 2021 only

The Company had credit lines for forward exchange contracts in the amount of Baht 100 million and USD 4 million.



## TRADE AND OTHER PAYABLES

	Baht	
	2022	2021
Trade payables	37,412,275.82	49,813,052.19
Accrued expenses	11,649,337.74	12,311,974.72
Revenue Department payable	1,209,826.72	2,693,223.22
Payables from purchases of assets	5,606,800.00	-
Other payables	523,255.21	70,520.01
Total	56,401,495.49	64,888,770.14



## BORROWINGS FROM FINANCIAL INSTITUTIONS

	Baht	
	2022	2021
Borrowings from financial institutions	6,946,000.00	11,346,000.00
Less: Current portion	(2,978,500.00)	(4,572,500.00)
Long-term borrowings from financial institutions	3,967,000.00	6,773,500.00

The details of the borrowings were summarised as follows:

Lender	Million Baht				Repayment within	Interest rate (Percent)	Repayment
	Credit line		Principal				
	2022	2021	2022	2021			
Bank	-	11	-	1	Oct. 2022	4	Monthly repayment Baht 0.15 million
Bank	4	4	1	2	Dec. 2023	3.5	Monthly repayment Baht 0.07 million
Bank	7	10	6	8	Nov. 2025	MLR-2.85	Monthly repayment Baht 0.17 million
Total			7	11			

Movements of borrowings from financial institutions for the years ended 31 December 2022 and 2021 were as follows:

	Baht	
	2022	2021
Beginning balance as at 1 January	11,346,000.00	24,141,596.69
Less: Repayments	(4,400,000.00)	(12,795,596.69)
Ending balance as at 31 December	6,946,000.00	11,346,000.00

The Company mortgaged partial machinery (see Note 9) as collateral for borrowings from financial institutions.

In year 2021, the Company's directors also guaranteed for such borrowings from financial institutions (see Note 4).

## 16 LEASE LIABILITIES

	Baht	
	2022	2021
Lease liabilities	110,162,021.42	125,425,148.62
Less: Current portion	(14,103,243.80)	(15,317,536.37)
Lease liabilities – net	96,058,777.62	110,107,612.25

Movements of lease liabilities for the years ended 31 December 2022 and 2021 were as follows:

	Baht	
	2022	2021
Beginning balance as at 1 January	125,425,148.62	142,916,345.75
Add: Increase from interest	4,642,006.79	5,238,944.12
Less: Repayments	(19,905,133.99)	(22,730,141.25)
Ending balance as at 31 December	110,162,021.42	125,425,148.62



The Company entered into the lease agreements of land, building and equipment for use in its operations, with the terms of the contracts between 3 years to 30 years.

In year 2021, the Company's directors guaranteed for partial lease liabilities (see Note 4).

Information about its leases for the years ended 31 December 2022 and 2021 consisted of:

	Baht	
	2022	2021
The lease agreement expenses recognised in profit or loss		
- Depreciation of right-of-use assets	10,036,882.20	10,270,897.15
- Interest expenses on lease liabilities	4,642,006.79	5,238,944.12
- Expenses relating to leases of low-value assets	255,018.50	269,015.90
- Expenses relating to short-term leases	-	20,000.00
Total	14,933,907.49	15,798,857.17
Cash outflows for payments of lease agreements	20,184,323.35	23,045,536.58

The Company had lease liabilities for minimum lease payments as at 31 December 2022 and 2021 consisted of:

Year	Baht					
	2022			2021		
	Present value	Deferred interest	Minimum lease payments	Present value	Deferred interest	Minimum lease payments
<b>Leases</b>						
Not over 1	11,192,173.17	3,908,546.18	15,100,719.35	12,520,442.32	4,392,842.35	16,913,284.67
1 - 5	4,870,406.56	14,141,608.24	19,012,014.80	15,225,562.40	14,560,071.61	29,785,634.01
Over 5	88,791,455.39	49,249,189.61	138,040,645.00	89,574,063.55	52,739,272.45	142,313,336.00
	104,854,035.12	67,299,344.03	172,153,379.15	117,320,068.27	71,692,186.41	189,012,254.68
<b>Sale and leaseback agreements</b>						
Not over 1	2,911,070.63	159,358.69	3,070,429.32	2,797,094.05	273,335.27	3,070,429.32
1 - 5	2,396,915.67	42,386.69	2,439,302.36	5,307,986.30	201,745.38	5,509,731.68
	5,307,986.30	201,745.38	5,509,731.68	8,105,080.35	475,080.65	8,580,161.00
<b>Total</b>						
Not over 1	14,103,243.80	4,067,904.87	18,171,148.67	15,317,536.37	4,666,177.62	19,983,713.99
1 - 5	7,267,322.23	14,183,994.93	21,451,317.16	20,533,548.70	14,761,816.99	35,295,365.69
Over 5	88,791,455.39	49,249,189.61	138,040,645.00	89,574,063.55	52,739,272.45	142,313,336.00
	110,162,021.42	67,501,089.41	177,663,110.83	125,425,148.62	72,167,267.06	197,592,415.68



