



**56-1 ONE REPORT**

**ANNUAL REPORT 2021 | MALEE GROUP PCL.**





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# CONTENTS

4	Message from Chairman
8	Business Operations and Financial Results
<b>BUSINESS OPERATIONS AND FINANCIAL RESULTS</b>	
<hr/>	
12	Company Policy and Business Overview
15	Nature of Business
32	Quality Assurances and Awards
35	Shareholding Structure
39	Risk Management
43	Driving Business for Sustainability
60	Management Discussion and Analysis: MD&A
69	General Information and Important Information
<b>CORPORATE GOVERNANCE</b>	
<hr/>	
76	Corporate Governance
117	Organization Chart, the Board of Directors Profiles, Sub-committee, Executives and Employees, etc.
148	Report on Key Performance in Corporate Governance
154	Internal Control and Related Transactions
<b>FINANCIAL STATEMENT</b>	
<hr/>	
159	Financial Statement
174	Consolidated Financial Statements
<b>ENCLOSURE</b>	
<hr/>	
232	Enclosure 1 Information of Directors, Management, Authorized person and Secretary of the Company
239	Enclosure 2 Information of the Board of Directors of Subsidiaries
242	Enclosure 3 Information of Chief Internal Auditor and Chief of Compliance Unit
243	Enclosure 4 Information of Appraised Value of Assets
244	Enclosure 5 Audit Committee Report
246	Enclosure 6 Nomination and Remuneration Committee Report
247	Enclosure 7 Executive Committee Report
248	Enclosure 8 Risk Management Committee Report
250	Enclosure 9 Charter



Malee's focus is on the health and well-being of everyone and everything around us because we believe that being healthy means that you can be at your best. And when you're at your best, you can live life to its fullest.

Malee grows together with our consumers, so they stay healthy and happy. We grow together with our employees, so we can achieve success in our careers and lives.

We grow together with the farmers that grow our food, so they are proud of their work and maintain a great quality of life. And we grow together with the environment, which needs to flourish and remain with us for generations to come. As a company, Malee Group must continue to grow and become stronger so that we can in turn take care of more.

Because by "Growing Well Together," we will all prosper together.





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**Mrs. Chintana Boonyarat**  
Chairman of the Board of Directors  
Malee Group Public Company Limited



## MESSAGE FROM CHAIRMAN

Over the past two years, we have faced two important and challenging situations: the pandemic of coronavirus disease 2019 (COVID-19); which is a new challenge that our generation has never encountered before; and the escalating trade war between the United States and the People's Republic of China. These factors resulted in the change of demand and supply of both businesses and people.

The slowdown in the business sector has affected many businesses, and the Company is a part that has been affected as well. All of these critical situations have given challenges to the Company's operations and the result was that the Company's financial performance has not met our expectations. However, the Company never surrenders to the challenges and always looks for ways to turn these challenges into opportunities. With the Company well-laid foundation, directions, and strategies for doing business in many dimensions; both in terms of management, diversification of risks by Business portfolio diversification, and the experience of executives and employees; the Company has flexibility to quickly deal with the situation that emerged.

In terms of management, during the past year to the present, the Company has closely monitored the situation of the COVID-19 pandemic to assess the impact on businesses throughout the supply chains. The first concern that the Company has always focused on is the safety of employees and consumers. The Company has implemented various measures and adjusted the ways of working efficiently, while also managed the appropriate cost. This was partly due to the business continuity management plan that the company has set up in the system, experiences of executives

and employees, and the readiness of information technology. These factors make it possible to deal with situations quickly and with high efficiency. As a result, the Company has been able to greatly manage costs and expenses in every segment with better gross margin and net profit margin.

In terms of business portfolio diversification, the Company has a vision of not relying too much on any client, any type of product, or any country. When there has been a decline in domestic demand in the past two years due to the impact of COVID-19, as for the Company's own branded products, we have focused more on the export market by doing marketing activities with existing clients and search for new markets. In addition, the Company has been seeking more sales in the contract manufacturing business (CMG), both domestically and internationally, by dealing with existing clients who want to release new products and searching for new clients. This year, the Company has begun manufacturing and delivering to such new clients.

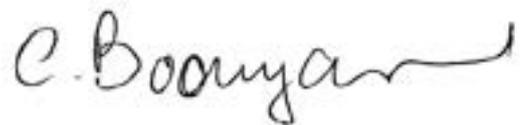
However, the Company has not focused only on solving specific problems of financial performance. The Company has taken this opportunity to prepare for the upcoming economic recovery by developing our personnel and improving the machines all the time, managing costs and expenses, applying lean/six sigma in organization for more efficient works, adjusting to modern works, etc. The aim was to allow the Company and its employees to overcome these challenging times and be ready for the opportunities ahead.

The Company has also contributed to the community such as donating goods to various charities throughout the year as well as donating other good quality products that cannot be sold due to commercial terms. The 220,848 kilograms of products that are normally put to landfill are equivalent to 927,567 meals. The Company are able to reduce the 559,740 kilograms of carbon emissions generated from food (Co2e or Co2 Equivalence) if the products are buried in the landfill.

As for our awards and pride, the Company has had a policy of conducting business with responsibility and integrity for decades. The Company values corporate governance and good management and realizes the importance of operating business with social and environmental responsibility with adherence to good corporate governance.

(Environment, Social and Governance: ESG), that is, managing with fairness, being transparent, able to be checked in order to increase competitiveness and management efficiency. The Company has initiated a number of projects with focuses on sustainability. Our efforts are widely recognized by clients, consumers and society. Non-financial information has been disclosed. A more proactive adjustment of the Board of Directors' leadership has been done. The Company deals with various risk management matters and strictly complied with anti-corruption policy including disclosing this matter to third parties and received cooperation from all suppliers to declare their intentions to fight against corruption together with the Company. This marks a significant step in the development of the CG (Corporate Governance) standard. As a result, in 2021, the Company was certified for the renewal of its membership of the Thai Private Sector Collective Action Coalition Against (CAC) for another three years and still achieved the CG top score of "5 stars" (Excellent CG Scoring), certified by the Thai Institute of Directors Association (IOD) in 2021.

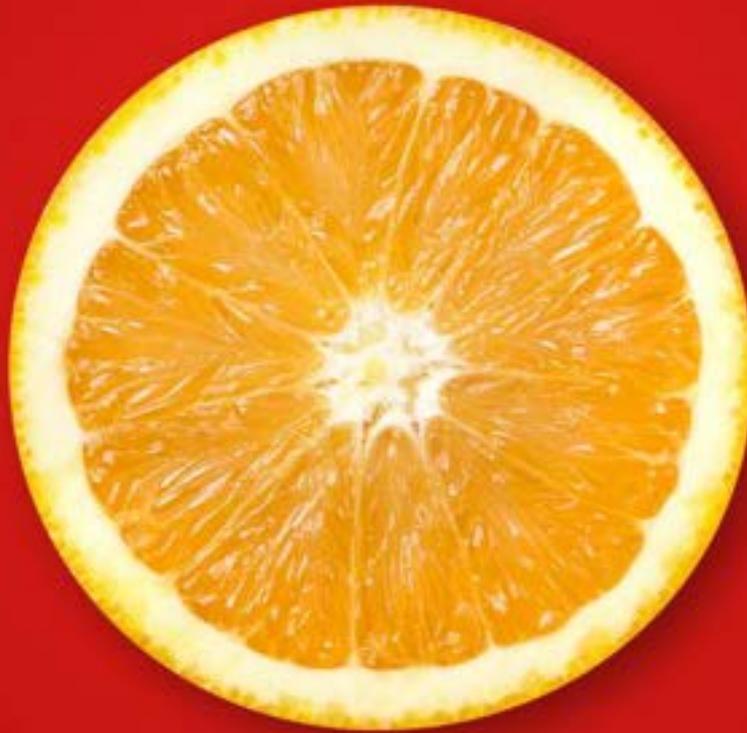
Finally, I, on behalf of the Board of Directors, management and all employees, would like to show our gratitude to employees and stakeholders for your support to our business operations. Together, we will work to adhere to the good corporate governance and the development of common values with stakeholders with consideration to the corporate social and environmental responsibility.



**Mrs. Chintana Boonyarat**  
Chairman of the Board of Directors  
Malee Group  
Public Company Limited



# **BUSINESS OPERATIONS AND FINANCIAL RESULTS**

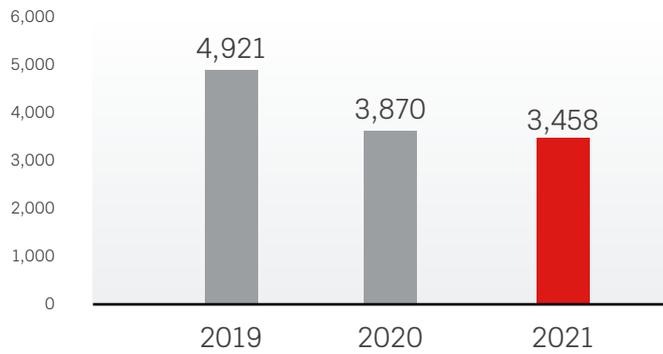


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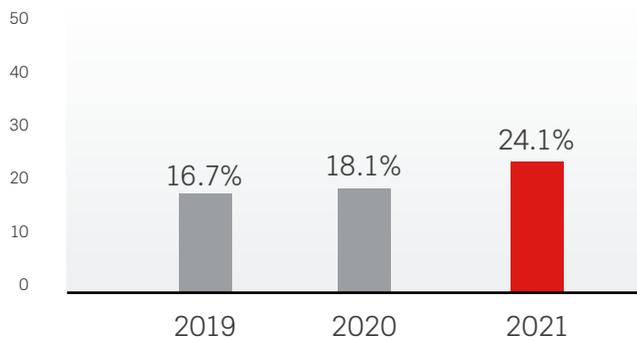


## STRUCTURE AND OPERATIONS OF THE GROUP

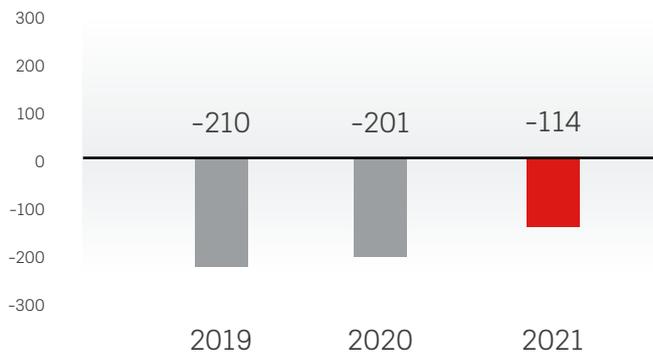
### TOTAL REVENUE



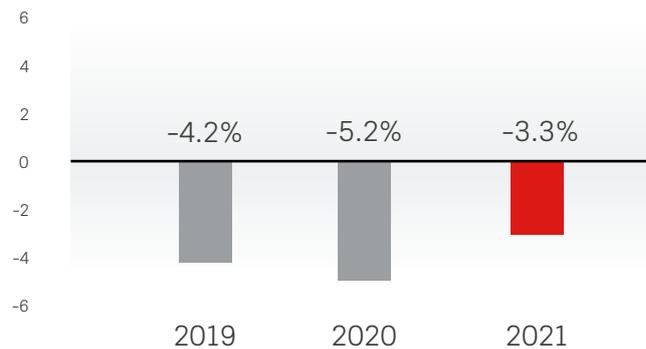
### GROSS PROFIT (%)



### NET PROFIT (MILLION BAHT)



### NET PROFIT MARGIN (%)



# FINANCIAL HIGHLIGHTS

## FINANCIAL STATUS AND RETURN RATIOS OF THE COMPANY

	UNIT	2019	2020	2021
Net Sales	Million Baht	4,921	3,870	3,458
Cost of Sales	"	4,101	3,169	2,623
Gross Profit	"	820	702	834
Selling, General and Administrative Expenses	"	1,084	909	925
EBITDA	"	36	82	127
Depreciation and Amortization	"	245	286	139
EBIT	"	-209	-196	-54
Net Profit (Loss)	"	-210	-201	-114
Earnings (Loss) Per Share	"	-0.76	-0.73	-0.41
Total Assets	"	4,208	4,003	4,046
Total Liabilities	"	3,179	3,163	3,290
Issued and Fully Paid-up Capital	"	140	138	138
Equity Attributable to Owners of the Parent	"	992	734	644
Dividend per Share	Baht	0.00	0.00	0.00

### Liquidity Ratios

Current Ratios	time	0.65	0.60	0.68
Quick Ratios	"	0.43	0.34	0.40

### Profitability Ratios

Gross Profit Margin	%	16.7	18.1	24.1
EBIT Margin	"	-4.2	-5.0	-1.5
Net Profit Margin	"	-4.2	-5.2	-3.3
Asset Turnover	"	-4.7	-4.8	-1.3
Return on Equity	"	-21.3	-24.3	-16.6

### Leverage Ratios

Debt to Equity Ratio	time	3.45	4.31	5.11
Interest-Bearing Debt to Equity Ratio	"	2.39	2.70	3.09

### Cash Cycle

Receivable Period	day	63	61	76
Inventory Period	"	53	57	58
Payable Period	"	35	41	49
Cash Cycle	"	81	78	86

ตัวเลือกที่ใช้  
สำหรับคนใส่ใจตัวเอง

มาลีโคโค

น้ำมะพร้าว 100%  
จากธรรมชาติ

แบรนด์ไทยที่ขายดีในเกาหลี\*

Coconut  
Water  
100%

Refreshed

Potassium  
Magnesium



ข้อมูลสารอาหารต่อ 100 มล.

พลังงาน	โปรตีน	ไขมัน	โซเดียม
70	15	0	70
kcal	g	g	mg
14%	25%	0%	14%



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# COMPANY POLICY AND BUSINESS OVERVIEW



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## COMPANY POLICY AND BUSINESS OVERVIEW



Malee Group Public Company Limited was originally established as Malee Sampran Factory Company Limited on February 2, 1978, with registered capital of Baht 10 million, as a manufacturer and distributor of canned food and canned fruits. After growing over time, the company expanded its production capacity by building a factory on the area of 30 rais in Sam Phran District, Nakhon Pathom Province in 1981.

Later, the Company was listed on the Stock Exchange of Thailand on March 13, 1992. In April 1995, the Company went through a change in its shareholding structure when Abico Holding Public Company Limited acquired 10,000,000 shares, accounted for 40% of the registered capital of Baht 250 million, from the existing shareholders. On May 15, 1998, the Company changed its name to Malee Sampran Public Company Limited. On December 9, 1998, the Company increased its capital from Baht 500 million to Baht 999.99 million, with total paid-up capital of Baht 700 million, in order to support its continually growing business.

Later, on April 9, 2013, the Company decreased its registered capital to Baht 182 million, with paid-up capital of Baht 140 million. In 2014, the Company again decreased its registered capital to Baht 140 million, the amount that was fully paid up. On April 28, 2016, the Company changed its name to "Malee Group Public Company Limited", and its seal was also changed accordingly. And most recently on December 15, 2020, the Company decreased its registered capital by cutting on 4,000,000 repurchased shares on December 15, 2020, from 280,000,000 shares to 276,000,000 shares, accounted for paid-up registered capital of Baht 138 million.

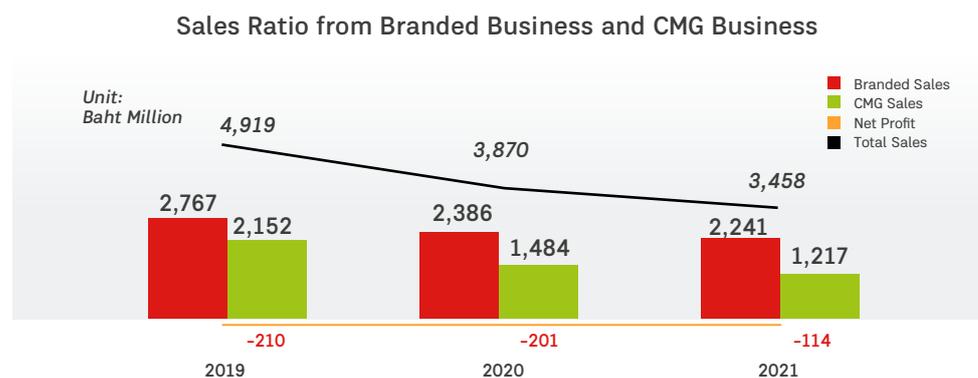
As for the factory area, the Company has purchased additional lands around the current factory to support business expansions, with about 3 rais purchased in late 2011 and about 4 rais purchased in late 2014.

Over the past 44 years, the Company has been continually conducting the business based on canned fruits and UHT and pasteurized fruit juices. The company is currently manufacturing and distributing canned

fruits and UHT and pasteurized fruit juices under “Malee” brand; while also distributing and marketing UHT and pasteurized milk, and milk pellet under “Farm Chokchai” brand, as well as other beverages. In addition, the company also engages in Contract Manufacturing Business (CMG) in which the company produces beverage products under contracts for domestic and international customers. The main businesses of the company can be divided into two categories as follows:

**1.Branded Business (Brand):** manufactures and distributes beverage products under “Malee” Brand and other brands owned by the company for domestic and international markets.

**2.Contract Manufacturing Business (CMG):** A business in which the company manufactures beverage products for other brand owners, both domestically and internationally.



The Company is determined to implement the business plan in order to become the Top Beverage Brand of Choice, while considering the production standards, quality and safety, with our consumers in mind. Our production process is widely accepted and recognized by both domestic and international institutes, such as FSSC 22000, IFS: International Food Standard, HACCP Codex Alimentarius Commission, Halal Certificate, Kosher Certificate, GMP Codex Alimentarius Commission Recommended International Code of Practice General Principles of Food Hygiene, ISO22000, Food Safety System Certification 22000, etc.



# NATURE OF BUSINESS



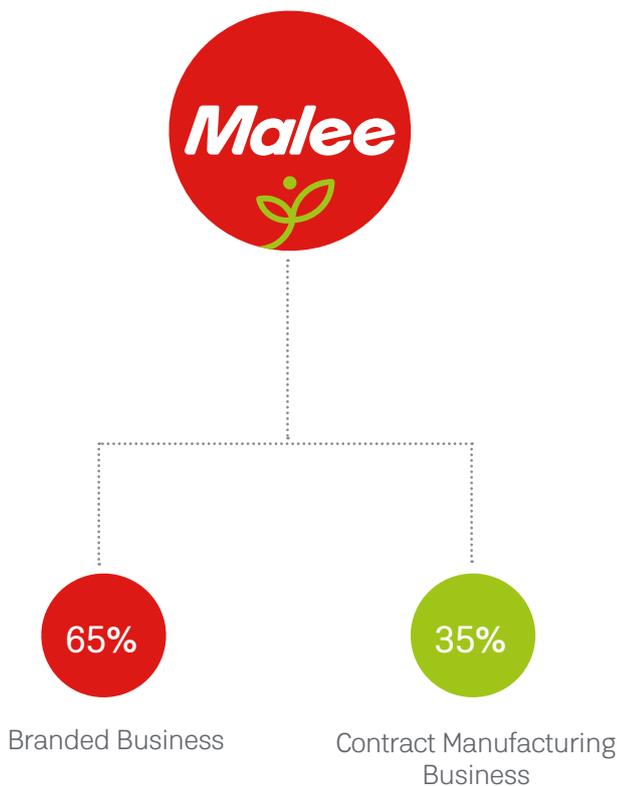
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## NATURE OF BUSINESS

The details of the Company's sales structure categorized by geographic distribution are as follows:

	2019		2020		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Domestic Distribution Value</b>	3,037	62	2,469	64	1,940	56
<b>International Distribution Value</b>	1,883	38	1,401	36	1,518	44



### Product Characteristics and Business Operations

Malee Group Public Company Limited is a manufacturer and distributor of both domestic and international products which are divided into two main business groups.

1. Branded Business of Malee Group Public Company Limited can be categorized into two groups as follows:

The Beverage Business The main product groups are:

- Premium UHT and pasteurized vegetable and fruit juices in boxes under the brand "Malee"
- UHT fruit juices under the brand "Malee Tropical" and "Malee Food Service"
- UHT coconut water in boxes and Namhom coconut water in bottles under the brand "Malee Coco"
- Premium fruit juices that are preserved using pressure instead of high heat (Cold Pressure Processing) under the brand "Malee Fruit Fresh"
- High-fiber vegetable and fruit juices under the brand "Malee Homestyle"
- Fresh cow milk in UHT boxes and pasteurized bottles under the brand "Farm Chokchai"

- Corn milk under the brand "Malee I-Corn"
- Drinking water in UHT bottles under the brand "Good Water"

**The Processed Fruit Business** Canned seasonal fruits (rambutan, rambutan stuffed with pineapple, lychee, longan, water chestnut, sugar palm, mango, etc.), canned sweet corn, canned pineapple, and canned mixed fruits under the brands "Malee", "First Choice", "Farmer" and "Malee Food Service".

The Company's products are distributed both domestically and internationally through the Company's distribution channels.

## 2. Contract Manufacturing Business: CMG

The Company is able to manufacture a wide variety of products except for alcohol and carbonated drinks. The Company also has a wide variety of packaging, e.g., paper boxes, plastic bottles (PET) packed by way of sterilization (aseptic), aluminum and steel cans packed by way of retort, and pouch packs. To provide an all-in-one service, the Company develops products based on clients' needs and manufactures products under the clients' brands so that clients can manage the marketing and distribution of products both domestically and internationally.

The Company is able to control the production quality that meet the standards and criteria of the FSSC 22000, GMP Codex, HACCP Codex, HALAL Thailand and Indonesia, USFDA, Kosher, UNION, Organic, Q-MARK from the Federation of Thai Industries, and SR-MARK from the Ministry of Commerce. The Company also meets the operating system standards under the food safety system ISO22000. Therefore, the Company

is able to sell products, certified by the international standards, both domestically and internationally.

**Malee Enterprise Company Limited** is a subsidiary under Malee Group Public Company Limited and is assigned to oversee the marketing and domestic distribution of all products under the "Malee" brand and other brands that the Company owns. These products are distributed by the sales staff of the Company and agents nationwide.

In 2021, there were some dramatic changes in many external factors that bore the overall impact on the domestic and international economy. Such factors include the COVID-19 pandemic, the political demonstrations, etc. However, thanks to the management with consideration of the efficiency and profitability of the Company since 2019, the company is able to operate businesses as usual and create a marketing boost for 100% ready-to-drink fruit juice business in Thailand. The Company has adjusted the strategy to be consistent with the ever-changing conditions under the main product groups of the company which were:

1. 100% fruit juice, which is the company's main market. This can be divided into subgroups which are:

- 100% fruit juice, Malee brand, UHT type
- 100% fruit juice, Malee brand, pasteurized type
- 100% fruit juice, Malee Fruit Fresh brand (manufactured with the high pressure processing)

- 100% coconut water, Malee Coco Brand
- 100% high-fiber vegetable and fruit juices, Malee Homestyle Brand
- Less than 100% fruit juices, Malee Tropical Brand

2.Canned Fruit under the brands "Malee", "First Choice", "Farmer" and "Malee Food Service"

3.Milk and cereal drinks, i.e., pasteurized fresh cow milk under the brand "Farm Chokchai"

4.Other products

The overview of the company's products can be categorized in the following chart:



Vegetable and Fruit Juices

1. 100% UHT Fruit Juice Malee Brand



2. 100% High-Fiber Vegetable and Fruit Juice Malee Homestyle Brand



3. 100% Coconut Water Malee Coco Brand



4. 100% Pasteurized Vegetable and Fruit Juice Malee Brand



5. Less than 100% Vegetable and Fruit Juice Malee Tropical Brand



6. Less than 100% Fruit Juice Malee Food Service Brand



## Canned Fruits

### 1. Canned fruit Malee Brand



### 2. Canned fruit First Choice Brand



### 3. Canned fruit Farmer Brand



## Milk and Cereal Beverages

### 1. Corn milk Malee I-Corn Brand



### 2. Fresh UHT Milk Chokchai Farm Brand



### 3. Fresh Pasteurized Milk Farm Chokchai Brand



## Other Beverages and Foods

### 1. Jelly Carrageenan Jelijoop Brand



### 2. Drinking Water Good Water Brand



# MARKET CONDITIONS AND COMPETITIVE INDUSTRY OVERVIEW IN 2021

## Branding Business

### **Domestic Business: Sales and Marketing**

#### **Fruit Juice Business**

2021 was still full of high volatility in economy due to the ongoing impact of the COVID-19 outbreak that had been exacerbated by the Delta strain. The government had to announce various measures such as long-term domestic lockdowns and curfews. Everyone was forced to adapt to the New Normal state. Students had to study online. Workers shifted to work from home. Stores, particularly retail stores and food outlets that are our business partners, were directly affected by their opening hours and service restrictions, such as customers being unable to sit and dine inside the store. This led to the overall economic slowdown. Consumers reduced their spending on various purchases in terms of the frequency and the amount of goods purchased each time. With all these factors, the fruit juice market has continued to be affected up to 2021.

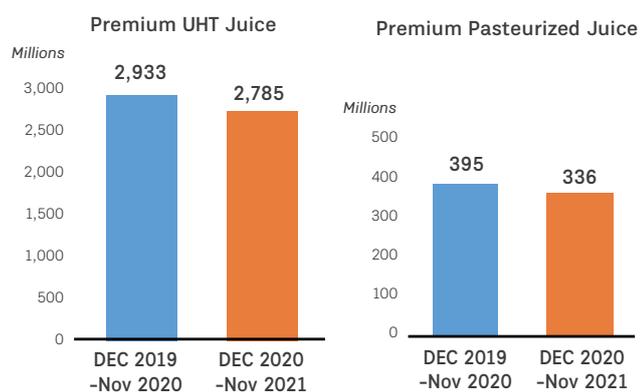
However, according to the total market value in the second half of the year, there were signs of better economic trends, especially the premium UHT fruit juice market, which is the company's main product group.

The 100% fruit juice market (premium), which is the main market of the company, was worth of Baht 3,120 million or about 46 million liters, which constituted to a growth rate of -6% (value) and -4% (volume) compared to the data of the past 12 months. This was another good sign of the premium juice market because the growth rate in terms of market value was -16% last year.

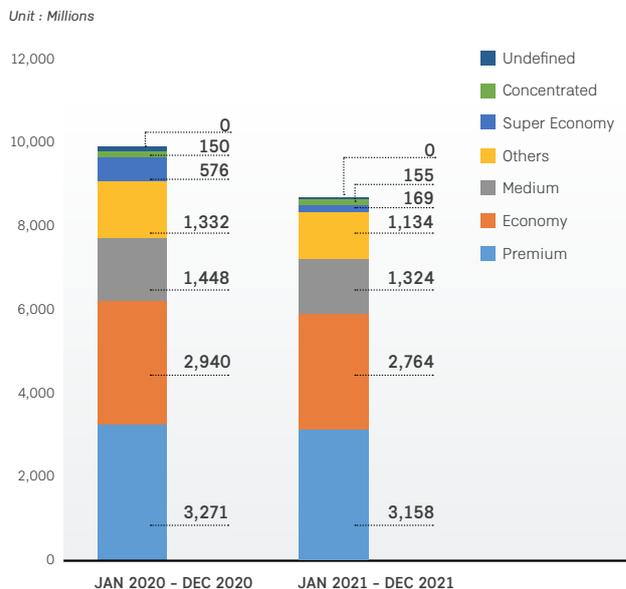
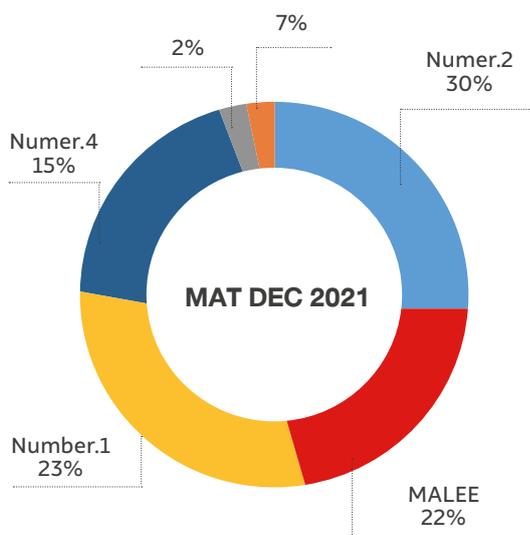
At present, the premium fruit juice market accounts for 36% of the total ready-to-drink fruit juice market. This can be divided into sub-groups such as UHT which has a market value of Baht 2,784 million, and pasteurized which has a market value of Baht 336 million. In 2021, the Company has executed a marketing strategy in accordance with



the overall high volatility with emphasis on the development of channels that can reach more target consumers such as Facebook and other social media platforms. The Company has also integrated the strengths of products sold in foreign markets such as Korea to offer the differences and strengths of products that help build more credibility among consumers.



The Company also emphasizes on the non-financial performance indicator which is the customer satisfaction in the form of market share (Moving Annual Total). The market share in 2021 is shown in this diagram.



Note: Data for Nielsen as of DEC 2021

In 2021, the Company has released new products to the market with the objective of creating a novelty for consumers. The Company has also adjusted the communication approaches of the coconut water product group by way of different product positioning as follows:

### New Products

#### 1. Malee In Season: Yamagata Strawberry

This product derives from a concept to create confidence among consumers in terms of the freshness of imported fruits by bringing the raw material, which are strawberries from Yamagata Prefecture of Japan, to produce fruit juices that are fragrant, sweet, refreshing, with a touch of Japan. The strawberries are limited for only 3 months in their harvest season. The cartoon character or mascot is also created to convey stories and promotional products are also offered for dissemination through social media on various platforms in order to communicate to target consumers more easily.



## 2. Malee Homestyle

Due to the increasing healthy trend of fruit and vegetable juice consumers, especially during the COVID-19 outbreak, the trend of fruit and vegetable juice consumption has increased even more. The Company has caught the trend and, in turn, developed a new product that has a distinct difference in terms of high natural fiber. The product has drawn a lot of attentions from consumers and was already released around the beginning of November 2021.



## Re-positioning

For coconut water product or Malee Coco, it was originally presented as a product suitable for those who exercise or lose minerals from sweating. But with the trend of health care of the coconut water market in Korea by using coconut water for body shape care through balancing the amount of sodium and potassium in the body, as well as by using Malee Coco brand, Malee Coco has become the best-selling coconut water from Thailand. The Company therefore saw an opportunity to present this novelty to the target audience of Thai people. After this new communication approach was launched in July, it has received a good response from consumers.

## Canned Fruit Business

In 2021, due to many factors such as COVID-19 pandemic and a lockdown in accordance with the Emergency Decree, canned fruit was a highly demanded product in the market. Moreover, Malee canned fruit is a brand with good image for consumers in terms of taste, unique deliciousness, quality, production standards, as well as packaging with distinctive designs. As a result, Malee canned fruit were in high demand among consumers and had consistent sales.

## Dairy Business

According to Nielsen Cross Category data as of December 2021, the milk market experienced decrease of 8% compared to 2020. This was a negative sign caused by the outbreak of COVID-19 that affected both public and private sectors. As a result, consumers decreased their milk consumption. In addition, due to the higher cost of raw materials due to the shortage of dairy farmers as well as the competition from domestic companies and multinational companies, the company's dairy products under the Farm Chokchai brand still need to adjust their communication guidelines and distribution of goods and products to better comply with market changes.

## International Business:

### Sales and Marketing

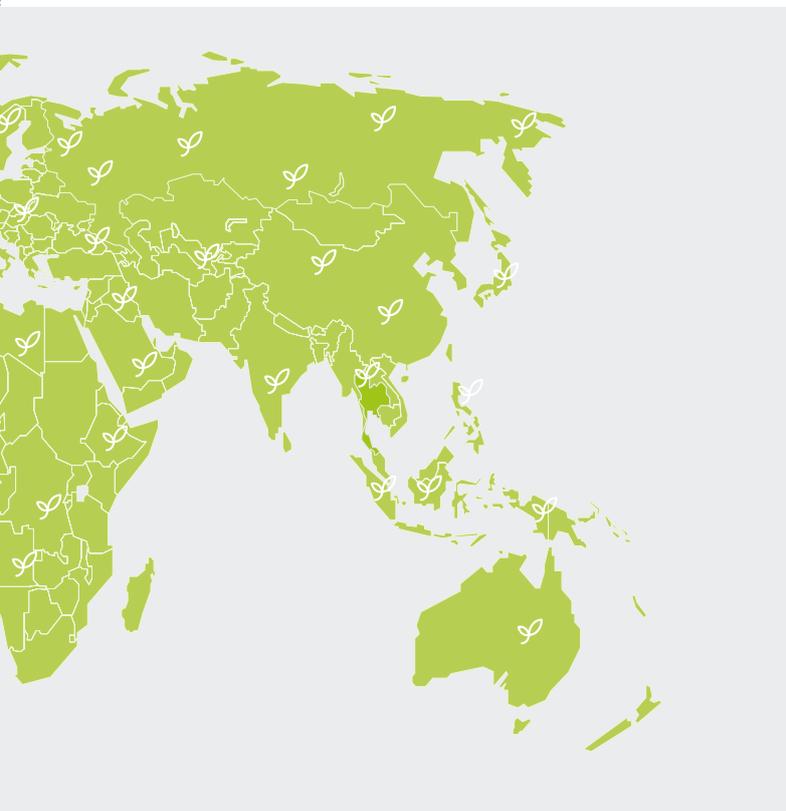
Malee International Company Limited is a subsidiary of which the company holds 99.99% of shares and oversees international business both in term of the company's branded products or joint venture businesses in the Philippines and Indonesia. In 2021,



sales growth was slightly more than in 2020 despite the global COVID-19 pandemic has severely impacted many businesses and people were unable to travel abroad or visit trade shows. This success was due to the company's planning and close cooperation with distributors and joint venture businesses, making it possible to distribute products to the targeted consumers during the time of the COVID-19 pandemic.

## Major Events in 2021

1. The political unrest in Myanmar affected sales in the first half of the year. The land transportation of fruit juice products could not be done in Myanmar since May 2021, therefore, it has been switched to ship transportation instead. However, in the second half of the year, the Company and its distributors have adjusted their business plans, resulting in higher sales in the second half of the year.



2.The effects of COVID-19 situation were still lingering. This has resulted in lockdowns in many countries, therefore, sales in many countries decreased from 2020. However, the Company has adjusted its strategy by promoting 100% fruit juice product line of Malee by focusing on expanding the market through modern trade and online distribution channels, as well as conducting continuous marketing activities. As a result, the Company enjoyed higher sales in the second half of the year compared to the previous year.

3.The Company has appointed additional distributors of Malee 100% fruit juice, 100% coconut juice and canned fruit in Vietnam, China, Taiwan and Hong Kong to create continuous growth.

4.The Company has expanded online and offline sales channels, and continued to do promotional activities in China, Taiwan and Hong Kong to make the products more well-known. As a result, sales have grown significantly more than in 2020.

5.In 2021, Malee 1000 ml lychee juice was still selected as an ingredient used in mixing special drink as regular menus during summer and winter in large food and beverage chains in foreign countries with more than 1,400 branches. The menus have been well-accepted by consumers over the past 2 years.

6.In 2021, international shipping still faced shortage of containers and consistently high freight charges. As a result, customers in some countries delayed or cancelled their purchases.

### Joint Venture Business in the Philippines

#### Monde Malee Beverage Corporation: operates in the Philippines.

Due to the COVID-19 outbreak in the Philippines, the government declared a total lockdown on Luzon island since March 16, 2020 onwards, forcing consumers under the "enhanced community quarantine" (ECQ), which blocked the movement of labors between cities and forces the temporary closure of unnecessary stores and businesses. The declaration forced retail business, convenience store (7-Eleven), and supermarkets to be closed. The government allowed some stores to open for only a few hours a day. Although the government has made an attempt to encourage shops to resume business by easing the lockdown, the small proportion of vaccinated people (38.3% of the total population received 2 injections as of December 2021), business sectors have not yet fully open.

Even though the overall economy of the Philippines has improved compared to 2020 and the consumption of various types of

beverages has been in a better direction, the aforementioned situation has still hampered the overall economic condition of the country that has been affected by the virus. With the discovery and outbreak of a new species (Delta) and natural disasters, people's spending has still focused on essential goods. As a result, the joint venture company did not launch new products in 2021 and mainly focuses on promoting existing products.

- **Jelly Vit Jelly Drink**

2021 was another challenging year for this brand because COVID-19 forced consumers to change their behaviors, focusing on buying essential products due to their limited spending and on buying healthy products. Additionally, Jelly Vit's main distribution channel is Seven-Eleven which had to closed 10% of their operations, and more than 35% of them open only in the morning, so throughout 2021, the joint venture company had to cut its marketing activities in order to reduce marketing costs and select only some promotions that generate sales.

- **Jelly Vit Kids**

Since the second half of 2020, the brand continued to face many challenges, from the recession of declining consumer purchasing power to lockdowns and the fact that schools continued to offer children online education throughout the first ten months of the year. Consequently, the consumption of beverages packed in pouch packs has also decreased. Therefore, the promotion in the previous year focused on boosting consumption by giving free samples along with the products that have higher distributions in order to create more trial consumption and draw new consumers to the brand.

- **Malee 100% UHT vegetable and fruit juices**

Due to the ongoing COVID-19 crisis, consumers in the Philippines have been increasingly aware of healthy drinks. As a result, Malee 100% UHT vegetable and fruit juices has grown because they meet the needs of consumers very well. The good overview in imported ready-to-drink fruit juices resulted in the continuous promotion





in the past year by focusing on increasing the visibility such as display settings, and making it easier for consumers to access any product, boosting demands for purchase and offering promotional items at points of sale, such as special discounts or buy two at a special price.

### Joint Ventures in Indonesia

#### PT Kino Malee Trading: operates business in Indonesia

PT Kino Malee Trading is an importer and distributor of Malee brand products in order to expand the Malee brand product market to consumers in Indonesia. Throughout 2021, the Company has marketed and distributed products under the Malee brand which includes:

- Malee 100% Mandarin Orange Juice, 200 ml
- Malee 100% mandarin orange juice mixed with orange pulp, 1000 ml
- Malee 100% apple juice, 200 ml and 1000 ml
- Malee Coco 100% coconut water, 330 ml and 1000 ml

- Malee rambutan in syrup, 20 oz.
- Malee fruit cocktail mixed longan in syrup, 20 oz.
- Malee Longan in heavy syrup, 20 oz.

Indonesian is another market hit by the COVID-19 pandemic. In 2021, domestic sales have slowed down and not as vigorous as in the past years, especially in tourist attractions that has not been fully open. The Company has started distributing Malee brand products in two islands, Java and Bali, available in hypermarkets, independent supermarkets, supermarkets that sell imported products, bakery shops, fruit stores, and general trade stores with freezers, etc. The Company focused on middle-class consumers and above and emphasized the selling point on being 100% fruit juice, while coconut water does not add sugar and is made from good quality raw materials with an affordable price. In 2021, the promotional activities focused on special promotions, displaying products, and giving out free samples to create drinking trials and build consumers' confidence in the delicious taste of the products. The other focuses were on adding point-of-sale media such as shelf talker stickers and social media in the forms



of Facebook and Instagram to increase brand awareness of Malee. There were also some media in the main selling point of the products in order to raise the awareness. In addition, special packaging was also set up during festivals such as Ramadan and New Year, which are the selling seasons for beverage. In 2021, over 50% of the main sales came from Malee 100% fruit juice, followed by Malee Coco 100% Coconut Water and Malee canned fruit in similar proportions.