## DEFERRED TAX

	Baht	
	2022	2021
Deferred tax assets	3,903,120.21	3,434,538.97
Deferred tax liabilities	(10,954,576.75)	(10,149,595.47)
Deferred tax liabilities – net	(7,051,456.54)	(6,715,056.50)

Movements of deferred tax assets and deferred tax liabilities during the years were as follows:

	Baht						
	At 1 January 2021	Profit (loss)	Other comprehensive loss	At 31 December 2021	Profit (loss)	Other comprehensive loss	At 31 December 2022
<b>Deferred tax assets</b>							
Inventories	312,315.14	79,229.71	–	391,544.85	266,846.28	–	658,391.13
Other current assets	–	10,154.87	–	10,154.87	(3,823.81)	–	6,331.06
Provisions	3,011,809.80	212,736.62	(191,707.17)	3,032,839.25	248,459.12	(42,900.35)	3,238,398.02
Total	3,324,124.94	302,121.20	(191,707.17)	3,434,538.97	511,481.59	(42,900.35)	3,903,120.21
<b>Deferred tax liabilities</b>							
Building and equipment	(1,186,604.28)	(650,421.41)	–	(1,837,025.69)	(662,311.40)	–	(2,499,337.09)
Right-of-use assets	(8,087,574.24)	147,171.14	–	(7,940,403.10)	(107,911.74)	–	(8,048,314.84)
Intangible assets	(324,296.86)	(47,869.82)	–	(372,166.68)	(34,758.14)	–	(406,924.82)
Total	(9,598,475.38)	(551,120.09)	–	(10,149,595.47)	(804,981.28)	–	(10,954,576.75)



## PROVISIONS FOR EMPLOYEE BENEFITS

Movements of the present value of provisions for employee benefits for the years ended 31 December 2022 and 2021 were as follows:

	Baht	
	2022	2021
Beginning balance as at 1 January	15,164,196.21	15,059,049.03
included in profit or loss:		
Current service cost	1,267,666.59	1,289,073.26
Interest cost	339,955.08	219,941.77
included in other comprehensive income:		
Actuarial (gain) loss arising from		
Financial assumptions changes	(1,230,903.13)	(1,287,383.56)
Experience adjustments	1,016,401.40	328,847.71
Benefits paid during the year	(365,326.00)	(445,332.00)
Ending balance as at 31 December	16,191,990.15	15,164,196.21

The Company made defined benefit plan in accordance with severance payment as the labor law which entitled retired employee within work service period in various rates, such as employees who have worked for an uninterrupted period of 20 years or more, with such employees entitled to receive not less than 400 days of the last month salary.

The principal assumptions used in determining provisions for employee benefits on an actuarial basis (expressed as weighted averages) as follows:

	2022	2021
Discount rate	3.06%	2.29%
Salary increase rate	5%	5%
Turnover rate	3.82% – 45.84%	3.82% – 45.84%
Retirement age	60 years	60 years
Mortality rate	105% of Thai Mortality Ordinary Table 2017	105% of Thai Mortality Ordinary Table 2017

As at 31 December 2022, the Company expected to pay post-employment benefits during the next year in the amount of Baht 0.74 million.

As at 31 December 2022 and 2021, the weighted average duration of the liabilities for post-employment benefits is approximately 13 years.

The result of sensitivity analysis for significant assumptions that affect the present value of the employee benefit obligations as at 31 December 2022 and 2021 are summarised belows:

	Baht			
	2022		2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% Movement)	(1,425,571.25)	1,636,241.82	(1,438,654.76)	1,662,017.62
Salary increase rate (1% Movement)	1,573,401.24	(1,400,544.99)	1,583,896.06	(1,402,348.18)
Turnover rate (20% Movement)	(1,561,343.77)	1,866,297.50	(1,606,286.15)	1,945,825.30
Mortality rate (20% Movement)	(170,183.73)	172,458.83	(168,477.63)	170,801.93



## SHARE CAPITAL

### Year 2021

At the Extraordinary General Meeting of Shareholders held on 31 August 2021, the resolutions were passes as follows:

1. Convert the Company's status to be a public company limited and change the Company's name from "Sahathai Printing and Packaging Company Limited" to "Sahathai Printing & Packaging Public Company Limited".

2. Change the par value of share capital from the par value of Baht 100 each to Baht 1 each.

3. Increase in authorised share capital from Baht 3 million to Baht 100 million by issuing new 97 million ordinary shares with the par value of Baht 1 each and allot new ordinary shares as follows:

3.1 To allot new ordinary shares of 71.60 million shares for right offering to the existing shareholders in the same proportion before Initial Public Offering at the offering price of Baht 1 per share.

3.2 To allot new ordinary shares of 25.40 million shares for Initial Public Offering.

4. Propose to be listed on the Stock Exchange of Thailand in Market for Alternative Investment.

On 17 September 2021, the Company registered to convert the Company's status to be a public company limited, change the par value of share capital and increase in authorised share capital with the Ministry of Commerce.

On 28 September 2021, the Company registered to change paid-up share capital from Baht 3 million to Baht 74.60 million with the Ministry of Commerce.

### Year 2022

At the Extraordinary General Meeting of Shareholders held on 6 May 2022, resolutions were passed to allot ordinary shares of the Company 25.40 million shares, in proportion as follows:

- Initial public offering not more than 24.30 million shares, divided into:

1. Persons and institutional investors under judgements by the Underwriter in 20.49 million shares, 80.67% of offering ordinary shares.

2. Sponsors of the Company in 3.81 million shares, 15% of offering ordinary shares.

- Employees of the Company not more than 0.70 million shares, 2.76% of offering ordinary shares.

- Persons related to the Company are directors and management of the Company not more than 0.40 million shares, 1.57% of offering ordinary shares.

By assigning the Executive Committee or persons designated by the Executive Committee is authorised to proceed with the offered the newly-issued ordinary shares.

During 2 – 7 June 2022, the Company offered the newly-issued ordinary shares consisted of:

1. Offered to persons under judgements by the Underwriter of 21.67 million of new shares with a par value of Baht 1 each, at an offering price of Baht 18 per share, amounting to Baht 390.05 million.

2. Offered to institutional investors under judgements by the Underwriter of 2.50 million of new shares with a par value of Baht 1 each, at an offering price of Baht 18 per share, amounting to Baht 45 million.

3. Offered to sponsors of the Company of 0.53 million of new shares with a par value of Baht 1 each, at an offering price of Baht 18 per share, amounting to Baht 9.56 million.

4. Offered to directors, management and employees of the Company of 0.70 million of new shares with a par value of Baht 1 each, at an offering price of Baht 18 per share, amounting to Baht 12.59 million.

Subsequently, on 8 June 2022, the Company received full payment of the additional capital and then registered the increase of its paid-up share capital from Baht 74.60 million (74.60 million ordinary shares with a par value of Baht 1 each) to Baht 100 million (100 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on the same date. The Market for Alternative Investment approved the 100 million ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted as from 14 June 2022. The Company incurred expenses relating to the share offering of approximately Baht 14.05 million and these expenses were recorded as a deduction against premium on share capital.



## SHARE PREMIUM

Section 51 of the Public Limited Companies Act B.E. 2535 requires companies to set aside share subscriptions received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.



## LEGAL RESERVE

According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside 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 share capital. The legal reserve could not be used for dividend payment.



## DIVIDEND PAYMENT

### Year 2021

At the Ordinary General Meeting of Shareholders held on 24 March 2021, a resolution was passed authorising the payment of dividend at the rate of Baht 373.33 per share, in the total amount of Baht 11.20 million.

At the Board of Directors’ Meeting held on 13 August 2021, the resolutions was passed authorising the payment of interim dividend at the rate of Baht 2,655 per share, in the total amount of Baht 79.65 million. Subsequently, the Extraordinary General Meeting of Shareholders held on 31 August 2021 acknowledged the payment of interim dividend.

### Year 2022

At the Ordinary General Meeting of Shareholders held on 31 March 2022, a resolution was passed authorising the payment of dividend at the rate of Baht 1.88 per share, in the total amount of Baht 140 million.

At the Board of Directors’ Meeting held on 15 August 2022, a resolution was passed authorising the payment of interim dividend at the rate of Baht 0.20 per share, in the total amount of Baht 20 million.



## OTHER INCOME

	Baht	
	2022	2021
Income from sales of scrap materials	18,398,551.80	16,688,322.55
Interest income	1,602,656.67	257,959.26
Gain on disposal of assets	-	521,199.15
Others	994,926.22	747,647.21
Total	20,996,134.69	18,215,128.17



## EXPENSES BY NATURE

	Baht	
	2022	2021
Purchases of goods	227,448,418.03	247,181,575.25
Changes in inventories	(1,506,055.88)	(33,649,628.67)
Employee expenses	103,127,404.60	102,801,995.87
Depreciation and amortisation	33,381,470.72	36,727,522.95
Utility expenses	6,762,383.15	5,749,414.35
Rental and service expenses	7,066,449.49	4,394,931.94
Interest expenses	5,195,686.75	6,297,974.50



## PROVIDENT FUND

The Company and its employees jointly registered a provident fund scheme under the Provident Fund Act B.E. 2530. The fund is contributed to by both the employees and the Company. The fund is managed by TISCO Asset Management Company Limited. This fund is registered under the conditions of Ministry of Finance and the fund is managed by the approved fund manager.