**Subsidiary in Vietnam**

The Company has an important strategy to build growth by expanding its business abroad. That was the reason for buying 65% of shares in Long Quan Safe Food Company Limited ("LQSF"), a company that holds 100% shares in Tan Quang Minh Manufacture and Trading ("TQM"). Since TQM is competitive in terms of costs and has a wide variety of products, the aforementioned acquisition has helped increase the capability of beverage production in order to support the growth in the mass market, both for the branded business and the contract manufacturing business. The Company aims to push LQSF

and TQM to be the beverage production base for emerging markets. This enables the Company Group to increase the limit of mass beverage marketing which was not previously in the portfolio as well as helping increase penetration into international markets. When combining the production capacity of TQM, the entire group has increased its production capacity from 300 million liters to 600 million liters.

**Events of the joint venture company in Vietnam in 2021**

The outbreak of COVID-19 in Ho Chi Minh City has continued to increase. There were more infections than in 2020. It was also the first time of Ho Chi Minh City's history in years that the city's economy grew negatively, while the city had planned the positive growth. As a result, the situation had a huge impact on the business as a whole. However, the Company has taken the highest measures to prevent the outbreak of COVID-19, especially during the severe epidemic. As a result, the Company was able to operate business including production, distribution of products, as well as contract manufacturing business continuously





Tan Quang Minh Manufacture and Trading ("TQM") has been involved in the prevention of COVID-19 in Ho Chi Minh City and has received gratitude from the Ho Chi Minh City People's Committee and the Vietnam Fatherland Front Committee for the fight against the outbreak of COVID-19:

- On October 11, 2021, the Ho Chi Minh City People's Committee awarded a certificate to TQM for efficiency in business operations and participation in the prevention of COVID-19 in the Ho Chi Minh City area.
- On October 11, 2021, the Vietnam Fatherland Front Committee awarded a certificate to TQM for participation in the prevention of COVID-19 in the Ho Chi Minh City area.

### **Contract Manufacturing Business (CMG)**

Contract Manufacturing Business is regarded as another important service business of the Company. This provides research service to develop formulas and procure various raw materials and packaging to manufacture products as requested by clients. The Contract Manufacturing Business is categorized into two types:

**1.Full Service Type:** The Company invents formulas and procures raw materials, packaging and manufactures products in

accordance with the plan that clients require and delivers them at an agreed delivery point.

**2.Partial Service Type:** The client provides the formula for the product and all the raw material or in part and/or packaging to the company to manufacture the product in accordance with the plan that clients require and deliver the products at the agreed delivery point.

The Company is well accepted among leading beverage brands, both domestic and international. Currently, the Company provides original equipment manufacturing services to more than 30 large clients in this business. But since the situation of COVID-19 in the recent past has affected the world economy and also Thailand economy; especially in the beverage business in the forms of sealed containers such as fruit juice, tea, and coffee; sales have slowed down,



decreased significantly, and fluctuated rapidly. Therefore, the Company has adjusted the strategy to be more flexible, to adapt to the uncertain situations, and to be able to respond to market changes in a timely manner. Moreover, there were also adjusted strategies to reduce the costs of production, raw materials, and packaging; to plan for the appropriate manufacturing; and to expand the products that match the market trends.

### **The Company's Manufacturing Plant**

The Company has two manufacturing plants in two countries, Thailand and Vietnam. The details are as follows:

1.The Manufacturing plant in Thailand is located on the address : 26/1, Entrance Road to Sampran District, Yai Cha Subdistrict, Sampran District, Nakhon Pathom Province, with a total area of 36 rai that produces canned fruit and various beverage products such as canned coffee, fruit juice, vegetable juice, canned beverages, UHT boxes and PET bottles etc. The production capacity is approximately 300 million liters per year.

2.Manufacturing Plant in Vietnam is located on the address Lot C21/1, Street 2F, Vinh Loc Industrial Park, Vinh Loc A Commune, Binh Chanh District, Ho Chi Minh City, Viet Nam which produces canned fruit juice, green tea in bottled PET Plastic, and carbonated Plastic bottled beverages, etc. The production capacity of approximately 300 million liters per year.

### **Procurement of Products and Services**

The Company procures important raw materials from various sources around the world, such as concentrated fruit juice, sugar, milk and packaging. This includes cans, paper boxes and pouch packs. The Company does not rely heavily on one particular raw material supplier. The Company has a policy that the purchasing department is responsible for price comparison from different quality vendors. In addition, the Company procures products from long-standing business alliances.

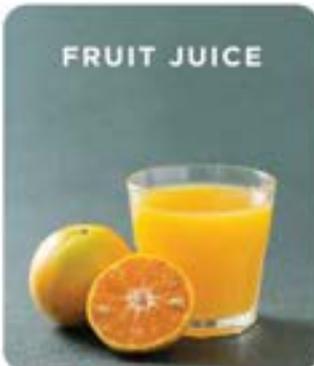


# Contract Manufacturing & Co-Packing Services

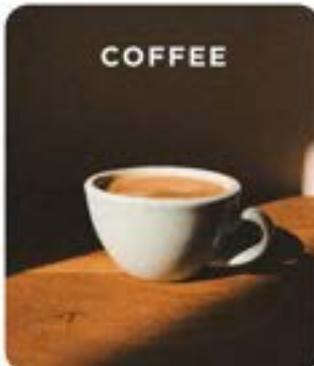


## Product Capabilities

FRUIT JUICE



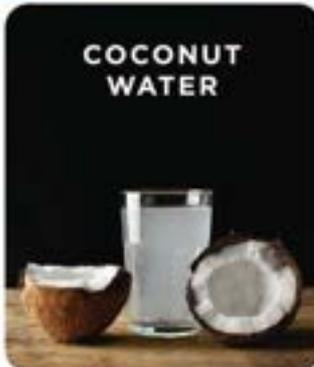
COFFEE



TEA



COCONUT  
WATER



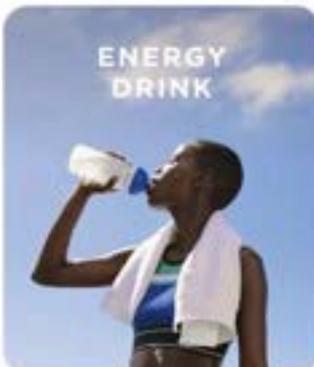
MILK



CEREAL  
DRINK



ENERGY  
DRINK



VEGETABLE  
DRINK



## Packaging Formats

### Paper Carton

125 ml (with straw)  
200 ml (with straw)  
250 ml (with cap)  
330 ml (with cap)  
1000 ml (with cap)

---

### Pouch

100–500 ml (with spout)

---

### PET

Aseptic Cold-Fill  
Neck 28 mm  
350 ml  
500 ml

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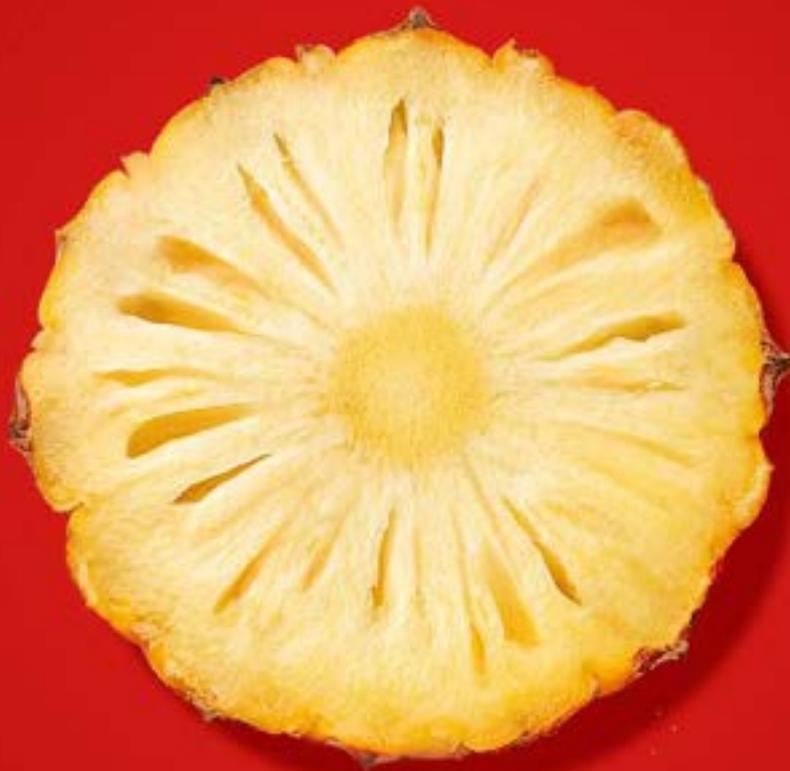
### Can

Tin & Aluminum  
180 ml  
250 ml (stubby & slim)  
325 ml



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# QUALITY ASSURANCES AND AWARDS



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## QUALITY ASSURANCES AND AWARDS

All the quality standards and awards we have received are our driving force that encourages our employees to maintain high quality standards and be committed to improving their performance to achieve higher success in the future.

### Food Industry Standards

#### FSSC 22000



Certified by Tuv Nord, Thailand and DAkKS, Germany

#### ISO 22000:2018



Certified by Tuv Nord, Thailand and DAkKS, Germany

#### GMP Codex



Certified by Tuv Nord, Thailand and ACFS, Thailand

#### HACCP Codex



Certified by Tuv Nord, Thailand and ACFS, Thailand

#### ISO 9001:2015



Certified by Tuv Nord, Thailand and ACFS, Thailand

#### Halal CICOT Certificate



Certified by The Central Islamic Committee of Thailand

#### HALAL MUI



Certified by MUI, Indonesia

#### Kosher



Certified by Thai Kashrut Services, Thailand

#### Orthodox Union



Certified by Union of Orthodox Jewish Congregations of America, United States of America

#### USDA

#### National Organic Program



Certified by Bio Agri Cert (BAC), Thailand



### ISO/IEC 17025:2017

Certified by Department of Science Service, Thailand



### SMETA

Certified by SGS, Thailand and SEDEX, United Kingdom



### AEO

Certified by Thai Customs, Thailand



### TLS 8001:2020

Certified by SGS, Thailand and NAC, Thailand



### Industrial and Production Hygiene Administration

Certified by The Federation of Thai Industries



### Green Industry

Certified by Ministry of Industry, Thailand



### Thailand Trust Mark; T-Mark

Certified by Department of International Trade Promotion, Ministry of Commerce, Thailand

## Research and Development Business of Innovations for Adding Value to Products and Services

Malee Applied Science Company Limited, a subsidiary of which the Company holds 99.99% of share, is a business for research and development of innovations to add value to products and services. This includes health and beauty products and services by developing innovations in biotechnology and medical nanotechnology to meet the needs of both manufacturers and consumers. A new alternative to raw materials (ingredient) in dietary supplements and pharmaceutical raw materials and pharmaceutical chemicals were also developed for use in cosmetic products, relying on the design of the drug encapsulation to increase the ability to penetrate the skin and to act directly on the target cells which, in turn, bears its effects quickly.





# SHAREHOLDING STRUCTURE



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## SHAREHOLDING STRUCTURE

Abico Holdings Public Company Limited is a major shareholder of Malee Group Public Company Limited, holding 27.21% of the shares.

As of December 31, 2021, the affiliated companies of Malee Group Public Company Limited are as follows:

1. Malee Enterprise Company Limited, a subsidiary that oversees all of the marketing and domestic distribution. The products are distributed through the Company's sales staff and distributors nationwide.
2. Malee Capital Company Limited, a subsidiary that operates business in investments and provides services to affiliated companies.
3. Malee International Company Limited, a subsidiary that operates an international trading business.
4. Monde Malee Beverage Corporation, a joint venture that operates an import and distribution business for Malee's products and new products in the Philippines in which the Company holds 49% of the shares. Monde Malee Company Limited is a joint venture partner with Monde Nissin Corporation, Philippines.
5. Malee Applied Sciences Company Limited, a subsidiary that provides research services and develops innovation to add value to products and services.
6. PT Kino Malee Trading Company Limited operates an import and distribution business for Malee's products and new products in Indonesia.
7. Long Quan Safe Food Company Limited, a joint venture that operates a distribution business in Vietnam, in which the Company holds 65% of the shares.
8. Tan Quang Minh Manufacture and Trading ("TQM") (a subsidiary of the joint venture Long Quan Safe Food Company Limited) operates in beverage production business in Vietnam and export.

### Relationships with the Business Group of Major Shareholders

The Company has relationships with the following companies that are major shareholders:

Abico Holdings Public Company Limited, holding 27.21% of the Company's shares.

**Businesses:** Invests in other businesses such as agricultural businesses, an OEM of beverage and dairy products.

**Relationships:** The Company carries out trades with the subsidiary of Abico Holdings Public Company Limited for dairy products and pasteurized fruit juices.

### Top 10 Major Shareholders as of March 16, 2022

List of Shareholders	Number of Shares	Percent
1. Abico Holdings Public Company Limited	75,100,000	27.21
2. Mrs. Kamolchat Juangroongruangkit	45,500,000	16.49
3. Mr. Songphol Techakarin	13,710,100	4.97
4. Mrs. Chintana Boonyarat	12,128,566	4.39
5. Mr. Thaveei Churangkul	8,106,900	2.94
6. Mr. Wat Chirathivat	7,408,566	2.68
7. Thai NVDR Co., Ltd.	6,750,619	2.45
8. Mr. Pichai Chirathivat	6,608,567	2.39
9. Mr. Kobchai Chirathivat	6,418,567	2.33
10. Mr.Thon Thammasutthikun	2,728,300	0.99

### Board of Director Shareholding during March 12,2021 to March 16,2022

Name	As of March 12, 2021	Increase (decrease) During the year	As of March 16, 2022
1. Mrs. Chintana Boonyarat	3.31	1.08	4.39
2. Mr. Pichai Chirathivat	2.39	-	2.39
3. Ms. Roongchat Boonyarat	0.41	-	0.41
4. Mr. Kitti Vilaivarangkul	-	-	-
5. Ms. Nattharin Talhong	-	-	-
6. Ms. Nart Fongsmut	0.05	-	0.05
7. Mr. Arin Jira	-	-	-
8. Ms.Supavadee Tantiyanont	-	-	-

## Dividend Policy

"The Company has the policy to pay dividend at the rate of no less than 30% of the net profit after tax and any reserve as specified by law and the Company from normal operations according to the consolidated financial statement. However, the actual dividend payment will depend on cash flows and investment plans of the Company and its Affiliates, as well as other necessities and appropriateness in the future."

## Dividend Payout during the Past Three Years

Year	Earnings Per Share (Baht/Share)	Dividend Payout Per Share (Baht/Share)	Dividend Payout Per Net Profit (Percent)
2019	(0.76)	-	0%
2020	(0.73)	-	0%
2021	(0.41)	-	0%



# RISK MANAGEMENT



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## RISK MANAGEMENT



## 2. Risk Management

### 2.1 Risk Management Policy

In accordance with the principle of Good Corporate Governance, the Company has an efficient risk management policy that enables the Company to operate its business with stability and continuity. There is an acceptable level of risk. It is used as a management tool that increases the chances of success for the Company as much as possible, minimizes the chances of failure and loss leading to the achievement of the Company's objectives. The Board of Directors has assigned the Audit Committee, which consists of independent directors, to appoint the Risk Management Committee with an internal audit department. The Risk Management Committee directly reports to the Audit Committee and reviews the performance of various departments of the Company and its subsidiaries.

### 2.2 Risk Factors

#### 2.2.1 Risk from unexpected pandemic such as COVID-19

The ongoing pandemic of COVID-19 since the second quarter of 2020 to the present has still had a widespread impact both domestically and internationally, resulting in the global economic downturn, the slowdown or closure of many businesses, and the distinctive reduction of consumers' purchasing power. The Company had to adjust rapidly by imposing some measures to take care of employees and protect factories

from COVID-19. There were some workforce arrangements both in office and factories for effective control and prevention. There were some arrangements for production planning, receipt of raw materials and packaging materials, delivery and receipt of products with accuracy and safety by proceeding background checks, temperature measurement, etc., to ensure that the Company continue to operate and manufacture to meet the needs of its clients.

### **2.2.2 Risk from fluctuation in volume and price of raw materials**

Global and Thailand's climates continue to change dramatically, resulting in volatile crops. Farmers and manufactures of raw materials have been affected and needed to adapt to the changing situation. Some faced yield fluctuations during normal seasons. Some had low agricultural productivity and the quality of agricultural products may change. Some faced the shortage of harvesting workers. This definitely had a direct impact on the overall price of raw materials. Advance planning on orders has also been a key procurement strategy to ensure that the best raw materials are still available for the production process. The Company has worked closely with farmers and producers, enabling the Company to have information to help decide on ordering in advance, adapt to the problems, and develop raw material reserves. This will help in better risk management and ensure that the business can smoothly operate despite the fluctuation in raw material supply.

### **2.2.3 Risk from competition of new manufacturers**

Currently, beverage industry draws many manufacturers, both domestic and international, into competing under the framework of the ASEAN Economic Community (AEC). This intensifies the competitive challenges, especially new manufacturers that are able to support smaller volume of productions, since the market nowadays is changing rapidly. As a result, new products being sold in the market have shorter life cycles and are constantly launched to create excitement for the market and meet the sales goal.

### **2.2.4 Risk from reliance on Contract Manufacturing Business (CMG)**

The Company has run the CMG Business for more than 25 years. We have been developing plans for operations and manage risks by diversifying both clients and products to balance revenues and stability. The Company has a variety of products including tea, coffee, juices, several types of beverages, and canned fruits. In accordance with customers' demands, the Company offers a wide range of services including the development of recipes, production process until the products are

ready for sales. The Company regularly discusses with business partners about operation plans to share the same goals and benefits in the long term, so that customers have confidence and trust in the quality of products. The Company always collaborates closely with business partners for new product development. By doing so, the Company is lessening the possibility of contract termination or renewal rejection, whereas it is able to negotiate for suitable returns.

### **2.2.5 Risk from environmental impacts**

The Company puts a great value on the environmental aspect. Therefore, there has been a working process to manage energy and environment, and issue the guidelines for implementation and follow-up on management in matters related to the environment both inside and outside the factory. This allows the Company to reduce the amount of waste in the production process, reduce material waste to the outside of the facilities, and reduce waste disposal costs. The production process has been improved to reduce energy consumption. This will be included in the Company's core strategy from next year onwards.

### **2.2.6 Risk from Foreign Exchange Rates**

The Company has been exposed to risks from its export business due to the fluctuations in exchange rates that resulted in higher product prices. To hedge the foreign exchange risk, the Company has sold most of its exported products in Thai baht. The rest has been done by maintaining the balance on income and expenditure in foreign currency (Natural Hedge). Therefore, the Company has exchange rate risk at a manageable level.





# DRIVING BUSINESS FOR SUSTAINABILITY



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## DRIVING BUSINESS FOR SUSTAINABILITY



### 3. Driving Business for Sustainability

#### 3.1 Sustainability Management Policy and Goals

Malee Group is committed to becoming the "Top Beverage Brand of Choice" by taking into account the production standards, quality, safety and hygiene. This includes operating business with responsibility by concerning all groups of stakeholders such as clients, employees, partners, society and communities in order to drive our business towards sustainability.

The Company has an integrated and sustainable development structure under the management of the Board of Directors. As a result, the Executive Committee has been assigned to oversee sustainable development and the formation of policy, criteria and guidelines in various aspects of the Company in accordance with the principles of good corporate governance and social responsibility. The aim is to lead the organization to sustainable success.

#### 3.2 Managing the Impact on Stakeholders in the Business Value Chain

The Company produces and distributes canned fruit products, UHT fruit juices and pasteurized products under the "Malee" brand, distributes and markets UHT and pasteurized milk under the "Farm Chokchai" brand, and produces other beverage products. Moreover, the Company conducts the contract manufacturing business in cooperation with both domestic and international clients.