## INCOME TAX

Tax expense recognised in profit or loss for the years ended 31 December 2022 and 2021 were as follows:

		Baht	
		2022	2021
<b>Current tax</b>			
Current year		(22,377,282.88)	(29,775,089.38)
<b>Deferred tax</b>			
Movement in temporary differences		(293,499.69)	(248,998.89)
Tax expense		<u>(22,670,782.57)</u>	<u>(30,024,088.27)</u>

Income tax recognised in other comprehensive income for the years ended 31 December 2022 and 2021 as follows:

		Baht	
		2022	2021
Gains on re-measurements of defined benefit plans		<u>(42,900.35)</u>	<u>(191,707.17)</u>

### Reconciliation of effective tax rate

		2022		2021	
		Tax rate (%)	Baht	Tax rate (%)	Baht
Profit before income tax			<u>132,315,924.57</u>		<u>153,808,014.27</u>
Income tax using the corporate tax rate	20		(26,463,184.91)	20	(30,761,602.85)
Expenses not deductible for tax purposes			(1,908,387.47)		(1,814,498.62)
Tax exempted revenue			93,425.50		-
Addition expenses deductible for tax purposes			<u>5,900,864.00</u>		<u>2,801,012.09</u>
Current tax	17		(22,377,282.88)	19	(29,775,089.38)
Movement in temporary differences			(293,499.69)		(248,998.89)
Tax expense	17		<u>(22,670,782.57)</u>	20	<u>(30,024,088.27)</u>



## 27 COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2022, the Company had commitments and contingent liabilities as follows:

27.1 Commitments for payments under service agreements in the amount of Baht 0.60 million and Baht 0.10 million per month.

27.2 Commitments for consulting agreement with related person in the amount of Baht 0.30 million per month.

27.3 Commitments for consulting agreement with other person in the amount of Baht 0.08 million.

27.4 Capital commitments for building construction contracts and purchases of assets in the amount of Baht 42.31 million and Euro 2.66 million.

27.5 Commitments for foreign currency forward contracts with commercial banks (see Note 29).

27.6 Commitments for unused letter of credit in the amount of Baht 35.06 million.



## 28 SEGMENT INFORMATION

Operating segment information is reported in a manner consistent 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 the directors of the Company.

The Company operates the business of printing paper boxes and all types of publications. Therefore, Management considers that the Company operates in a single line of business and operates in a single geographic area, namely in Thailand.

Revenue from sales and services for the years ended 31 December 2022 and 2021 consisted of:

	Baht	
	2022	2021
Revenue from sales	522,734,498.26	547,263,296.12
Revenue from services	18,841,596.12	14,071,392.55
Total	541,576,094.38	561,334,688.67

### Information about major customers

For the year ended 31 December 2022, the Company has revenue from 2 major customers in the amount of Baht 247.44 million (year 2021: 3 major customers in the amount of Baht 339.76 million) from sales segment.



## FINANCIAL INSTRUMENTS

### Financial risk management

The Company's financial instruments, as defined under Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosure", principally comprise cash and cash equivalents, trade and other receivables, other current financial assets, non-current financial assets pledged as collateral, trade and other payables, borrowings from financial institutions and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described belows:

### Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

### Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company does not have significant concentration of credit risk. The Company's management manages the risk by adopting credit control policies and procedures. Therefore, the Company does not expect to incur material financial loss. The maximum exposure to credit risk is limited to the carrying amount of receivables less allowance for expected credit losses as stated in the statement of financial position.

### Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the Company incurring a financial loss.

The Company manages liquidity risk through monitoring and planning of its cash flows, including the arrangement of credit facilities with financial institutions, in order to ensure that it will have sufficient funds for its operations.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted cash flows:

	Thousand Baht			
	As at 31 December 2022			
	Not over 1 year	1 – 5 years	Over 5 years	Total
<b>Non-derivative financial liabilities</b>				
Trade and other payables	55,878	–	–	55,878
Borrowings from financial institutions	2,978	3,968	–	6,946
Lease liabilities	18,171	21,451	138,041	177,663
	Thousand Baht			
	As at 31 December 2021			
	Not over 1 year	1 – 5 years	Over 5 years	Total
<b>Non-derivative financial liabilities</b>				
Trade and other payables	64,889	–	–	64,889
Borrowings from financial institutions	4,573	6,773	–	11,346
Lease liabilities	19,984	35,295	142,313	197,592

## Market risk

The Company is exposed to fluctuations in interest rates and foreign exchange rates. The Company had risk management policies as follows:

## Interest rate risk

Interest rate risk is the uncertainty in value of financial assets and financial liabilities or net interest income as a result of the fluctuation of the market interest rate.

Most of the interest rates of financial assets and financial liabilities of the Company are floating rates, which are based on market rates such as the interest rate for the outstanding clients of commercial banks, savings interest rate or other benchmark floating rates.