The business value chain begins where raw materials were delivered from sources to the Company's factories, and then processed to canned fruit, UHT juice, pasteurized and other beverage products. The Company's products are then sent to warehouses for distribution to many forms of distributors, before reaching consumers. The rest of products are awaiting delivery the contract manufacturing to the clients.



### Raw Materials Select

- Selection of main raw materials, fruits and other raw materials
- Selection of packaging and ingredients in the production of high-quality products



### Production Process

- Production with modern machines with high technology and internationally certified standards
- An efficient management system for production cost
- A quality inspection system before reaching clients and consumers, certified by international standards such as FSSC 22000, etc.



### Storage and Distribution System

- An efficient warehouse management system with modern technology as a control tool
- Distribution of products through major business partners both domestically and internationally
- A distribution system covering all channels, from Modern Trade to Traditional Trade, as well as online channels (E-Commerce)



### Sustainable Business Partners

- Provision of advice and joint development of clients' products to meet their needs and meet quality standards
- Joint development of strategies and innovations, regularly in cooperation with joint ventures and partners



### Consumers, Society and Shareholders

- Aim of being a brand of beverage products with good quality for consumers' health
- Creating good performance and sustainable growth in cooperation with the community which offers a good quality of life

## Stakeholders

- Raw material and packaging partners
- Farmers
- Raw material producers
- Communities surrounding the factories
- Business partners
- Government agencies
- Employees
- Labors
- Distribution agents
- Business partners
- Business partners
- Joint ventures
- Dealers
- Shareholders
- Employees
- Labors
- Consumers
- Shareholders

## The Company's Practice Guidelines towards Shareholders

- Business partners are selected fairly
- There is support for mutual growth between business partners and the Company
- There is support and development for mutual growth with farmers to make them proud of their careers and have better quality of life.
- Compliance with environmental control laws
- Waste emissions from production processes are always controlled and monitored, and modern technology in production is used to reduce resource usage
- New and relevant legislation is being followed to ensure make sure that it properly complies with the law
- Business partners are selected fairly
- There is support for mutual growth between business partners and the Company
- The Company takes into account the delivery of valuable products that are in demand among consumers. There are trade agreements and appropriate conditions with the distribution agents.
- Treat business partners with fairness. Support and develop mutual growth in business operations
- Jointly formulate effective management strategies with joint ventures companies to create stability and sustainability in long-term operations
- Support gender equality and human dignity. Wage payment and performance assessment are done with fairness. Appropriate welfare is provided in accordance with labor law
- The Company values the health of consumers, thus delivering valuable and healthy food and beverage products
- The Company is committed to the continual and sustainable growth for business in all situations, as well as the equitable disclosure of information to shareholders

### 3.3 Sustainability Management in Environmental Dimensions

#### 3.3.1 Environmental Policies and practice Guidelines

Malee Group Public Company Limited has an internal environmental management system which allows the company to plan its operations and store environmental data in an orderly fashion. The Company has an environmental management system with a tendency to continuously improve environmental performance, reduce costs, reduce the potential financial risks of violating environmental regulations, as well as formulate environmental management and stewardship policies that cover key operational issues in accordance with environmental requirements and environmental issues that are relevant to the business. The Company controls potential environmental impacts from business activities such as pollution, waste, levels of resource usage, etc., and assigns Mr. Montree Sangton in a position of Environmental Manager. The position has been appointed and notified to the Department of Industrial Works which is responsible for overseeing environmental operations and processes used in environmental management within the organization. The Company also defines the environmental performance as its goal or one of the company's metrics, and encourages employees to participate in environmental management within the organization with guidelines for environmental operations as follows:

##### 1. Effective Usage of Resources

The Company emphasizes on the use of resources in business processes, including the use of electricity and energy, water consumption, waste reduction caused by business processes, as well as other related pollutions.

- The production processes and the production lines are designed and then inspected by a team of experts and consultants before being presented and approved for operations. A report on the efficiency of the production lines is done with a requirement on improvement.
- A system for regular maintenance of machinery (Preventive maintenance) is provided for high efficiency in order to efficiently use resources and energy.
- Waste management from the production processes is strictly carried out in accordance with environmental laws, regulations and other requirements to properly control the impact on the environment. This enables the stakeholders to be assured that the Company's operations are not contrary to legal requirements.
- The Company operates in accordance with the laws, regulations and international quality standards systems such as FSSC 22000, IFS: International Food Standard, HACCP Codex Alimentarius Commission, Halal Certificate, Kosher Certificate, GMP Codex Alimentarius Commission Recommended International Code of Practice General Principles of Food. Hygiene, ISO22000 and Food Safety System Certification 22000. The Company also operates upon customer requirements.

## 2. Climate Management

The Company emphasizes on the preparedness of coping with potential impacts, and contributing to reducing greenhouse gas emissions which is the cause of global warming. At present, the Company focuses on the prevention and solution of pollution arising from the activities that directly and indirectly affect the use of natural resources. The aims are to support knowledge in the development of mechanisms that reduce greenhouse gas emissions into the atmosphere, leading to a revolution in the reduction of greenhouse gas emissions in the industrial sector.

## 3. Energy Management

The Company is aware of and is committed to controlling energy usage to maximum efficiency. The aim is to use natural resources cost-effectively to reduce the impact on the environment as much as possible, and in turn, reduce the company's energy costs. Alternative energy resources such as LPG gas and clean energy are one of the main goals of building environmental-friendly factories. The Company has set up a team to study the feasibility of using alternative clean energy such as solar energy.

## 4. Procurement of raw materials with responsibility

The Company is aware of the continuous acquisition of quality raw materials while not affecting the environment and society. Therefore, guidelines are formulated to help reduce risks and reflect the responsible sourcing of raw materials of the organization. The Company sets good policy, practices, and frameworks for responsible sourcing of raw materials. These include details such as reducing the use of chemicals, pesticides and insecticides. Actions are done to improve sustainable cultivation, protect biodiversity, properly use water resources, procure raw materials produced by law-abiding manufacturers, and operate with respect to human rights including the use of non-child labors, non-forced labors, and legal foreign workers, etc.

## 5. Efficiency on Water Usage

The Company has a systematic water management throughout the organization. There is a campaign to raise awareness among employees about using water to the most value and benefit.

### 3.3.2 Environmental Performance in 2021

- The Company operates a manufacturing business as an industrial factory, thus there are industrial waste generated. To ensure that the waste generated from the Company's activities is controlled and the environment is not polluted by our management, there are processes and procedures that are in accordance with certified standards.

1. Waste generated from the activities of the company were processed by hiring a company with license to transport waste and dispose waste in accordance with relevant standards and laws regarding the disposal of waste or unused materials.
2. Monitoring and verification of waste record reports and license of the company that were hired for waste transport and disposal were done monthly. This ensures that it is correct and renewed every year for operational efficiency and without affecting the communities and the environment.

### Summary of Air Quality Inspection from Boiler Chimney

No.	Description	Total Suspended Particulate (mg/m <sup>3</sup> ) (STD=320)	Emission Rate of Total Suspended Particulate (g/s)	Opacity (%) (STD=10)	Standard Comparison
1	Boiler No.1	1.362	0.004	2.2	Pass
2	Boiler No.2	2.352	0.006	1.2	Pass
3	Boiler No.3	2.799	0.004	1.3	Pass
4	Boiler No.4	13.829	0.007	-	Pass
5	Boiler No.6	0.400	< 0.001	-	Pass
6	Boiler No.7	3.004	0.002	-	Pass

- The Company regularly measures the quality of the exhaust air from the steam chimneys to assess the combustion efficiency of the boilers. This was done by hiring an external contractor to measure and certify the results of the environmental quality analysis. In 2021, details are as follows:
- The Company has signed a contract with an environmental sustainability agent, who is a consultant on sustainability, and incorporated sustainability into one of the organization's strategies. In 2022, this work process is divided into 3 phases as follows:
  - Phase 1 Awareness building
  - Phase 2 Current stage analysis
  - Phase 3 Science-based sustainability target setting
- The Company has incorporated sustainability into its business operations and performances at all levels. In the office, the Company has installed drinking water filters for employees and executives to reduce the use of single-used plastic water bottles. Also, the air conditioning system in the office is separated between the meeting room and the operating in order to reduce unnecessary energy use.

ทุก



Malee  
Fruit  
Fresh

100% FRUIT JUICE

จับคู่มิคุ้มกัน

กับน้ำส้มมาลี ฟรุ๊ตเฟรช



ล็อกวิตามิน  
ล็อกความสด  
ล็อกความอร่อย

ใช้แรงดันน้ำ ไม่ผ่านความร้อน



- The Company pays attention to every aspect of the environment in order to reduce the impact on the communities and surroundings of the factories. Management to reduce greenhouse gas emissions is carried out continuously by the company's internal experts.

### **3.4 Sustainability Management in Social Dimensions**

#### **3.4.1 Social Policies and Practices**

The Company has a business policy on Corporate Social Responsibility (CSR) under basic ethical principles to ensure fairness to all stakeholders involved, as well as to apply the good corporate governance principle as a guideline to maintain balance of operations in terms of economy, community, society and environment, leading to the development of business that sustainably succeed. The guidelines are as follows.

#### **1. Conducting business with fairness**

Conducting business with fairness is one of the topics in the Malee Group's Code of Conduct. The Company emphasizes on doing business with fairness. We understanding the nature of business and the situation of clients, partners, suppliers, farmers and the surrounding communities, so that they keep in minds that they have to depend on each other. This results in creating confidence that will benefit both the business and related parties in the long run.

#### **2. Respect for Human Rights**

Respecting the human rights of employees as well as employees of partners without discrimination, while creating corporate values and promoting learning opportunities for employees. This leads to the development of full potential according to roles and duties of each person. The Company has a commitment to develop employees, enabling them to have confidence in the value of human beings. The Company

emphasizes on taking care of employees and human resource development so that they are more than our employees. Importantly, the Company focuses on developing employees to have Knowledge Competency, Skill Competency, and Attributes Competency. The Company is committed to making all employees aware of sustainable success and development. We support the expansion of the company's business to be international and world-class standards.

### 3. Fair Treatment of Labor

The Company is committed to the development of the organization's personnel so that they have knowledge and competence as their competitive advantages. We build pride in Malee's family by supporting career advancement with an international standard compensation and welfare structure. There is a fair performance appraisal (KPI) that focuses on brainstorming in order to create creativity in work as well as being sincere and honest with everyone. The Company is responsible to employees and society in terms of product quality, rewarding with the quality of life and well-being for employees. We build acceptance, appreciate their works, respect their ideas, and take human rights into account in order to open an opportunity to a new perspective of learning as well as being able to develop skills, ideas, and behavior change. The Company opens up a new world of experiences that will bring about professional career development and happy coexistence as a Malee's family.

The Company will add welfare for employees since 2022 by providing equality between males and females in terms of increasing the rights to leave for male employees to take care of their wives after giving birth to a child for 15 days per pregnancy. As for religious equality, the Company will grant the rights to leave for religious ceremonies for a maximum of 30 days. Formerly, only male employees who practice Buddhism could take ordination leave.



#### **4. Consumer Responsibility**

The Company is a manufacturer and distributor of consumer products. We have a policy to conduct business with cleanliness and safety standards until it is accepted both within the country and in terms of testimonials and certificates for various quality standards such as Certificate in the Program of Industrial Production Process Improvement with Cleaner Technology from Mahidol University in collaboration with NSTDA (NSTDA), many international organizations such as HACCP, GMP, KOSHER, Q Mark, IFS, BRC., Halal Certificate, etc. The Company also has a consumer protection hotline at 02-532-3572 to show responsibility for the Company's products to consumers.

#### **5. Community Contribution and Development**

The Company will use the potential and knowledge of the organization to create engagement with the community, promote personnel by providing guidelines for managing and solving problems so that the community can be self-reliant. We contribute to improving the quality of life in the community, improve the quality of life, and develop the community and society.

#### **6. Contribution of Stakeholders**

The Company has a process to create engagement with stakeholders so that we know the expectations of the relevant stakeholders and meet the expectations of society. This includes creating long-term values for all groups of stakeholders throughout the recent past, the Company focuses on creating engagement with important stakeholders towards the cooperation that will overcome obstacles together in times of crisis and maintain good relations between the company and stakeholders.

#### **3.4.2 Social Performance**

The Company provides employees with suitable working environment so that they can work safely with dignity and due regard for the environment. Relaxation will be good for the health and safety of employees and allow them to adjust the balance between life and work, and then end up able to be self-sustaining. We support money saving and sharing time between working and living with family creatively.

In 2021, the Company has had some activities related to welfare to promote and develop employees' potential as follows:

- Annual health check-up for employees with a program in accordance with the employee's work characteristics. The Company has coordinated with the hospital to allow employees to add health check-up items at a special rate, as well as facilitate by allowing the hospital to provide health check-up services at the company's office. They can see the doctor in the occupational medicine to discuss health problems.

- Election of the Safety and Welfare Committee.
- Employee benefits such as medical expenses/life and accident insurances/welfare benefits/ provident funds, etc.
- The Company has taken care of the safety of employees in their workplaces. The statistics of accidents in 2021 were as follows:

No.	Details	No.of times
1	Accidents with damaged property (DAMAGE PROPERTY)	6
2	Accidents with injured employees who took no time-off from work (RECORD INJURIES)	9
3	Accidents with injured employees who took time-off from work (LOSS TIME ACCIDENT)	1

**Injury Frequency Rate:** IFR as of December 31, 2021 were 1.12.

IFR is the Injury Frequency Rate = (total number of injuries requiring time-off x 1,000,000).

As for the COVID-19 situation in 2021, it has changed various activities. To prevent the pandemic, the society had to create new practices (New Normal), affecting both lifestyle changes and concept changes. The Company has adjusted many forms of operations in terms of work styles of the employees by requiring physical distancing. The Company's social performance consisted of controlling the COVID-19 virus within the Company by the Crisis Management Working Group established with the format and actions summarized in the past 2021 as follows:



- The Company provides vaccines to employees who voluntarily complete 2 injections. The factories have set aside the area to create a Community Isolation System for employees and communities around the factories.
- Communicate and understand correct prevention and practices for controlling and managing COVID-19.
- Provide assistance to communities and people who are affected by the COVID-19 situation.

### COVID-19 Control within Malee Group Public Company Limited by the COVID-19

#### กรณีการใช้ลิฟท์ / บันได / พื้นที่สาธารณะ



#### กรณีรับประทานอาหาร



#### Management Working Group





Health Screening

- Screening About Digital Infrared Thermoscan, the device is equipped with an infrared sensor that can quickly measure surface temperature without making any contact with a person's skin.



บรรยากาศการตรวจหาเชื้อโควิด เชิงรุก



The Company always recognizes that strong communities and societies with sustainable development are of great importance as factors contributing to the operation of the business. Therefore, the Company has contributed to the surrounding communities by promoting good local traditions and culture, as well as taking care and helping when the communities are in need.

The Company encourages disabled people to show their potential and create career positions for people with disabilities as well as provide employment opportunities for people with disabilities so that they have income for their own living and family. The Company joins the memorandum on the employment of persons with disabilities for public interest project. In 2021, there are total 14 people with disabilities participating in the employment program for public interest.

In 2021, the COVID-19 pandemic has caused severe impacts on society, affecting lifestyle changes. Meanwhile, the Company has urgently provided assistance to society and communities as well.

**Donate to the Chaipattana Foundation**



**Prepare employment contracts for persons with disabilities participating in the project and meeting with school administrators**



**Donate to Ruamkatanyu Foundation, Wat Hua Lamphong Branch**



**Donate to foundations and communities affected by the Covid-19 pandemic**



In 2021, the Company has provided consumer food support to the Scholars of Sustenance (SOS) charitable foundation, A Food Rescue Foundation, by requesting non-profit cooperation from leading companies in Thailand. Hunger and food waste are two major crises around the world. SOS’s mission is to make a difference by delivering food that is discarded but of good quality, transforming it into nutritious food service for the people who need it most.



In 2021, the Company has donated some of good quality products, which cannot be sold under commercial terms, in the amount of 220,848 kilograms to the SOS Foundation. This is equivalent to 927,567 meals. This donation can also help reduce the amount of carbon emissions generated in case food are buried (Co2e or Co2 Equivalence) in the amount of 559,740 kilograms.





**Ms. Roongchat Boonyarat, Chief Executive Officer, received a thank you plaque from the Thai Chamber of Commerce at the closing ceremony of the Big Brother Project (Season 5) on January 25, 2022.**

Malee Group Public Company Limited has been invited by the Thai Chamber of Commerce to join the Big Brother Project for the fifth consecutive year. It is a project to jointly develop SMEs entrepreneurs and suggest solutions to problems for business growth. The Company is the main mentor to help give advice and guidelines for SMEs to grow strongly and sustainably by transferring knowledge and experience in various fields such as production, sales marketing, accounting and finance, purchasing and management as well as helping SMEs to create their own sustainable business plans. This is considered another way to generate gross income for the country. In 2021, the project has done its fifth Season, where the company has mentored a total of 23 SMEs in its five years of participation.





# MANAGEMENT DISCUSSION AND ANALYSIS: MD&A



Growing well together



Malee Group Public Company Limited and Its Subsidiaries  
Management Discussion and Analysis  
For the year ended 31 December 2021

## 1. Year 2021 Highlights

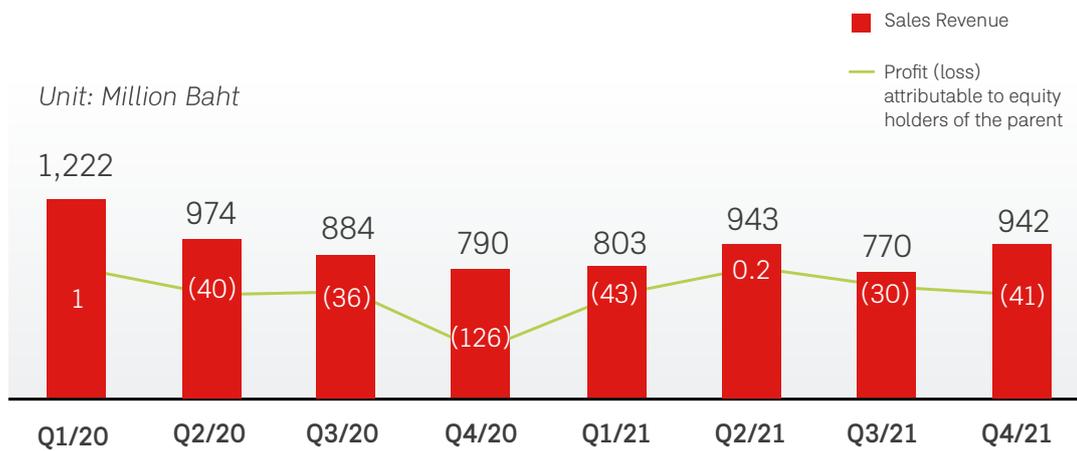


Figure 1: Quarterly results

- In 2021, the Company and its subsidiaries recorded total sales of Baht 3,458 million, a decrease of 11% YoY. This was mainly contributed from 21% YoY decline in Domestic sales and 8% YoY increase in Export sales.



- In 2021, the Company and its subsidiaries recorded total sales decrease of 11% YoY while the overall performance improved 43% from the previous year as it recorded a net loss reduction of Baht 114 million compared to the same period of 2020 that recognized a net loss of Baht 201 million. This was mainly due to the ongoing COVID-19 pandemic which impacted a huge drop in sales. An effective cost reduction and selling expense cut and control still did not compensate an impact from large sales shrinkage, the increase in expenses for managing the COVID-19 situation, and administrative expenses relating to personnel restructuring.

## 2. Overview of Domestic Ready-to-Drink Fruit Juice Market

In 2021, Moving Annual Total (MAT) of domestic RTD fruit juice market was Baht 8,704 million, a decrease of 10% YoY. RTD fruit juice market value and growth is as shown in Figure 2.

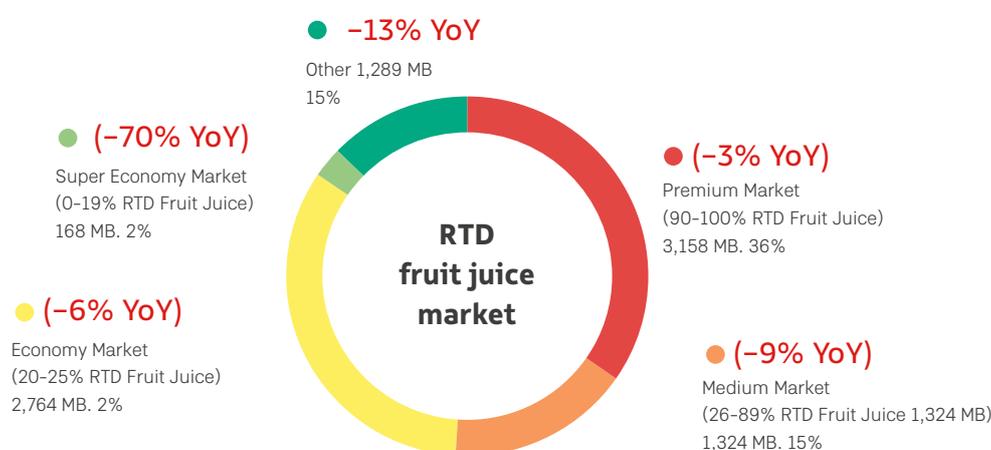


Figure 2: MAT December 2021 RTD Fruit Juice Market Value breakdown by Market Segment (Source: Nielsen)

## 3. Results of Operations and Profitability

### Consolidated financial statements

#### งบการเงินรวม

(Unit : Baht Million)	2021	2020	%YoY
Revenues from sales and services	3,458	3,870	-11%
Cost of goods sold and services	2,623	3,169	-17%
Gross profit	834	702	+19%
% gross profit	24.1%	18.1%	
Selling expenses	430	423	+2%
% selling expenses to sales	12.4%	10.9%	
Administrative expenses	495	493	+0%
% Administrative expenses to sales	14.3%	12.7%	
Finance costs	76	71	+7%
Share of profit (loss) from investment in subsidiaries and JV	(6)	(27)	+80%
Tax (income)	(16)	(66)	+76%
Net profit (loss) equity holders of the Company	(114)	(201)	+43%
% net profit (loss)	(3.3%)	(5.2%)	

### Year 2021 Sales Revenue

The Company and its subsidiaries recorded sales revenue of Baht 3,458 million, a decrease of 11% YoY. Details are as follows:

- Domestic Branded Business sales decreased 10% YoY.
- Export Branded Business sales decreased 1% YoY.
- Total Contract Manufacturing Business (CMG) total sales decreased 18% YoY.

Sales breakdown by business and geography are as follows:

Sales Breakdown by Business:

- Brand: Baht 2,241 million, down 6% YoY.
- CMG: Baht 1,217 million, down 18% YoY.
- Sales ratio of Brand:CMG was 65:35, compared with 62:38 in year 2020.

Sales Breakdown by Geography:

- Domestic: Baht 1,940 million, down 21% YoY.
- Export: Baht 1,518 million, increased 8% YoY
- Sales ratio of Domestic: Export was 56:44, equally compared with 64:36 in year 2020

### Year 2021 Cost of Goods Sold

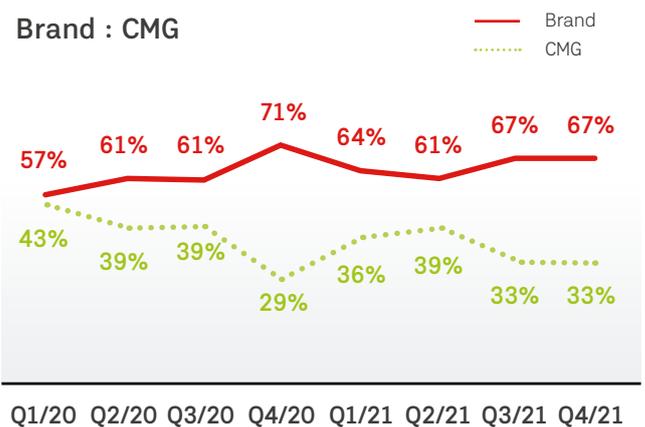
The Company and its subsidiaries recorded cost of goods sold of Baht 2,623 million, a decrease of 17% YoY. Cost of goods sold to sales decreased to 75.9% from 81.9%, mainly due to a 11% YoY sales decrease in spite of more efficient cost of goods sold control.

### Year 2021 Gross Profit

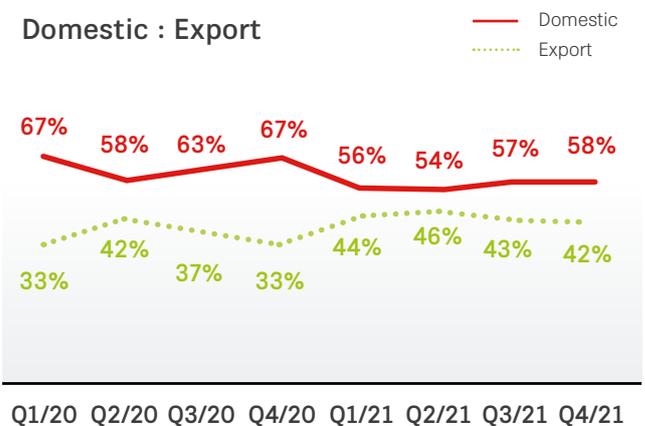
The Company and its subsidiaries recorded gross profit of Baht 834 million, an increase of 19% YoY, which represented a gross profit margin of 24.1%, growth from 18.1% in Q4/2020. This was mainly due to a more efficient cost of goods sold control in spite of a total sales decline.



Brand : CMG



Domestic : Export



### **Year 2021 Selling Expenses**

The Company and its subsidiaries recorded selling expenses of Baht 430 million, an increase of 2% YoY. It represented an increment of 12.4% to sales, an increase from 10.9% in the same period of the previous year. This was mainly due to rising expenses and large sales decline resulting from the COVID-19 pandemic situation.

### **Year 2021 Administrative Expenses**

The Company and its subsidiaries recorded administrative expenses of Baht 495 million, relatively close to the previous year. Administrative expenses to sales increased to 14.3% from 12.7% in Q4/2020, mainly due to the increase in expenses and the sharp drop in sales as a result of the COVID-19 pandemic situation and administrative expenses relating to personnel restructuring.

### **Year 2021 Finance Costs**

The Company and its subsidiaries recorded finance costs of Baht 76 million in 2021 compared to Baht 71 million in 2020, an increase of 7% YoY. This resulted from adjusted interest expenses calculated on lease liabilities in accordance with the new Financial Reporting Standard (TFRS16) Lease Agreements.

### **Year 2021 Net Loss equity holders of the Company**

The Company and its subsidiaries recorded a net loss of Baht 114 million, accounted to 43% improved performance from 2020 that recognized a net loss of Baht 201 million. Even though total sales decreased 11% YTD, the improvement was due to more efficient control of cost of goods sold. However, the Company still recorded loss due to large sales shrinkage, and increased expenses relating to managing the COVID-19 situation and increased administrative expenses relating to personnel restructuring.

## 4. Financial Position of the Company and its Subsidiaries

(Unit: Baht Million)	31 DEC 2021	31 DEC 2020	% Change
Cash and cash equivalents	80	84	(4.0%)
Account receivables	632	471	34.3%
Inventories	554	544	1.9%
Other current assets	71	129	(44.7%)
Total current assets	1,337	1,227	9.0%
Property, plant and equipment	1,582	1,670	(5.3%)
Goodwill	55	48	13.0%
Investments in joint venture	14	21	(33.1%)
Other non-current assets	1,058	1,036	2.1%
Total non-current assets	2,708	2,776	(2.4%)
<b>Total Assets</b>	<b>4,046</b>	<b>4,003</b>	<b>1.1%</b>
Bank overdrafts and short-term loans from financial institutions	1,128	1,104	2.2%
Account payables	356	346	2.8%
Advances from customers	83	26	219.4%
Current portion of long-term loans from financial institutions	22	224	(90.3%)
Current portion of liabilities under financial lease agreements	41	64	(35.7%)
Other non-current liabilities	345	270	27.5%
Total Current Liabilities	1,974	2,035	(3.0%)
Long-term loans, net of current portion from financial institutions	795	608	30.8%
Liabilities under financial lease agreements, net of current portion	224	262	(14.3%)
Other non-current liabilities	296	258	14.5%
Non-current Liabilities	1,316	1,128	16.6%
<b>Total Liabilities</b>	<b>3,290</b>	<b>3,163</b>	<b>4.0%</b>
Authorized share capital	138	138	0.0%
Issued and fully paid-up share capital	138	138	0.0%
Share premium	-	-	-
Retained earnings	252	366	(31.2%)
Other components of equity	254	231	10.2%
Deduct: Treasury stock	-	-	-
<b>Total equity of parent Company's S/H</b>	<b>644</b>	<b>734</b>	<b>(12.3%)</b>
Non-controlling interests	112	106	(6.5%)
<b>Total Shareholders' Equity</b>	<b>756</b>	<b>840</b>	<b>(10.0%)</b>
<b>Total Liabilities and S/Hs' Equity</b>	<b>4,046</b>	<b>4,003</b>	<b>1.1%</b>

### Assets

As at 31 December 2021, the Company and its subsidiaries had total assets of Baht 4,046 million, an increase of 1.1% from Baht 4,003 million as of 31 December 2020. The main factors included an increase in account receivables and inventories, and a decrease of other current assets and joint venture investment.

### Liabilities

As at 31 December 2021, the Company and its subsidiaries had total Liabilities of Baht 3,290 million, an increase of 4% from Baht 3,163 million as of 31 December 2020, mainly due to an increase in advances from customers, other current liabilities, and the decrease of current portion of long-term loans from financial institutions and current

portion of liabilities under financial lease agreements.

### Shareholders' Equity

As at 31 December 2021, the Company and its subsidiaries had total equity of parent Company's shareholder of Baht 64 million, a decrease of 12.3% from Baht 734 million as of 31 December 2020, mainly due to Year 2021 net loss.

Consolidated	2564	2563
Current Ratio (Times)	0.68	0.60
Interest-bearing Debt to Equity (Times)	3.09	2.70

## 5. Liquidity and Capital Resources

### Current Ratio

As at 31 December 2021, the Company and its subsidiaries recorded current ratio of 0.68x, approximately close to 0.60x of 31 December 2020.

### Debt to Equity Ratio

As at 31 December 2021, the Company and its subsidiaries recorded Interest-bearing debt to equity ratio of 3.09x, increasing from 2.70x as of 31 December 2020

### Cash Flow

(Unit: Baht Million)	2021	2020	% change
Profit (loss) from operating activities before changes in operating assets and liabilities	95	128	(26.2%)
Profit (loss) from changes in operating assets and liabilities	(21)	63	(133.2%)
<b>Net Cash flows from (used in) operating activities</b>	<b>74</b>	<b>191</b>	<b>(61.4%)</b>
Cash paid from business combination	-	21	(100.0%)
Cash paid for increased investments in joint ventures	-	(15)	100.0%
Cash back from investment in joint ventures	-	45	(100.0%)
Acquisition of equipment	2	6	(58.4%)
Cash paid for equipment	(34)	(22)	(57.8%)
Net Cash flows from other investing activities	(3)	(2)	(19.1%)
<b>Net Cash flows from (used in) investing activities</b>	<b>(34)</b>	<b>33</b>	<b>(204.2%)</b>
Increase (decrease) in bank overdraft and short - term loans from financial institutions	46	66	30.2%
Cash received from short-term loans from financial institutions	2,811	2,921	(3.8%)
Cash paid for short-term loans from financial institutions	(2,833)	(3,323)	14.7%
Cash received from long-term loans from financial institutions	-	298	(100.0%)
Cash paid for long-term loans from financial institutions	(16)	(149)	89.2%
Cash paid for principal of the lease liabilities	(39)	(73)	46.1%
<b>Net Cash flows from (used in) financing activities</b>	<b>(31)</b>	<b>(259)</b>	<b>87.9%</b>
Exchange differences on translating financial statements	(12)	0	(37967.9%)
Net increase (decrease) in cash and cash equivalents	(3)	(35)	90.5%
Cash and cash equivalents at beginning of periods	84	119	(29.6%)
<b>Cash and cash equivalents at end of periods</b>	<b>80</b>	<b>84</b>	<b>(4.0%)</b>

YE2021, the Company and its subsidiaries recorded ending cash of Baht 80 million, a decline of Baht 84 million from YE2020, with details as follows:

- Net cash received from operating activities of Baht 74 million, consisting of (1) cash inflows from operating activities before changes in operating assets and liabilities of Baht 95 million; and (2) cash inflows from changes in operating assets and liability (used in) of Baht 21 million.
- Net cash in investing activities of Baht 34 million, consisting of (1) cash acquisition of equipment of Baht 2 million; (2) Cash paid for equipment of Baht 34 million; and (3) cash flows from other investing activities of Baht 3 million.
- Net cash flows (used in) in financing activities of Baht 31 million, comprising of (1) cash paid increase in bank overdraft and short-term loans from financial institutions of Baht 46 million; (2) cash received from short-term loans from financial institutions of Baht 2,811 million; (3) cash paid for short-term loans from financial institutions of Baht 2,833 million; (4) Cash paid for long-term loans from financial institutions of Baht 16 million; and (5) cash paid for principal of the lease liabilities of Baht 39 million.

## 6. Forward Looking

In the past 2 years, the Company has a lot of improvement in various areas. This included personnel restructuring, operational knowledge development, process elimination and enhancement in order to continuously increase efficiency and reduce cost. Nevertheless, the severe domestic and global COVID-19 pandemic situation had a great impact on branded business and contract manufacturing (CMG) sales shrinkage which caused by much less purchasing power in both domestic and international markets, and indirect effect from governmental measures; i.e., closure of restaurants and entertainment venues, controlling and prohibiting foreign tourists to enter the country, cancellation of large meetings and banquets, and working from home. The overseas CMG customers and Export Branded Business were in a difficult situation due to container shortages and extremely high container costs. In addition, domestic and overseas high inflation has affected most raw material price surge and wage increase. In the meantime, the Company has looked after the health and safety of our staff from COVID-19 and closely monitored situations that would harm our operation. We have laid out a business continuity plan (BCP) to prevent and strictly manage all possible risks that would impact our business and our employees. Required health measures were in place and various work process adjustments

were implemented in order to maintain efficiency, productivity, and appropriate cost management. The Company also provided COVID-19 vaccines for our employees and they could choose to opt-in our provision plan. All of these issues have continued effect on business operation for a long period.

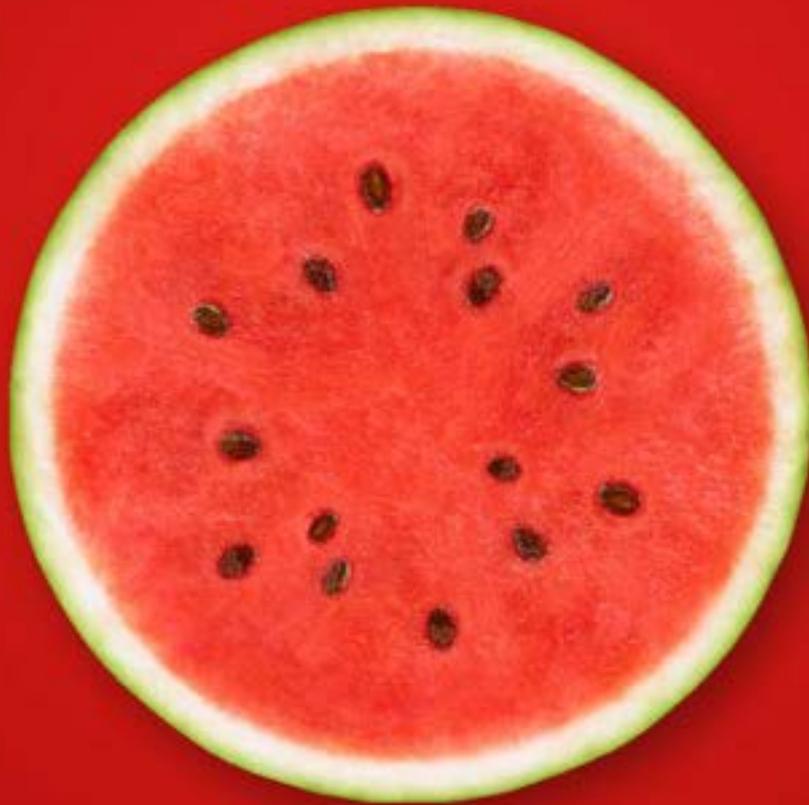
Although Year 2021 sales decreased 11%, the Company recognized greater gross profit from the previous year. The Company recorded a net loss of Baht 114 million as of the end of 2021 while operational performance improved 43% compared to last year net loss. However, the Company does not focus only on up-front problems. Lean/Six Sigma has been deployed in the organization to increase

efficiency, reduce cost and expense, increase branded business and CMG sales growth, and identify and expand new product offering. We also closely monitor external factors and situation in order to be able to adapt rapidly to changes we are facing. These measures are to enable the Company and our employees to overcome this challenging period and be ready to seize new opportunities. The Company would like to assure that our management and team have focused on controllable factors such as strict cost and expense control, efficient operation, and putting capacity utilization increase as our top priorities so that our business performances will continually improve.