Significant financial assets and financial liabilities classified by type of interest rates are summarised in the table belows:

As at 31 December 2022					
Thousand Baht					
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	9,706	-	9,185	18,891	0.15 - 0.35
Trade and other receivables	-	-	69,140	69,140	-
Other current financial assets	-	172,210	154,467	326,677	1.50
Non-current financial assets pledged as collateral	250	6,017	-	6,267	0.25 - 3.63
<b>Financial liabilities</b>					
Trade and other payables	-	-	56,401	56,401	-
Borrowings from financial institutions	6,210	736	-	6,946	3.50 - 4.40
Lease liabilities	-	110,162	-	110,162	3.72 - 4.91
As at 31 December 2021					
Thousand Baht					
	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Interest rate (%)
<b>Financial assets</b>					
Cash and cash equivalents	9,636	-	12,148	21,784	00.05 - 0.13
Trade and other receivables	-	-	105,720	105,720	-
Non-current financial assets pledged as collateral	250	29,236	-	29,486	0.05 - 3.75
<b>Financial liabilities</b>					
Trade and other payables	-	-	64,889	64,889	-
Borrowings from financial institutions	8,280	3,066	-	11,346	3.50 - 4.00
Lease liabilities	-	125,425	-	125,425	3.72 - 5.11

### Foreign currency risk

The Company's exposure to foreign currency risk arised mainly from purchases of machine in foreign currency.

The Company has outstanding foreign currency forward contracts as follows:

As at 31 December 2022			
Bought amount	Sold amount	Contractual exchange rate (Baht per 1 foreign currency unit)	Maturity
EUR 2.66 million	Baht 98.17 million	36.59 – 37.10	8 – 9 May 2023

### Fair value

The carrying value and fair value of financial assets and financial liabilities were as follows:

	Thousand Baht			
	As at 31 December 2022			
	Carrying value			Fair value
	Fair value through profit or loss	Amortised cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	–	18,891	18,891	18,891
Trade and other receivables	115	69,025	69,140	69,140
Other current financial assets	154,467	172,210	326,677	326,677
Non-current financial assets pledged as collateral	–	6,267	6,267	6,320
<b>Financial liabilities</b>				
Trade and other payables	523	55,878	56,401	56,401
Borrowings from financial institutions	–	6,946	6,946	6,946
Lease liabilities	–	110,162	110,162	110,162

	Thousand Baht			
	As at 31 December 2021			
	Carrying value			Fair value
	Fair value through profit or loss	Amortised cost	Total	
<b>Financial assets</b>				
Cash and cash equivalents	-	21,784	21,784	21,784
Trade and other receivables	-	105,720	105,720	105,720
Non-current financial assets pledged as collateral	-	29,486	29,486	29,670
<b>Financial liabilities</b>				
Trade and other payables	-	64,889	64,889	64,889
Borrowings from financial institutions	-	11,346	11,346	11,346
Lease liabilities	-	125,425	125,425	125,425



## FAIR VALUE HIERARCHY

The Company had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

	Thousand Baht			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Foreign currency forward contracts	-	115	-	115
Securities for trading	-	154,467	-	154,467
<b>Liabilities measured at fair value</b>				
Foreign currency forward contracts	-	523	-	523

### Valuation techniques and inputs to Level 2 valuation

The fair value of investments in investment units those are not listed on the Stock Exchange of Thailand is determined by using the net asset value per unit as announced by the management company.

The fair value of derivatives has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies and interest rate yield curves.

During the year, there were no transfers within the fair value hierarchy.



### EVENT AFTER THE REPORTING PERIOD

The Board of Directors' Meeting held on 24 February 2023, a resolution was passed to propose in the Ordinary General Meeting of Shareholders to approve the payment of a dividend at the rate of Baht 0.25 per share, in the total amount of Baht 25 million.



### APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements have been approved for issue by the Company's Board of Directors on 24 February 2023.



**Details of the board of directors, executives, and the authorized person in charge with ultimate responsibility for accounting and finance functions, the person who is directly responsible for controlling and overseeing the accounting functions, and the company secretary.**

Details of the board of directors, executives, and the authorized person in charge with ultimate responsibility for accounting and finance functions, the person who is directly responsible for controlling and overseeing the accounting functions, and the company secretary.