# GENERAL INFORMATION AND IMPORTANT INFORMATION

AS OF DECEMBER 31, 2021



*Growing well together*

# THE STRUCTURE OF MALEE GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES



**Malee Group  
Public Company Limited**

a manufacturer and distributor of food and beverage products



## MALEE GROUP PUBLIC COMPANY LIMITED

Registration Number:	0107535000079
Address:	No. 401/1 Moo 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani, 12130
Telephone:	+662 080 7899
Fax:	+662 080 7800
Website:	<a href="http://www.malee.co.th">http://www.malee.co.th</a>
Factory Location:	26/1 Moo 5, Sampran Road, Yaicha, Sampran, Nakhon Pathom, 73110
Business:	A manufacturer and distributor of food and beverage products
Number and Type of Shares Issued:	276,000,000 ordinary shares with a par value of 0.50 Baht per share
Coordinator:	Naharuthai Chuachalad – Telephone: 66(2) 080 7899 ext. 1136 E-mail: <a href="mailto:naharuthai_chu@malee.co.th">naharuthai_chu@malee.co.th</a>

## SUBSIDIARIES

### 1. MALEE ENTERPRISE COMPANY LIMITED

Registration Number:	0105535109621
Address:	No. 401/1 Moo 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani, 12130
Telephone:	+662 080 7899
Fax:	+662 080 7800
Website:	<a href="http://www.malee.co.th">http://www.malee.co.th</a>
Business:	Food and Beverage Distributor in Thailand
Number and Type of Shares Issued:	10,000,000 ordinary shares with a par value of 10 Baht per share
Number of Shares Held by the Company:	The number of shares held by the Company is 9,998,800 (99.99%)

### 2. MALEE CAPITAL COMPANY LIMITED

Registration Number:	0135551007374
Address:	No. 401/1 Moo 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani, 12130
Telephone:	+662 080 7899
Fax:	+662 080 7800
Website:	<a href="http://www.malee.co.th">http://www.malee.co.th</a>
Business:	Investment Business and Provider of Support Services for Affiliated Companies
Number and Type of Shares Issued:	46,000,000 ordinary shares divided into: <ul style="list-style-type: none"><li>• 4,000,000 ordinary shares with a par value of 10 Baht per share</li><li>• 42,000,000 ordinary shares with a par value of 7.50 Baht per share</li></ul>
Number of Shares Held by the Company:	45,999,994 shares (99.99%)

### 3. MALEE INTERNATIONAL COMPANY LIMITED

Registration Number:	0135556014948
Address:	No. 401/1 Moo 8, Phaholyothin Road, Lam Luk Ka, Pathum Thani, 12130
Telephone:	+662 080 7899
Fax:	+662 080 7800
Business:	Conducts an International Trade Business
Number and Type of Shares Issued:	400,000 ordinary shares with a par value of 100 Baht per share
Number of Shares Held by the Company:	399,998 shares (99.99%)

### 4. MONDE MALEE BEVERAGE CORPORATION

Registration Number:	0520960154
Address:	No.9 Sheriden St., Mandaluyong City 550, Metro, Manila, Philippines
Telephone:	+663 754 2100
Fax:	+663 810 9207
Business:	An importer and distributor of Malee products and new products in Philippines.
Number and Type of Shares Issued:	1,500,000 ordinary shares with a par value of 200 Pesos per share
Number of Shares Held by the Company:	734,998 shares (49%)

### 5. MALEE APPLIED SCIENCE COMPANY LIMITED

Registration Number:	0135560000948
Address:	INC 2 No. 142 Thailand Science Park, 8th Floor, No. INC2C 801-807 Moo 9 Phaholyothin Road, Subdistrict Klong 1, District Klong Luang, Pathum Thani, 12120
Telephone:	+662 117 8381-4
Fax:	Research and Development Services for Innovations to Add Value to Products and Services
Number and Type of Shares Issued:	500,000 ordinary shares with a par value of 100 Baht per share
Number of Shares Held by the Company:	499,997 shares (99.99%)

## 6. PT KINO MALEE TRADING COMPANY LIMITED

Registration Number:	812009742565
Address:	Kino Office Tower 22nd Floor Jalan Sutera Boulevard No.1, Alam Sutera, Panunggangan Timur, Pinang, Kota Tangerang, Banten
Telephone:	+621 8082 1100
Fax:	+621 8082 1123
Business:	Importer and Distributor of Malee Products and New Products in Indonesia
Number and Type of Shares Issued:	1,500 ordinary shares with a par value of 10,000,000 IDR per share
Number of Shares Held by the Company:	735 shares (49%)

## 7. LONG QUAN SAFE FOOD JSC

Registration Number:	0314776308
Address:	A100 Le Thi Rieng, Thoi An Ward, Distric 12, Ho Chi Minh City, Viet Nam
Telephone:	(083) 765 2979
Fax:	-
Business:	A distributor in Vietnam
Number and Type of Shares Issued:	2,818,000 ordinary shares with a par value of 10,000 VND per share
Number of Shares Held by the Company:	1,831,700 shares (65%)

## 8. TAN QUANG MINH MANUFACTURE AND TRADING COMPANY LIMITED

Registration Number:	0302395763
Address:	Lot C21/I, Street 2F, Vinh Loc Industrial Park, Vinh Loc A Commune, Binh Chanh Dist., Ho Chi Minh City, Viet Nam
Telephone:	(848) 765 2567
Fax:	(848) 765 2979
Business:	www.bidrico.com.vn
Number and Type of Shares Issued:	A beverage manufacturer in Vietnam and an exporter to emerging market
Number of Shares Held by the Company:	2,818,000 ordinary shares with a par value of 10,000 VND per share
Number of Shares Held by the Company:	A subsidiary of Long Quan Safe Food JSC

## REFERENCES

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### Registrar of Securities

Thailand Securities Depository Company Limited  
The Stock Exchange of Thailand Building  
93 Ratchadaphisek Road, Din Daeng, Bangkok, 10400  
Telephone: +662 009 9000  
Fax: +662 009 9991

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### Auditor

Mr. Supachai Phanyawattan	Certified Public Accountant Registration No. 3930
Mr. Preecha Arunnaral	Certified Public Accountant Registration No. 5800
Mr. Chatchai Kasemsrithanawat	Certified Public Accountant Registration No. 5813
Ms. Sutthirak Fakon	Certified Public Accountant Registration No. 7712

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EY Company Limited (Inspected for 1 year)  
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### Legal Dispute

-None-

**Malee**  
100% FRUIT JUICE



วิตามิน  
ซีรวมชาเขียว  
ที่ชีวิตต้องการทุกวัน





# CORPORATE GOVERNANCE



*Growing well together*



### 6. Corporate Governance Policy

The Company established good corporate governance policies for the directors, executives and employees to adhere to as an operational guideline. The Company disseminated the corporate governance on the Malee Intranet network and on the company's website, [www.malee.co.th](http://www.malee.co.th), so that directors, executives, employees, as well as third parties who visit the website know, understand and adapt the governance policy for the perceivable operation.

#### 6.1 Policy Overview and Corporate Governance Practices

The Company is well aware of operating business with responsibility and fairness. Therefore, the Company realizes the importance of good corporate governance and management which increases competitiveness and efficiency of management by focusing on creating value and promoting sustainable business growth, and on creating investor confidence which leads to long-term value creation for the company, shareholders and all stakeholders, corporate governance. This enables the company's operations to be transparent and verifiable.



Over the past years, the Board of Directors has approved the corporate governance policy in accordance with the Good Corporate Governance Principles for Listed Companies 2012 by the Office of the Securities and Exchange Commission. There are five primary principles (CG Principles). Up until 2017, the Office of the Securities and Exchange Commission issued the "Principles of Good Corporate Governance for Registered Companies in 2017" (CG Code 2017) as a replacement for "Good Corporate Governance Principles for Listed Companies in 2012" (CG Principles 2012). The Board of Directors resolved to adjust the corporate governance principles of the company to be in the same direction with this new CG Code by continuing

to focus on 5 principles as practical guidelines and added the principles of the Board of Directors of the Company as the leaders or the highest responsible person in the organization to create sustainable value for the business to meet the expectations of the business sector, the shareholders and stakeholders, as well as the capital market and society as a whole. The Management Team gradually adjusted the details of the corporate governance of the company.

According to the Meeting of the Board of Directors which was held on November 11, 2021, the Meeting reviewed the implementation of CG Code 2017 which includes 8 guidelines as follows:

1. Recognize the roles and responsibilities of the Board of Directors as the organization leaders who create sustainable value for the business.
2. Determine the objectives and main goals of the business for sustainability
3. Strengthen the effective Board of Directors
4. Recruiting and developing high-level executives and personnel management
5. Promote innovation and conducting business with responsibility
6. Ensure that there is an appropriate risk management and internal control system.
7. Maintain financial credibility and disclosure.
8. Support participation and communication with shareholders

In 2021, Malee has been evaluated in the Corporate Governance Report of Thai Listed Companies, and received a "5-Star CG Scoring (Excellent)" among the Top Quartile Ranking from the National Corporate Governance Committee and the Thai Institute of Directors Association (IOD) for the third consecutive year.

In regards to the anti-corruption operations, the company declared its intention to be a Private Sector Collective Action Coalition Against Corruption (CAC), organized by the Thai Institute of Directors Association, in cooperation with the Thai Chamber of Commerce, the International Chamber of Commerce, the Thai Listed Companies Association, the Thai Bankers Association, the Federation of Thai Capital Market Organizations, the Federation of Thai Industries, the Federation of Tourism Industries. The Company has been certified by the board of the CAC for its anti-corruption standards, and become a member of the Private Sector Collective Action Coalition Against Corruption since May 17, 2018. The validity of the certification is a three-year period. Over the three-year period of certification, the company has established a plan to maintain this certified qualification through, for example, training and communicating with the workforce to sustain their awareness in the company's policies, organizing the ongoing promotional activities to shape employee behaviors and create awareness among the personnel within the organization, and promoting whistle blowing when encountering corruption within the organization. The Company has planned to extend the CAC coalition with its business partners by organizing training programs to educate about the purposes and goals of this declaration of intentions, to create good and sustainable success together with partners, and invite them to jointly declare the intention of anti-corruption with the company.

In the fourth quarter of 2020, the company has submitted an application for the renewal of the Anti-Corruption Standard Certification. And in April 2021, Malee Group Public Company Limited has been certified for the Anti-Corruption Standard first renewal for a period of 3 years ending March 2024.

## 8 Corporate Governance Guidelines are as follows:

### 1. Recognize the roles and responsibilities of the Board of Directors as the organization leaders who create sustainable value for the business.

1.1 The Board of Directors understands and realizes their leadership role and responsibilities in overseeing the Company and strengthen good governance, including:

- (1) defining objectives and targets.
- (2) defining strategies, operating policy, as well as allocating significant resources to achieve the objectives and targets.
- (3) monitoring evaluating; and supervising the reporting on the company's performance.

1.2 The Board of Director has the following on corporate governance policy to create sustainable value creation of business, ethically with respect and responsibilities towards shareholder's right and stakeholders in all sectors, taking into consideration social interest and develop or reduce negative impact on environment. This includes written policies for directors, executives and employees, such as business ethics, etc.

1.3 The Board of Directors has an obligation to supervise all directors and executives to perform their obligations with Accountability and Responsibility, Duty of Care, and Duty of Loyalty for best interest of the company. The Board of Directors perform their responsibilities in compliance with applicable laws, objectives, articles of association, Board of Directors' resolutions, Shareholders' Meeting resolutions, and the company's Policies. There must be sufficient mechanisms to ensure that the company's operations comply with relevant laws such as the interconnected transaction policy, anti-corruption policy, regulatory authority,

such as investments, transactions that have a significant impact on the company. Making transactions with connected persons and acquisition or disposition of property, the payment of dividends, etc., shall be in accordance with the conditions prescribed by law.

1.4 The Board of Directors shall understand the scope of duties and responsibilities of the Board of Director and clearly define the scope of assignments and responsibilities to the Chief Executive Officer, Managing Director, and the Management. The Board of Directors shall also monitor the Chief Executive Officer, the Managing Director, and the Management to ensure that they perform their duties as assigned.

### The Clear Separation of Duties between the Board of Directors and the Management Team

The Chairman of the Board of Directors is a non-executive director and is not the same person as the Chief Executive Officer. The Chairman of the Board is a leader that plays an important role in making decisions about policies, providing support and advice regarding the business operations to the Management Team without interfering with the work routines which are the responsibility of the Management Team. The duties and responsibilities are clearly determined as follows:

### Matters that the Board of Directors shall supervise the implementation

- (1) Determination of the objectives and main goals of doing business
- (2) Creating an organizational culture that adheres to ethics as well as behave as a role model
- (3) Overseeing the structure and the conduct of the Board of Directors as appropriate to achieve the objectives and the main goal of doing business with efficiency

- (4) Nomination, development, compensation, and evaluation of the performances of the Chief Executive Officer and the President.
- (5) Determination of the remuneration structure that motivates personnel to perform their duties in accordance with the objectives and main goals of the organization.

#### **Matters that the Board of Directors shall assign other persons to act on their behalf**

- (1) Execution in accordance with strategies, policies, work plans that have been approved by the Board of Directors. The Board of Directors shall leave the Management accountable for the decision to operate procurement recruiting personnel to work, etc., according to the established policy framework and monitoring results without interfering with decision-making unless there is a necessity
- (2) Matters prohibited by regulations, such as approval of transactions that directors have interests, etc.

#### **Matters that the Board of Directors shall work with the Management**

- (1) Determination and review of the strategies, goals, annual work plans
- (2) Overseeing the suitability and adequacy of the risk management system and internal control
- (3) Determination of the operation powers that are appropriate to the responsibilities of the management
- (4) Determination of the resource allocation framework, development, and budgets, such as personnel policies and management plans and information technology policy

- (5) Monitoring and evaluation of the performances
- (6) Ensuring that the disclosure of financial and non-financial information is reliable

#### **The Board of Directors authorized the Management Team to operate assigned business in accordance with the Delegation of Authority Manual. For Example:**

- Approve investments in new businesses, joint ventures or any other projects that have the purpose of profit and loss sharing or investing in other businesses, except in the case that the required investment exceeds the credit limit of Baht 10 million, this must be approved by the Board of Directors.
- Disposal of assets that is not normal business trading to third parties (according to the market price) such as land and/or buildings or other assets, except in the case that it requires more than the credit limit of Baht 10 million, this must be approved by the Board of Directors.
- Procure/purchase capital expenditures in accordance with the budget.

#### **Succession Plan**

The Company foresees the necessity and importance of having a succession plan. The Company therefore has a succession plan that covers important executive positions by selecting persons who will perform duties of the said executive position, provide training in order to prepare the successor to be able to perform duties in the position in the future. This also ensures that the company will have executives who are knowledgeable and able to inherit important positions in the future.

### Orientation for New Directors

In regards to duty performance of the Board of Directors, directors should be aware of the nature of the company's business. Therefore, in the event that there are changes or there are new directors, the company will organize an orientation for new directors in order to advise the new directors regarding the nature of business and operational guidelines of the company as a whole. This includes providing important and necessary information for the performance of duties of directors and good corporate governance guidelines. The Company Secretary is the orientation arrangement coordinator.

### Supervision of Operations for Subsidiaries and Joint Venture Companies

The Company has a policy to invest in subsidiaries or associate companies that support the business operations or have synergy with the company, as well as companies that have goals, a vision, and strategic plans that are aligned with the company's growth. This will enable the company to increase operating results and profits, and increase competitiveness so that the company achieves its target of being a leading operator in the main business of the company.

The Company adheres to the principles of good corporate governance for listed companies. In managing and making decisions to invest in various businesses, the company not only considers to invest with prudence and takes into account the benefits of all stakeholders to gain profit from such business, but we also focus on conducting business in accordance with good corporate governance. The Company established a supervision policy

for subsidiaries and associate companies (collectively called, "joint ventures") in order to closely monitor the benefits of the company's investments so that they are sustainable and create added value and confidence for the company's stakeholders. The details are as follows:

1. The Company appointed representatives to be directors in joint ventures according to the shareholding proportion in each company ("Representative Directors of the Company") or in accordance with the joint venture agreement in order to supervise the joint ventured companies to operate business in accordance with the company's plans, laws, and the good corporate governance policy, supervised operating policies for joint ventured companies as well as other policies of the company.

2. In the Meeting of the Board of Directors of the joint venture, the company's representative of each company is able to vote as deemed appropriate regarding matters related to the general business operations of the joint venture for the maximum benefit of the joint venture and the company. However, there are some exceptions in the following matters, of which the Board of Directors and/or the Shareholders' Meeting of the Company shall approve before the company's representative make a consideration and casts a vote, as the case maybe:

- Related transactions
- Acquisitions and disposition
- Amendments to the Memorandum of Association of the joint venture.
- Transaction engagements that may have a significant impact on the financial position and operational performance of the joint venture

3. The joint venture must have an internal control system, risk management system, and fraud prevention system. This includes establishing the appropriate monitoring measures for joint ventures.

4. The representative director is responsible for overseeing joint ventures, has the duty to prepare an operating performance report of the joint venture to the Meeting of the Board of Directors for acknowledgement on a regular basis.

5. The Company has a policy to monitor the management of subsidiaries and associated companies in order to protect the benefit of company investments. The subsidiaries and associated companies shall have the duty to submit quarterly operating performances and financial statements that have been reviewed by a certified auditor, as well as the information for the preparation of the joint venture's financial statements to the company; to give consents to allow the company to use such information in preparing the consolidated financial statements or operating performance report for the quarter or the year, as the case may be. The joint venture is also responsible for reporting any significant issues or financial problems to the company when they are detected or requested by the company to conduct an inspection and report. This includes transactions between the said joint venture and any connected persons, the acquisition and disposition of assets or any other item of the said joint venture. This must be done completely and accurately.

## **2. Determine of the Objectives and Main Goals of the Business for Sustainability**

2.1 The Board of Directors emphasizes on the determination of objectives and main goals of the organization's business to

sustainably grow with the society; creating values and benefits for the organization, clients, partners, employees, shareholders, stakeholders and society as a whole; and creating an organizational culture that is under the principles of good corporate governance.

2.2 The Company's both annual and medium-term (3-5 years) and/or annual business strategies, goals and strategies shall be consistent with the achievement of the main objectives and goals of the organization, with the appropriate and safe use of innovation and technology.

## **Vision**

MALEE is ready and determined to perform its duty in taking care of health and well-being for our consumers, because we believe that being healthy is a foundation in living the best and happiest lives.

MALEE grows along with our consumers, so that they stay healthy and happy. We grow along with our employees, so that we can succeed both in our careers and our lives. We grow along with farmers who produce our food, so that they are proud of their works and maintain great quality of lives. And we grow along with the environment, so that it can endlessly flourish and nourish us for generations to come.

As an organization, "Malee Group" will be moving forward so that we can be better at performing our duty in taking care of these people. Because the more we are growing each day, the more we will all prosper together.

## **The Company's Operating Strategy**

The Company has a long-term goal to become a "Top Beverage Brand of Choice" in Thailand and also aims to be a "World-Class

Health Food and Beverage Manufacturer.” Nowadays, the domestic and foreign economic conditions are highly volatile, businesses face many uncertainties whether they are intensified trade competition, rapid changes in consumer behavior, trade wars, or even the COVID-19 pandemic. However, in order to achieve the set goals, the company has adjusted its operating strategies to deal with the various uncertainties as follows:

- Focus on increasing capacity utilization by providing the right capabilities and offerings, and shift our business model to stay relevant and flexible.
- Adjust work process to gain flexibility and be ready to adapt changing situations in a timely manner.
- Business portfolio, product portfolio, and customer portfolio management and optimization.
- Drive ongoing development and innovation.
- Manage the organization so that it is more efficient in order to create stability and sustainability in long-term operations.

### The Company's Business Objectives

The Company has set common goals within the organization in the following various areas:

#### 1. To increase net profits and sales, and develop new products for customers.

The Company has reviewed plans and placed more emphasis on net profit rather than increasing sales. The Company has better understanding on each distribution channel and offers products that meet the needs of customers in each channel. The Company does not only focus on short-

term sales, but also offers products that meet customer needs that generate short-term and long-term net profits in order to build sustainable business growth in the future. In regards to products, the company has focused on increasing product variety apart from the original 100% fruit juice group by launching more premium products and products with a greater mass. This includes new products from the implementation of new production technology which allows the company to expand the customer base and reach more new customers groups. In regards to customers, the company has focused on increasing a variety of product groups and customers in the Contract Manufacturing GROUP (CMG) for new products and new customers. In regards to domestic distribution channels, the company does not want to rely solely on the distribution channels from Modern Trade but desires to expand products for mass market or the Traditional Trade channels more. In regards to the international market, the company has laid a foundation to expand the international market in ASEAN countries that have a population over 630 million people over the past four years through collaboration with overseas trade partners by establishing joint venture businesses in the Philippines and Indonesia. This includes the acquisition of beverage manufacturers and distributors in Vietnam. The Company aims to bring the strengths of the alliances in each country to strengthen one another in accordance with the company's regional networking strategy. This will help strengthen the competitiveness in order to create sustainable regional growth in the

future. It can be considered that the company has implemented and invested in various projects which were necessary to complete business growth. There will be no additional investments in the upcoming term but the company will focus on utilizing and creating from various resources which the company has invested and convert it into profits as soon as possible.

## **2. To manufacture, proceed on research and development, and focus on manufacturing process to build knowledge within the Company**

The Company is well-aware that its products are consumer products. Therefore, the company has emphasized on the quality of the products that goes through its manufacturing process to ensure that all products are manufacture in accordance with food safety standards. The Company also aims to maintain the existing food safety standards and develop the manufacturing process to match with the changes in food safety standards. In addition, the company aims to improve production efficiency to reduce production costs and maintain its competitiveness against other domestic and international manufacturers. This will drive the company to achieve its operating performance as targeted.

## **3. To improve efficiency and operating performance within the organization**

The Company has set the goal to improve and standardize its operating procedures by implementing the SAP system to all departments throughout the company. A cautious financial plan is also in place to

support the company's business plan. In addition, the company has also focused on developing capability and mindset of employees, as well as on building corporate culture, in order to bring in sustainable happiness and success at work, since employees are considered as crucial resources for the company's operations.

## **4. Corporate Sustainability Goals**

The Company is committed to developing products that meet the needs of the economy, society and environment which includes stakeholders. The Company is responsible for products and the process, which is not only limited to regulatory compliance, but also focuses on reducing the impact that may occur in communities, society and the environment, create a coexistence between the company and the community. This includes respecting the rights of stakeholders and a commitment to sustainable development of surrounding communities as well as providing continuous training for employees regarding the environment.



## Our 4 Core Values

### We live healthy



#### สุขภาพ :

เราเชื่อว่าสุขภาพที่ดีเป็นจุดเริ่มต้นของความสำเร็จและความสุขในการทำงาน

We live healthy. Good health is the foundation to do great work

### We collaborate and trust



#### สามัคคี :

เมื่อทุกคนร่วมมือและเชื่อใจกัน สิ่งมหัศจรรย์จะเกิดขึ้น

We collaborate and trust. Amazing things happen when we work together as one.

### We put customers first



#### ใส่ใจ :

เพราะลูกค้าคือหัวใจของการทำงาน ความพึงพอใจของลูกค้าจึงเป็นสิ่งที่เราใส่ใจที่สุด

We put customers first. Our customers are why we're in business.

### We celebrate often



#### สำเร็จ :

เรามุ่งสู่ความสำเร็จ ด้วยการเฉลิมฉลองกับทุกก้าวระหว่างทาง

We celebrate often. We push to achieve goals and celebrate our successes along the way

## Major Developments in 2021



Month	April	October
Event	The Company was certified for the renewal of Collective Action Coalition for the first time.	The Company achieved the CG top score of “5 stars” (Excellent CG Scoring), certified by the Thai Institute of Directors Association (IOD) for the third consecutive year in 2021.

### 3. Strengthen the Board of Directors with effectiveness

The Board of Directors has duties and responsibilities in determining and reviewing the Board of Directors’ structure in terms of composition, qualifications, expertise, experience, number of directors suitable for the business, and Independent Director Ratio, to ensure the appropriateness and necessity in order to achieve the specified objectives and main goals. The relevant details are set out in the Board of Directors’ charter.

#### 3.1 Directors

The Board of Directors is comprised of executive directors and non- executive directors who have duties and responsibilities to carry out the business of the company so that it is in compliance with the laws, objectives, regulations and resolutions of the Shareholders’ Meeting. In regards to performing the duties, the Board of Directors may assign one or more directors or another person to perform any act on behalf of the

Board. The Board of Directors must hold a Board Meeting every three (3) months. The directors who have signatory authority, according to the Company Certificate, have authority to affix their signatures with the company’s seal on any documents, instruments or other important documents that bind the company. The Meeting of the Shareholders or the Board of Directors is able to make an amendment to change the names of the director who has signatory authority to bind the company with the company’s seal. The Company prohibits directors from operating businesses of the same nature and competing with the business of the company or being a partner in an ordinary partnership or a partner with no limited liability in a limited partnership, or being a director of a private company that operates a business of the same nature and is in competition with the business of the company, unless the Shareholders’ Meeting was notified before there was a resolution to appoint a director. The director shall inform the company without delay

when the director is a stakeholder in any contract that the company has made or holds shares or debentures in the company and affiliated companies when the number of holding share increased or decreased as well as the specific management responsibilities.

The Article of Association of the Company determined that at every Annual General Meeting, at least one-third of the directors must vacate the position or if the number of directors cannot be divided equally into three parts, the number closest to one-third of the directors will retire in the first year and the second year after the company was registered. Lots must be drawn in order to choose directors to vacate the position. In subsequent years, the directors who have held the positions the longest shall retire. However, retiring directors may be re-elected to the position.

### 3.2 Independent Directors

**Definition of Independent Directors:** The definition of the company's independent directors is in accordance with the regulations of the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

- 1) Hold no more than one percent of the total voting shares of the company, the parent company, subsidiary, associated company, major shareholder, or be a controlling person of the company. This includes the shareholding of related persons of the independent director.
- 2) Not being nor used to be a director who is involved in management, staff, employees, or advisors who receive a regular salary or a controlling person of the company, parent company, subsidiary, associated company, same-level subsidiary company, major shareholder, or a controlling person of the company unless the above characteristics have passed for more than 2 years.
- 3) Not being a person related by blood or by legal registration in the form of father, mother, spouse, sibling or child including the spouse of the children, executive, major shareholder, controlling person and the candidate to be an executive or the controlling person of the company and subsidiaries.
- 4) Not having nor has had a business relationship with the company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the company in a manner that may obstruct the independent discretion of the independent directors. This includes neither being nor having been a major shareholder or controlling person of a person who has a business relationship with the company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the company unless the above characteristics have passed for more than 2 years.
- 5) Not being nor has been an auditor of the company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the company. Not being a major shareholder, controlling person, or partner of the audit firm which audits the company, subsidiaries, associated companies, major shareholder, or controlling person of the company unless the above characteristics have passed for more than 2 years.

- 6) Not being nor used to be a professional service provider which includes legal advisors or financial advisors that receive service fees of more than Baht 2 million per year from the company, parent company, subsidiary, associated company, major shareholder, or controlling person of the company and is not a major shareholder, controlling person, or partner of that professional service provider unless the above characteristics have passed for more than 2 years.
- 7) Not being a director appointed to be a representative of the company, major shareholder, or shareholder who is related to a major shareholder.
- 8) Not operating a business of the same nature nor being in competition with the business of the company or subsidiary. Not being partner in a partnership or being a director that participates in management, employees, staff, or consultants who receive a regular salary or hold more than one percent of the total voting shares of other companies that operate a business of the same nature and not being in competition with the business of the company or subsidiary. Not having any characteristics that make them incapable of expressing independent opinions in regards to the company's business affairs.

**3.3 An executive director** refers to a director who participates in the management of the company full time and receives monthly remuneration in the form of salaries and other remuneration equivalent to salary.

**3.4 A non-executive director** refers to a director who does not hold a management position and is not involved in the day-to-day management of the company. They may or may not be an independent director.

## The Board of Directors Meeting

The Board of Directors' Meeting is an important duty of the Board of Directors. The Board of Directors must regularly attend the Board Meetings in order to be informed and jointly make decisions on the company's business operations. There will be at least 4 meetings each year. Each meeting will have clearly defined meeting agenda items. Special meetings may be held to consider matters of urgent importance.

The Company has a policy regarding the minimum quorum. When the Board of Directors resolves a resolution at the meeting, there must be no less than two-third of the directors in the Board Meeting, senior executives of the company may also attend the meeting in order to provide useful information and acknowledge policies directly.

In determining the agenda for the Meeting of the Board, the Executive Committee will consider the issues to be put into the agenda for the Board of Directors' Meeting. Every executive director is allowed to propose issues to be considered as an agenda item. They are also able to express opinions freely. The Company Secretary will compile the above matters into the agenda items for the Board of Directors' Meeting by proposing the agenda items to the Chairman of the Board of Directors to consider the approval and prepare the meeting invitation letter to call for the Board Meeting.

In the resolution of the Meeting of the Board of Directors, a majority vote in the minimum quorum at the time that the Board of Directors resolve a resolution in the meeting must be no less than two-third of the directors. Each director has one vote. Directors with vested interests will not attend the Meeting or they shall waive their voting rights on the matter at the end of

the Meeting. The Company Secretary has the responsibility to prepare the meeting minutes and submit them to the Chairman of the Board to consider and affix with a signature in order to be proposed to the Meeting for approval in the first agenda item of the next meeting. In this regard, the directors are able to express their opinions and request amendments to the meeting minutes so that they are as accurate as possible. The meeting minutes approved by the Meeting will be stored systematically as confidential documents and stored as electronic documents in order to conveniently search for references.

### Meetings of the Non-Executive Directors

In addition, the company has a policy for non-executive directors and non-executive committees to have a joint meeting at least once a year for the purpose of providing non-executive directors and non-executive committees the opportunity to hold meetings among themselves in order to discuss various issues of interest to the company's business without executive management or the Management team joining. For example, management strategy, sustainable growth guidelines as well as risk management regarding disruptive business trends. In 2021, non-executive directors held 1 meeting. The meeting was held on May 10, 2021.

### Policy on Limiting the Number of Companies and Terms of Director

The Company has a policy that directors of the company cannot hold positions in more than 5 listed companies without any exception. Currently, all of the company's directors hold positions in no more than 5 listed companies. In addition, the company

has a policy that prohibits the Chief Executive Officer from being a director in other companies that operate business of the same or similar nature, except for associated companies and/or subsidiaries and/or affiliated companies to ensure that no conflicts of interest will occur. Independent Directors are able to hold a position consecutively for no more than 9 years without exception. The Board of Directors considers that the policy regarding the term of independent directors is appropriate in regards to the continuous performance duties of directors because recruiting suitable persons takes time.

### Terms of Office of Directors

At each Annual General Meeting of the Shareholders, one-third of the directors shall leave their positions. If their number is not a multiple of three, the number nearest to one-third must retire from office. The retired directors may be re-elected.

A vacancy in the Board of Directors by reasons other than term completion will be filled at the next Board meeting by a qualified person selected by the Board who must not also be subjected to any restriction by public company law unless the remaining term of that director is less than two (2) months. The replacing director will remain in his/her post only for the remaining term of the directors/he replaces. The resolution of the designation shall receive votes of not less than three-fourths (3/4) of the remaining directors.

### Non-Executive Directors that Hold Positions in More than 5 Other Listed Companies

None of the directors holds a position in more than 5 other listed companies.

## Policy to Determine Remuneration of the Company

1. Compare references from the other businesses of the same industry.
2. Consider business expansion and the operating performance of the company and its subsidiaries.
3. Consider the duties and responsibilities of each committee

## Assessment of Directors' Performance in 2021

The Company conducted a self-assessment of the Board of Directors. The assessment form is taken from the sample of the Board's self-assessment form prepared in February 2015 in accordance with the good corporate governance principles. The focus is on using the evaluation results to improve the performance of the committee. There are 4 types of assessment forms which consist of:

- Self-assessment form for the entire Board of Directors
- Self-assessment form for the entire Board of Sub-Committee
- Self-assessment form for individual director
- Performance evaluation form of the Chief Executive Officer (CEO)

The evaluation criteria will be calculated as a percentage from the full scores in each item as follows:

- More than 90% = excellent
- More than 80% = very good
- More than 70% = good
- More than 60% = Fair
- Less than 60% = should be improved

The Company Secretary delivered and coordinated the self-assessments of the Boards based on the evaluation form. This included collecting evaluation data. The operating period is January of each year.

In summary, the evaluation results are as follows:

1. The Board of Directors' performance evaluation form consists of 4 topics which are the structure and qualifications of the board, Board meetings, roles and responsibilities of the Board, and other matters such as relations with the Management Team and self-development of the directors.

The summary of the evaluation of the entire Board of Directors in the 4 topics as a whole indicates that most of the operations were excellent, with an average score of 100.0%.

2. The performance evaluation form of each sub-committee consists of 3 topics, namely the structure and qualifications of the committee, the Board Meeting and the roles and responsibilities of the committee.

The summary of the evaluation results of the sub-committees in each group as follows:

- 2.1 The Executive Committee was of the opinion that most of the operations were excellent with an average score of 100%.
- 2.2 The Audit Committee was of the opinion that most of the operations were excellent with an average score of 98.8%.
- 2.3 The Risk Management Committee was of the opinion that most of the operations were excellent with an average score of 98.6%.
- 2.4 The Nomination and Remuneration Committee was of the opinion that most of the operations were excellent with an average score of 100%.

3. Performance Evaluation form for individual director consist of 3 topics which are the structure and qualifications of the Board, the Board Meeting, and the roles and responsibilities of the Board.

The summary of the result of individual director assessment in these 3 topics indicates that most directors regularly practice them with an average score of 98.0%, which was an excellent level.

4. The performance evaluation form of the Chief Executive Officer (CEO) consists of 10 topics which include leadership, strategic formulation, strategic implementation, financial planning and performance, board relations, external relationships, management and relationship with personnel, succession, product and service knowledge, and personal characteristics.

The summary of the performance evaluation of the Chief Executive Officer (CEO) for the 10 topics overall indicated that the average score of 92.7%, which was an excellent level.

The Board of Directors will supervise each director to ensure that they have knowledge and understanding of their roles and responsibilities, nature of business, and laws related to business operations as well as support all directors in strengthening their skills and knowledge for performing the duties of the Board of Directors regularly.

Information regarding the Attendance of the Board's Development and Training in the Past Year

The Board of Directors were well aware of the importance of developing the company's human resources. The Board of Directors has a duty to establish the company's policies, vision and business direction, therefore, it is important for company directors to continually develop their knowledge in terms of knowledge for being a Company director and knowledge related to the operations of the company. In 2020, the Board of Directors attended the following training:

Director	Course	Training Institute
<b>Mr. Pichai Chirathivat</b>	Senior Executive Training Program	Royal Thai Police
<b>Ms. Supavadee Tantiyanon</b>	<ul style="list-style-type: none"> <li>• Certificate on Behavioural Economics</li> <li>• Certificate on Applied Behavioural Science</li> <li>• The School: Certificate on Goodvertising</li> <li>• WARC: Marketing Strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Ogilvy Consulting</li> <li>- Ogilvy Consulting</li> <li>- Cannes Lion</li> <li>- Cannes Lion</li> </ul>

#### 4. Recruitment and Development of Senior Executives and Personnel Management

4.1 The Board of Directors will ensure that there is a selection and development of the Chief Executive Officer or the President in order for them to have the knowledge, skills, experience and attributes necessary for driving the organization towards its goals.

4.2. The Board of Directors, with the recommendation of the Nomination and Remuneration Committee, will supervise the establishment of an appropriate remuneration and evaluation structure.

#### Policy to Determine Remuneration of the Company

1. Compare references from the other businesses of the same industry.
2. Consider business expansion and the operating performance of the company and its subsidiaries.
3. Consider the duties and responsibilities of each committee

4.3 The Board of Directors has a policy to understand the structure and relationship of shareholders that may affect the management of the business and the power to control the management of the business, so that there is no obstacle to the performance of duties of the Board of Directors and will ensure that information that may affect the company's control is properly disclosed.

4.4 The Board of Directors will monitor the management and development of personnel in order for them to have the appropriate amount of knowledge, skills, experience and motivation.

#### Number of Training Hours for Executives and Employees

The Board of Directors and executives of the company recognize the importance of human resource development. In 2021, the Company provided the following training hours for executives and employees:

	Average Number of Training Hours/ Person/Year
Training Hours for Executives	17 hours
Training Hours for Employees	6 hours

#### Training Programs in 2021

No.	Course	Objective
1.	InfoGraphic Media & Presentation Design with MS PowerPoint	To enable employees to design presentations that are interesting, easy to understand, and can be applied in work and communication effectively
2.	Halal Assurance System (HAS) Implementation & Halal Supervisor	<ul style="list-style-type: none"><li>• To Enable the trainees to understand Halal policy in Indonesia, HAS 23000</li><li>• To Enable the trainees to develop Halal Assurance System (HAS)</li></ul>

No.	Course	Objective
3	Happy Money: How to Make a Financial Plan in 2021	<ul style="list-style-type: none"> <li>To help employees understand and realize the importance of financial planning for retirement, and learn about sources of savings to accumulate long-term wealth for retirement, such as provident funds. This includes techniques to increase savings so that salarymen can achieve their retirement goals happily</li> <li>To enable employees to understand the importance and principles of investment, and learn about the different types of investment options so that they can choose the investment that is suitable for themselves</li> </ul>
4	FSPCA IA Conducting Vulnerability Assessment (Assessment on Food Terrorism)	<ul style="list-style-type: none"> <li>To educate and apply the law on food terrorism assessment</li> <li>To comply with the Food and Drug Administration regulations of the United States of America. There must be people who pass the training course according to the requirements</li> </ul>
5	2021 Effective KPIs Setting & Leadership Competencies	<ul style="list-style-type: none"> <li>To know and understand the KPIs Assessment Policy in 2021</li> <li>To jointly define the 5 levels of core competency for clarity and assessment in the same direction</li> <li>To practice on competency assessment</li> </ul>
6	English for Professional Presentation	To enable employees to prepare presentations and deliver effective presentations
7	Proactive Leadership & Collaboration	<ul style="list-style-type: none"> <li>To change attitudes, mindsets, and perspectives of employees. by convincing them to see the world in a positive way, reduce or eliminate negative thoughts, and develop creativity for team management</li> <li>To develop a way of thinking in systematic and creative manners. To look at the vision, goals, and overview of work and the organization</li> <li>To create a habit of planning in advance. To Complete the mission before the specified time. To recognize the need for change and has a determination to work successfully</li> </ul>
8	Effective Communication	To ensure that employees recognize the importance of communication for success at work and in relationships with colleagues, including the potential consequences in case of non-communication. To learn and practice using techniques and positive impact communication tools that can be put into practice
9	Production Process Sharing	<ul style="list-style-type: none"> <li>To update the entire production line</li> <li>To prepare the Technical Standard in accordance and up-to-date with the production site</li> </ul>
10	Work Safety Officers at Supervisor Level	<ul style="list-style-type: none"> <li>To provide supervisors with knowledge and understanding of safety at work.</li> <li>To provide supervisors with knowledge and understanding about accident prevention</li> <li>To provide supervisors with knowledge and understanding about the roles and duties of safety officers</li> <li>To let supervisors know about finding the dangers of working in their own department</li> <li>To comply with the law</li> </ul>
11	Easy Data management with Excel Function	To learn how to use Excel Functions to fulfil and improve further usage
12	Quality System Refresh Training 2021	<ol style="list-style-type: none"> <li>Increase Knowledge of Quality System</li> <li>It is compliant with GHP Version 5 requirements</li> </ol>
13	Supply-chain Security and Good Security in the Supply Chain	To ensure that trainees are aware of the changes in the system and apply their knowledge to work properly
14	Basic Excel - PivotTable	To enable trainees to use PivotTable to make reports from large volumes of data.

## 5. Promotion of Innovation and Conducting business with responsibility

5.1 The Board of Directors values and supports the devise of innovations that create value to the business while promoting benefits for all stakeholders involved. The Board of Directors is also responsible for society and the environment.

5.2 The Board of Directors will monitor and ensure that the Management operates business in a socially and environmentally responsible manner, as well as reflect in the operation plan to ensure that all departments of the organization compliance with the company's objectives, main goals and strategic plans, while taking into account the roles of stakeholders. The Board of Directors provides a mechanism to ensure that the business conduct is done with ethics, social and environmental responsibility, and not violate the rights of stakeholders. These are the guideline for every part of the organization to achieve the objectives and main goals with sustainability. The Board of Directors has established guidelines for treating stakeholders as part of the Code of Conduct and will disclose important relevant and necessary information to those stakeholders in an adequate, reliable and timely manner.

### 5.2.1 The Role of the Stakeholder

The Company realizes and recognizes the rights of all stakeholders, whether they are internal stakeholders, such as shareholder and employees, or external stakeholders such as customers, trade partners, creditors, competitors and other agencies as well as the relevant nearby communities. Since the company receives support from all stakeholders which creates competitiveness, generates profit and creates long-term value for the company, the company established policy as follows:



#### A) Responsibility to Shareholders

- 1) The Company always recognizes that shareholders are the business owners and the company has the duty to create long-term added value for the shareholders.
- 2) The Company performs its duties with honesty, makes any decision to take action in accordance with the principles of the profession with caution, prudence, and fairness for both major and minor shareholders, for the greatest benefit of the shareholders as a whole.
- 3) The Company prepares a report of the operating performance, the financial position of the company, accounting, and any current information that has a significant impact so that they are easy to understand, consistent, complete, and according to the truth.
- 4) The Company has effective internal control, internal audit system, risk management system and treats shareholders equitably.

#### B) Responsibility to Employees

- 1) The Company treats employees politely and respects individuality.