Name and Position	Age (years)	Educational Qualification and Training Attended	Shareholding percentage in the company <sup>(a)</sup>	The family relationship between the board of directors and other executives.	Work history		
					Period of time	Position	Organization/Company/ Business Type
1. Mr.Sawong Dhangwatnotai Chairman of the Board Independent Director Audit Committee	71	-Master of Engineering Administration(Marketing), George Washington University, USA -Bachelor of Engineering in Mechanical Engineering, Chulalongkorn University -DAP 18/2004	0.12%	-	2017 – current	Director	Vita Health & Beauty Co.,Ltd.
					2015 – current	Director	Chanawat Holdings Co.,Ltd.
					2015 – current	Director	Tekatanya Co.,Ltd.
					2012 – current	Director	UBIS ALL Co.,Ltd.
					2018 – 2022	Director	Good Doctor Co.,Ltd.
					2016 – 2022	Director	Best Fortune Asset Co.,Ltd.
					2007 – 2015	Chairman of the Board	UBIS (ASIA) Public Company Limited
					1997 – 2007	Director and Managing Director	UBIS (ASIA) Co.,Ltd.

Name and Position	Age (years)	Educational Qualification and Training Attended	Shareholding percentage in the company <sup>(a)</sup>	The family relationship between the board of directors and other executives.	Work history		
					Period of time	Position	Organization/Company/ Business Type
2. Mr.Thanadech Mahapokai Independent Director Chairman of the Audit Committee (has knowledge in accounting)	63	- Master's degree in Business Administration, from Thammasat University. - Bachelor's degree in Business Administration, major in Marketing, from Thammasat University. - DCP 35/2003 - ACP 10/2005 - MIR 1/2007 - MIR 2/2008 - RMP 4/2014	0.12%	-	2022 - current	Independent Director / Audit Committee	Advanced Connection Corporation Public Company Limited.
					2013 - current	Director	Worluk Property Public Company Limited
					2000 - current	Independent Scholar	-
					2010 - 2021	Director	T Engineering Corporation Public Company Limited
					2003- 2014	Audit Committee	International Research Corporation Public Company Limited
					1999 - 2000	Director of Credit Division.	Book Club Finance PCL / Financing
					1996 - 1999	Director of Domestic Institutional Securities.	Book Club Finance PCL / Financing
					1994 - 1996	Director of Securities and Economic Analysis Department	Siam City Credit Finance & Securities PCL / Financing
					1993 - 1994	Assistant Director of Business Development, Securities Department	Nava Finance And Securities Public Company Limited/ Financing

Name and Position	Age (years)	Educational Qualification and Training Attended	Shareholding percentage in the company <sup>(a)</sup>	The family relationship between the board of directors and other executives.	Work history		
					Period of time	Position	Organization/Company/ Business Type
3. Mr.Somchat Baramichai Independent Director Audit Committee	72	- Master's degree in Business Administration from Thammasat University. - Diploma in Engineering from Delft University of Technology, Netherlands. Bachelor's degree in Engineering from Chulalongkorn University - DCP 114/2009	0.12%	-	2012 – 2014	Deputy Managing Director, Operations.	Central Pattana PCL/ Real Estate Development.
					2006 – 2011	Executive Director / Nomination Committee	TBSP PCL / Publishing
					2005 – 2009	Managing Director	Siam Packaging and Printing Co.,Ltd./ Packaging
					2004 – 2005	Managing Director	Phoenix Pulp & Paper PCL / Finch Pulp & Paper
					2002 – 2004	Director of Marketing	Siam Kraft Industry Company Limited./ Packaging
					1995 – 2002	Director / General Manager	Siam Packaging and Printing Co.,Ltd./ Packaging
4. Ms.Amornrat Rotwongjarat Director (Authorized Signatory)	85	- Junior High School, Wat Khonikaphon School - DAP 151/2018	18.65%	Older sibling of (5) aunt of (6)-(10)	2008 – current	Director	Thai Forest Products Co., Ltd./ Food
					1988 – 2019	Chairman of the Board	Sahathai Printing and Packaging Co., Ltd. / Packaging
5. Mr.Surasak Rojwongcharas Director (Authorized Signatory) Advisor to the Chief Executive Officer	74	- Bachelor of Engineering in Engineering, Chulalongkorn University. - DAP 151/2018	4.14%	Younger sibling of (4), Father of (6) and (10), Uncle of (7)-(9)	2017 – current	Director	Mega Capital Co.,Ltd./ Financing
					1988 – 2019	Managing Director	Sahathai Printing and Packaging Co., Ltd. / Packaging
					1982 – 1990	Factory Manager	Sahathai Printing and Packaging Limited Partnership / Packaging
6. Mr.Suranai Rojwongcharas Director Executive director Chief Executive Officer	44	- Bachelor of Engineering in Engineering, Chulalongkorn University. - Master of Science in Accounting, University of Illinois, Chicago, USA - Master's Degree in Business Administration, University of Illinois, Chicago, USA. - DAP 151/2018 - BNAP 8/2019	7.46%	The nephew of (4),the child of (5),the older sibling of (10), and the cousin of (7)-(9).	2018 – current	Director	Somwangdee Land Co., Ltd./ real estate
					2008 – current	Director	Thai Forest Products Co., Ltd./ Food
					2008 – 2019	Factory Manager	Sahathai Printing and Packaging Co., Ltd. / Packaging

Name and Position	Age (years)	Educational Qualification and Training Attended	Shareholding percentage in the company <sup>(a)</sup>	The family relationship between the board of directors and other executives.	Work history		
					Period of time	Position	Organization/Company/ Business Type
7. Mrs.Nisachol Chaiyawat Director (Authorized Signatory) Executive director Deputy Chief Executive Officer	55	-Bachelor's degree in Business Administration from Bangkok University. -DAP 151/2018 -BNCP 8/2019	5.33%	Niece of (4)-(5), sibling of (8)-(9), and cousin of (6) and (10).	1992 – 2019	Assistant to Managing Director	Sahathai Printing and Packaging Co., Ltd. / Packaging
					1992 – 2016	Assistant to Managing Director	Thai Paper Cartons Co., Ltd./ Packaging
					1987 – 1992	Sales Manager	Sahathai Printing and Packaging Co., Ltd. / Packaging
8. Mr.Prasert Rojwongjaras Director Executive director Chief Technology Officer	44	-Master's degree in International Business Management, University of Surrey, UK. -Bachelor's degree in Accounting Information Technology, Chulalongkorn University -DAP 151/2018	5.33%	Nephew of (4)-(5), sibling of (7) and (9), and cousin of (6) and (10)	2018 – current	Director	Somwangdee Land Co., Ltd.
					2018 – current	Director	Amber Internet Co.,Ltd.
					2008 – current	Director	Thai Forest Products Co., Ltd./ Food
					2000 – 2019	Director	Sahathai Printing and Packaging Co., Ltd. / Packaging
9. Mr.Prasong Rojwongjaras Director Executive director Chief Operating Officer	41	-Master's degree in Business Administration, University of Washington, USA -Master of Laws, University of Washington, USA. -Master's degree in Law, Chulalongkorn University. -Bachelor of Laws, Thammasat University. -DAP 151/2018	5.33%	Nephew of (4)-(5) Siblings of (7)-(8) Cousin of (6) and (10)	22018 – current	Director	Somwangdee Land Co., Ltd.
					2014 – 2019	Director	Sahathai Printing and Packaging Co., Ltd. / Packaging
10. Ms.Harueithai Rojwongcharas Executive director Chief Commercial Officer	40	-Master of Science in Human Resource, Loyola University Chicago, USA -Bachelor's degree in Business English from Assumption University	7.46%	Niece of (4) Child of (5) Younger sibling of (6) and cousin of (7)-(9)	2013 – 2019	Sales and Marketing Manager	Sahathai Printing and Packaging Co., Ltd. / Packaging

Name and Position	Age (years)	Educational Qualification and Training Attended	Shareholding percentage in the company <sup>(A)</sup>	The family relationship between the board of directors and other executives.	Work history		
					Period of time	Position	Organization/Company/ Business Type
11. Mr.Surachai Tarawatanatham <sup>(B)</sup> Executive director  Chief Financial Officer	56	-Bachelor's degree in Accounting from Thammasat University -Attended the CFO's Orientation for New IPOs (5th batch) total 12 hours, a training course on accounting and finance readiness preparation (Orientation)	0.001%	-	2003 – current	Director	Jantratham Limited Partnership
					2016 – 2017	Director of Accounting	Leo Technology and Marketing Co., Ltd. / Product Distributor
					2012 – 2015	Director of Accounting	TQM Insurance Broker Co., Ltd./ Insurance Broker
					2001– 2012	Director of Planning and Budgeting and Senior Manager of Accounting and Finance.	Black Canyon (Thailand) Co., Ltd. / Food and beverage.
12. Ms. Sunanta Sae-ang <sup>(C)</sup> Accounting Manager	51	-Bachelor's Degree in Accounting, Rajabhat Bansomdejchaopraya University. -Continuing Professional Development (CPD) training on accounting focusing on key practical issues of TFRS 9 and TFRS 16, and a course on tips for accurately preparing cash flow statements. Completed all 13 hours of training.	0.001%	-	22013 – 2016	Manager of Accounting	Seven Five Distributor Co., Ltd., responsible for product distribution."
					2012 – 2013	Manager of Accounting and Finance.	Thai Metal Products Industries Co., Ltd., a company that manufactures gas cylinders
					2000 – 2010	Manager of Accounting and Finance.	Siam Part Produc Co., Ltd., a company engaged in product distribution.
13. Ms.Nipa Chawsmun Company Secretary	35	-Bachelor's degree in Accounting,Burapha University	0.03%	-	2010–2020	Assistant Auditor	C&A Audit Office Co.,Ltd.

Note :

(A) The proportion of shareholding of the Company as of December 31, 2022

(B) Mr.Surachai Tarawatanatham has been assigned to be responsible for the highest level of accounting and finance functions.

(C) Ms. Sunanta Sae-ang has been directly assigned to be responsible for controlling and overseeing the accounting function.

## 2. Position of directors, executives, and persons in control.

Name	Company	Company Related										
		1	2	3	4	5	6	7	8	9	10	11
1. Mr.Sawong Dhangwatnotai	X, ID, A			D	D	D		D				
2. Mr.Somchat Baramichai	D,ID, A											
3. Mr.Surasak Rojwongcharas	D								D			
4. Ms.Amornrat Rotwongjarat	D	D										
5. Mr.Suranai Rojwongcharas	D, Ex	D	D									
6. Mrs.Nisachol Chaiyawat	D, E											
7. Mr.Praserit Rojwongjaras	D, E	D	D								D	
8. Mr.Prasong Rojwongjaras	D, E		D									
9. Mr.Thanadech Mahapokai	D, ID, Ax						ID			D		
10. Ms.Harueithai Rojwongcharas	E											
11. Mr.Surachai Tarawatanatham	E											D

According to the resolution passed at the 1/2566 on February 24, 2023, it was resolved to appoint Mr. Sawong Dhangwatnotai as Chairman of the Board of Directors, replacing Mr. Somchat Baramichai, effective from February 25, 2023 onwards.

Note :

X = Chairman of the Board  
D = Director

Ex = Chief Executive Officer  
E = Executive director

Ax = Chairman of the Audit Committee  
A = Audit Committee

ID = Independent Director

company list

1. Thai Forest Products Co., Ltd.  
2. Somwangdee Land Co., Ltd.  
3. UBIS ALL Co.,Ltd.  
4. Chanawat Holdings Co.,Ltd.

5. Tekatanya Co.,Ltd.  
6. Advanced Connection Corporation Public Company Limited.  
7. Vita Health & Beauty Co.,Ltd.  
8. Mega Capital Co.,Ltd.

9. Worluk Property Public Company Limited  
10. Amber Internet Co.,Ltd.  
11. Jantratham Limited Partnership

## 3. History of punishment of board members, executives, and persons in control over the past 5 years:

N/A

## Detail of Internal Audit and Operations Supervisor Head

The company has outsourced its internal audit function to an external organization, Dharmniti Co., Ltd. since 2019. Dharmniti Co., Ltd. is responsible for performing internal control audits for the company. The Head of Internal Audit has been appointed by Dharmniti Co., Ltd. to lead the internal audit team.

	Data
Name	Ms.Korakot Wanasawat
Position	Head of Internal Audit
Educational qualifications	-Bachelor of Science Program in Computer Science, King Mongkut's University of Technology North Bangkok -Bachelor of Business Administration, majoring in Accounting, Ramkhamhaeng University
Licenses and Diplomas	-Certified Professional Internal Auditor Thailand (CPIAT) -Certified Internal Auditor (CIA)
Work Experience	2016 - current Vice President, Dharmniti Internal Audit Co., Ltd 2003 - 2016 Internal Audit Department/ Dharmniti Auditing Co.,Ltd.
Training	-COSO 2013 course: Theory and Practice. -IT Audit Course of The Institute of Internal Auditors of Thailand. -CPIAT course -IA Standards and Internal Audit Process Improvement -Anti- Corruption Section -Asian Confederation of Insitutes of Internal Auditors (ACIIA) Conference 2016 -The Power of Professional Alliances -Leading IA in the ERA of Digital Disruption -CAC SME Certification -Transforming IA for the Digital Age -Introduction to COBIT 2019 -CAE Forum 2019 -Smart IA in The Digital World 2020 -Quality Assurance Review (QAR)

The company has appointed Ms. Nipa Chawsamun to monitor the implementation of each department's action plan based on the internal audit results and recommendations, and to report to the Audit Committee on a quarterly basis. Each department's top management is responsible for overseeing their respective departments' operations to ensure compliance with good internal control practices.

## Details of the property appraisal list

Appraised assets	Appraised value (Baht)	Primary appraiser	Valuation approach	Date of property valuation
1. Land area: 25 rai 89 square wah Property location: 6 Mu 3 Taling Chan-Suphan Buri Rd., Na mai, Ladlumkaeo, Pathum Thani Property owner: Somwangdee Land Co., Ltd.	Rent amount: 3,531,150 baht per year.	Mr. Chittichai Niruntraporn	Market Approach	January 16, 2019
2. Leased office space rights (partially): 302.315 square meters Property location: 200/1 Soi Jaransanitwong 42 Jaransanitwong Road, Bangyeekhan, Bangplad, Bangkok Applicant for building construction permission: Mr. Wirot Rojwongjarat	Rent amount: 66,509 baht per month.	Mr. Pornchai Manomaiwachi	Market Approach	October 26, 2020

Note: Pornsiam Consultant and Service CO., LTD. is the property appraiser in all of the above reports, prepared for public purposes.





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