- 2) The Company treats employees fairly in terms of opportunities, remuneration, appointment, and relocation as well as capacity development. This engages reward and punishment system with sincerity and fairness based on employee's knowledge, ability and suitability.
- 3) The Company has a policy to pay a fair and appropriate amount of remuneration to employees based on their knowledge, ability and operational performance in order to ensure that the remuneration that the company remuneration is consistent with the average level of the same industry. The policy has to be in accordance with the expansion of businesses and the growth of the company as well.
- 4) The Company has a policy that pays attention to employees' work environment so that it is safe for employees' lives and property. This is done by strictly complying with the labor laws which include managing the premises and equipment so that it works properly, requiring all employees to wear safety equipment at all time when they work in

the production department or any department that uses machines. The Company also provides safety training on a regular basis and encourages employees to pay attention to their health and hygiene as part of the organization's core values which is "Live Healthy" and providing appropriate health care for employees. This includes annual health checks, medical expenses, and life insurance for employees.

#### **C) Responsibility to Customers**

- 1) Provide service politely and enthusiastically, be ready to serve, welcome with sincerity, and care for customers as if they are close relatives. serve quickly, accurately, and reliably.
- 2) Maintain customer confidentiality, not using this information to benefit one's self or related parties wrongfully.
- 3) Provide accurate, sufficient, and up to date news to customers to be aware of the services of the company without overstatement which leads customers to have misunderstandings about the quality or any terms and conditions.
- 4) Give advice on the service method of the company efficiently, in a way that creates the maximum benefit to customers.

#### **D) Responsibility to Trade Partners and Creditors**

- 1) The Company treats trade partners and creditors fairly, honestly and without taking advantage of them. The Company takes into account the good relations and cooperation on the basis of fair remuneration for both parties and avoids situations that cause conflicts of interest.
- 2) The Company establishes a clear and concrete policy for the selection of trade partners. The practice guidelines are specified in the work instruction manual

of the company as standardized guidelines for transparent and fair selection.

- 3) The Company does not demand or receive or pay any benefits dishonestly when conducting business with trade partners and creditors.
- 4) In the event that there is information in regards to demanding, receiving or paying any benefit dishonestly, details must be disclosed to trade partners and creditors in order to jointly resolve the problem fairly and quickly.
- 5) The Company strictly complies with various terms and conditions that have been agreed upon. In the event that the company is unable to comply with any terms and conditions, the company must inform in advance in order to jointly find solutions to the problems.

#### **E) Responsibility to Competitors**

- 1) Do not violate any proprietary and confidential information of competitors by fraudulent methods.
- 2) Conduct business within the framework of good competition.
- 3) Do not seek competitors' confidential information in a dishonest or inappropriate way.
- 4) Do not destroy the reputation of any competitors through malicious accusations.

#### **F) Responsibility to Society and Communities**

The Company has a policy to conduct business that is beneficial to the economy and society and adhere to good citizenship practices and fully comply with any relevant laws and regulations. The Company also participates in promoting and improving the quality of life for the society and community. In addition, the company sets a policy on giving back to society by

allocating a budget to support activities that benefit society, the community and the environment when appropriate.

#### **G) Responsibility to the Environment**

The Company has a policy to support various activities which enhances the quality of occupational health and the environment as well as maintain a safe working environment for the lives and property of employees. In addition, the company also gives importance to educating and training employees in regards to the environment and the efficient use of resources. These covers reducing the amount of waste by using used paper and reusing used files, having a campaign to turn electricity off during lunch breaks and when it is no longer needed during the day, using stairs instead of elevators as well as maintaining equipment so that it is ready to be used. The Company creates a safe and good working environment to improve employees' work efficiency throughout the organization.

The company provided training on the following courses for employees:

- 1) Safety offers at supervisory level
- 2) Safety offers at management level
- 3) Maintaining and driving a forklift correctly and safely
- 4) Occupational Safety Committee and the working environment
- 5) Basic firefighting
- 6) Chemical spill response
- 7) Safety in working with radiation
- 8) Workers who use liquefied petroleum gas
- 9) Safety instructor for general employees and new employees according to the Safety Act
- 10) Environmental Manager
- 11) ISO 14001 system

## H) Responsibility to Intellectual Property

The Company has a clear policy not to infringe any intellectual property, whether it is a copyright, patent, trademark, trade secret or other intellectual property as required by law. This includes using the right licensing for computer programs. All computer programs must only be examined and installed by the Information Technology Department to prevent the use of pirated software, etc.

## I) Respecting the Rule of Law and Human Rights Principles

- 1) Fight against all human rights violations
- 2) Respect and treat all stakeholders with fairness based on human dignity. Do not show favoritism or discrimination on origin, race, gender, age, skin color, religion, physical condition, and family status. Monitor the human rights compliance within the company.
- 3) Fight against any action that pursues benefits from human trafficking, the violation of child labor who are under the age specified in the labor law.
- 4) Support, respect, and protect human rights by inspecting and controlling the business operation of the company with third parties by not promoting or supporting any violation of human rights, nor acting in violation of the employee rights which are protected by law.

## J) Fighting Against Corruption

The Company places importance on conducting business with integrity by adhering to management principles with honesty, transparency, verifiability, responsibility and prudence to all stakeholders, society and the environment under good corporate governance and the Code of Business Conduct of the company.

The company established an Anti-Corruption Policy to be a clear guideline for the business operations and the development of a sustainable organization. The Company has a policy to fight against all forms of corruption and requires everyone in the organization and related parties to understand, prevent and fight against corruption when carrying out the company's business activities.

5.3 The Board of Directors shall monitor and ensure that the Management allocate and manage resources with effectiveness and efficiency by taking into account the impact and development of resources along the line (Value Chain) in order to sustainably achieve the objectives and main goals of the company.

5.4 The Board of Directors shall establish a framework for governance and management of information technology at the organizational level in accordance with the needs of the company. This includes ensuring that information technology is used to increase business opportunities and operational development risk management, so that the business can achieve the objectives and main goals of the company.

## Code of Conduct of Malee Group

Malee Group conducts its business of manufacturing high quality products at reasonable prices with integrity and fairness, as well as aim to build good relations with all stakeholders and take responsibility for environment and communities.

To ensure that our operations are in accordance with the good corporate governance, and to have clear practice guidelines for the management and

employees to comply with, MALEE Group has formulated the Code of Conduct as follows:

### 1. To customers

- 1.1 Meet customers' satisfaction by providing standardized and qualified goods and services
- 1.2 Disclose information about goods and services in full details and provide fair treatment to customers.
- 1.3 Provide warranty for products and services under the appropriate requirements and maintain the reliability and trust among customers.
- 1.4 Arrange procedures and system of contact channel in order that customers communicate with the company conveniently, without delay.

### 2. To trading partners and creditors

- 2.1 Conduct business with fairness, refrain from taking advantages. Pay respect and comply with the contractual requirements set forth.
- 2.2 Shall not demand, accept or give any dishonest business gain with trading partners or creditors. Should there be any information of any dishonest benefit gain, the company, without delay, shall discuss with a trading partner or creditor for fair resolution.

### 3. To competitors

- 3.1 Follow the rules of good competition
- 3.2 Shall not seek confidential information of competitors by using an illegal approach.
- 3.3 Shall not discredit competitors by defaming or undertake any action without fact and fairness

### 4. To shareholders

- 4.1 Perform duties with honesty and integrity. Make any decision based on good faith, transparency and being beneficial to the company and shareholders.
- 4.2 Perform duties using knowledge and skills of management at fullest effort for the benefit of the company and shareholders.
- 4.3 Safeguard to ensure that none of the company's assets will be unreasonably depreciated or lost.
- 4.4 Report accurate status and operating results of the company in full details.
- 4.5 Shall not seek advantages for oneself or relating person by using any Company's information which has not been disclosed to the public.
- 4.6 Shall not disclose confidential information of the company to an external party, especially competitors.
- 4.7 Shall not undertake any actions in an aspect that may cause conflict of interest with the company.

### 5. To society

- 5.1 Shall not undertake any action that will causes damages to community, natural resources and environment.
- 5.2 Support an activity that brings about benefits to societies and communities.
- 5.3 Practice or control to ensure the compliance with law and regulations as stipulated by the regulatory agencies.
- 5.4 Focus and place an importance on environmental care, taking into account the safety for the communities that located adjunct to the company.

### 6. To employees

- 6.1 Perform duties with responsibility, honesty, devotion and patience for the advancement and stability of the company and ourselves. Shall not neglect or ignore when seeing an action that is

considered to be a fraud or corruption related to the company, and inform the supervisor or the person in charge. Cooperate in investigating various aspects of facts. In case of having doubt and inquiry, consult the supervisor or the designated person responsible for the follow-up of the company's Code of Conduct through various channels.

- 6.2 Perform duties with diligence, seek approach to develop and improve work to remain at qualified efficiency always.
- 6.3 Follow policies and articles of association strictly.
- 6.4 Conserve and create to bring about the unity and harmony among employees, as to work and seek for the best way together as a team of robust efficiency.
- 6.5 Use assets of the company in a manner that will generate maximum benefits to the company. Maintain assets from depreciation or loss. Not using assets of the company for one's personal or others' benefit.
- 6.6 Refrain from any action that is in violation of an intellectual property either of the company or other person. Not using software piracy within the company system.
- 6.7 Keep trading partners' confidential information, safeguard to ensure that such confidential information will not be leaked or disclosed to an unrelated person which may cause damages to the company.
- 6.8 Pay attention to and undertake any action to safeguard the safety and good working condition.
- 6.9 Report to a relevant authority and the Management of any wrongful or illegal actions occurred, including the possession or use of drugs within the company.

6.10 Shall not use one's duty or allow other persons to use one's duty to seek benefit for oneself or other persons in a wrongful way.

6.11 Refrain from any actions that may cause damages to the image and reputation of the company.

## 7. Between employees (supervisors, subordinates and colleagues)

7.1 Help each other taking into consideration the benefit to work and working environment as a whole, pay respect to the right of the others.

7.2 Supervisors shall conduct oneself as a respectful person among subordinates, comply with the policies and regulations strictly, be a good model for subordinates, supervise subordinates adhering to principles and logics of integrity and morality.

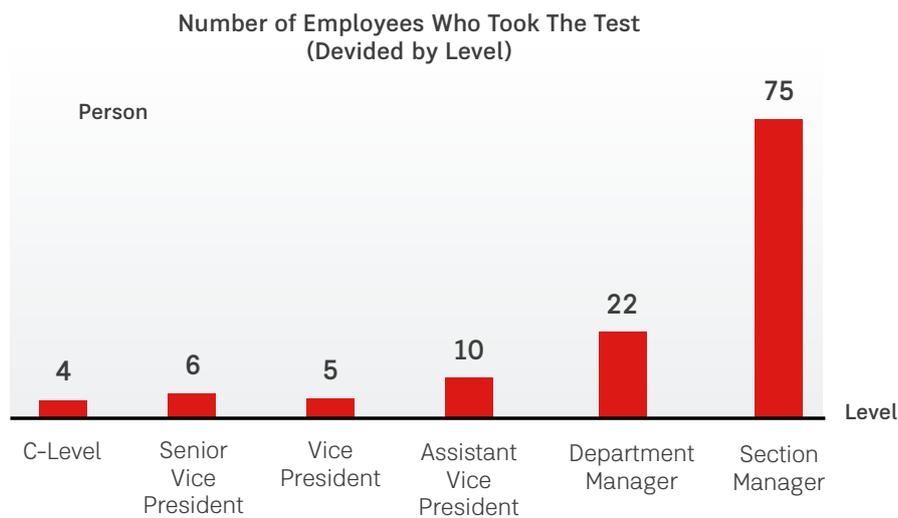
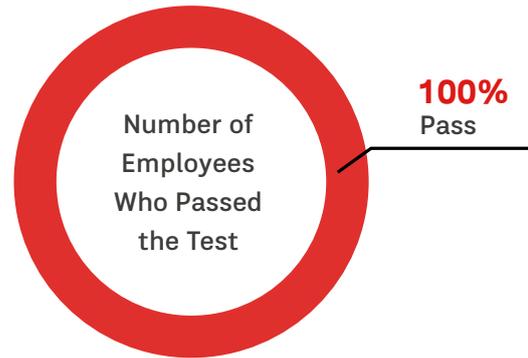
7.3 Subordinates shall treat one's supervisors with respect, and treat one's colleagues with helpful and friendly manner, refraining from discrediting one's supervisor and colleagues without fact.

7.4 Shall not taking work of the other as one's own.

The Company emphasizes on conducting business with integrity as well as management with honesty, transparency, accountability, social and environmental responsibility under good corporate governance and the company's code of conduct. The Company has set the criteria for measuring knowledge and understanding, analysis and implementation of good corporate governance principles by setting the following objectives

- To assess the knowledge and understanding on corporate governance principles of executives and employees at all levels
- To continuously develop and upgrade knowledge on corporate governance principles
- To aim for executives and employees at all levels to have access to accurate information and lead to real action
- To aim for creating an organizational culture of honesty, integrity, discipline and participation in management in order to create a stable and sustainable organization

In 2021, the company has conducted a cognitive test and reported the results of the test as follows:



## 6. Ensuring the Appropriate Risk Management and Internal Control System

6.1 The Board of Directors has established a Risk Management Committee to supervise and ensure that the company has a risk management and internal control system to effectively achieve the objectives of the company, comply with relevant laws and standards, and establish clear corrective measures and accountable persons with

report and follow-up assessment. The Risk Management Committee plays an important role as assigned by the Audit Committee and the Board of Directors in considering various risk factors that may occur so that they can be corrected in a timely manner to prevent potential damages.



### **Disclosure of Information and Transparency**

The Company places importance on the disclosure of accurate, complete and transparent information, both financial and general information, in accordance with the rules of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand as well as significant information that affects the share prices of the company and the decision making process of investors and stakeholders.

The Company also places importance on financial reports in order to identify the explicit financial and operating performances of the company which is based on accounting information that is accurate, complete, consistent, timely, and sufficient in accordance with the generally accepted accounting principles. The Company will disclose information of individual directors as well as the roles and duties of the Board of Directors and committees) the remuneration of directors and senior executives, self-assessment form for the entire Board of Directors, self-assessment

form for the entire Board of Sub-Committee, self-assessment form for individual director and performance evaluation form of the Chief Executive Officer (CEO) will be disclosed in the 56-1 One Report.

6.2 The Board of Directors has established a conflict of interest policy based on the principle that any decision of personnel at any level must be made for the maximum benefit of the company. It is also the duty of all personnel to avoid having any financial involvement and/or relationship with third parties which affects the company to lose benefits, causes conflicts of interest, or hinders efficient operations. The related parties or related parties transactions must be informed so that the company is aware of the relationship or connection in such transactions and such persons must not consider the approval, have no authority to approve the transaction nor any kind of approval for such transactions. For such cases, the principle must be adhered to and must not allow any special terms or specific requirements other than normal.

6.3 The Board of Directors places importance on conducting business with integrity by adhering to management principles with honesty, transparency, verifiability, responsibility and prudence to all stakeholders, society and the environment under good corporate governance and the Code of Conduct of the company. The Company established an **Anti-Corruption Policy** to be a clear guideline for the business operations and the development of a sustainable organization. The Company has a policy to fight against all forms of corruption and requires everyone in the organization and related parties to understand, prevent and fight against corruption when carrying out the company's business activities. The practice guidelines are as follows:

### 1) Anti-Corruption Policy

The directors, executives, and employees are prohibited from committing all forms of corruption, whether directly or indirectly. This comprises of accepting items, gifts, hospitalities, solicitation of funds, donations, and other benefits from individuals conducting business with the company. This covers employees, trade partners, customers, and stakeholders whether domestically or internationally. The Company regularly conducts a review of operations in accordance with the anti-corruption policy at least once a year.

- The definition of "corruption" refers to bribery in any form such as offering, giving promises, demanding or accepting (in monetary form/ property) or giving other benefits in dishonest behavior to government officials, government agencies, private agencies, trade partners, customers and stakeholders,

whether directly or indirectly in order to persuade such persons to perform or refrain from the duty in order to obtain business or recommend a specific business for the company in order to obtain or maintain any other benefits that are not suitable for the business, except in the case of laws, regulations, notifications, regulations, local customs and traditions, or commercial tradition.

- The definition of "giving of things or other benefits" means to grant special privileges in the form of money, property, objects, or any other benefit as a remuneration or reward for building a good relationship.
- The definition of "bribery" means to offer or give items, gifts, prizes or other benefits to one's self or someone else in order to persuade them to behave dishonestly, illegally or against the Code of Conduct of the company.

### 2) Guidelines for the Anti-Corruption Policy

Directors, executives, and employees at all levels of the company and subsidiaries must strictly comply with the anti-corruption policy and the Code of Conduct of the company. This is done by not accepting bribes or giving bribes to any stakeholder in the matter in which they are directly or indirectly responsible in order to gain a personal benefit for themselves, friends, or other related parties. Matters that have a high risk of corruption must be treated with caution. These are as follows:

- (A) Directors, executives and employees of the company must comply with the anti-corruption policy and the code of conduct. They must not be involved in corruption, whether directly or indirectly.

- (B) The Company's employees and executives must not neglect or ignore fraudulent actions related to the company. They must notify the supervisor or the appointed person and cooperate in the investigation of fact finding. If there are any queries or questions, they must consult a supervisor or the appointed person that monitors the company's Code of Conduct compliance through the various specified channels.
- (C) They must not have direct or hidden benefits for themselves, their family, or those within the company. For example, taking any action to sell products and services to the company or compete with the company.
- (D) Avoid accepting provisions from people who are involved in business with the company or from any others who may benefit from the performance of their employees.
- (E) Do not demand or receive unjustified benefits, whether directly or indirectly, or any other benefits in order to obtain benefits from such business. This includes not using bribes or benefits from corruption to conduct business.
- (F) When encountered with an event that stakeholders intend to call or accept assets, offers or benefits, whether directly or indirectly, one must reject the proposal immediately, record the events accurately and immediately then report them to the supervisor in order to treat the said event appropriately and fairly.
- (G) Determine clear conditions for transaction and legal engagement with stakeholders to prevent any possible corruption in operations. Inform the stakeholders that "Malee Group" has a policy not to accept any remuneration in order to prevent potential conflicts of interest and request cooperation from stakeholders to strictly comply with the said policy.
- (H) Cooperate with the department responsible for internal control and the internal audit to provide information, follow up and solve corruption within the organization
- (I) Provide reliable financial reporting that has an efficient and transparent operating system. Corruption risk must be considered in the operations by following up, supervising and monitoring regularly.
- (J) The Company established whistleblowing channel to report any leads of corruption and being fair and protecting employees who refuse or report corruption related to the company by undertaking protective measures to protect a whistleblower or those who cooperate in reporting corruption as specified in the company policy regarding the filing of complaints and giving suggestions.
- (K) Fraudulent actions violate the company's Code of Conduct. Disciplinary punishment must be applied in accordance with the regulations set forth by the company. One will be punished by the law if the act committed is illegal.
- (L) The Company places importance on publicizing, promoting knowledge and understanding anti-corruption with the related parties who are involved with the company and its stakeholders in order to create awareness regarding corruption risk. Directors, executives and employees of all levels must perform their duties with caution in the following areas:

## **2.1 Giving or Receiving Gifts and Hospitalitys**

The Company has no policy to give or receive any form of gift with anyone who conducts business with the company and its subsidiaries, unless the giving or receiving of gifts and hospitalitys is in accordance with traditionalism in order to maintain good relationships with a business operator without expecting to receive specific services or remuneration that violate the Code of Conduct by practicing the following:

- 2.1.1) Not requesting anything or any other benefit from anyone who has duties or business related to the company, whether it benefits oneself or others.
- 2.1.2) Not receiving or giving any items or any other benefits from other persons who have duties or have a business related to the company, unless it is for traditional occasions or festivals that people normally treat each other. These items or other benefits must not exceed 3,000 Baht per person, per occasion, except for souvenirs or fresh food that cannot be stored for a long time. During traditional festivals, the company allows employees to receive items such as calendars, key chains, notebooks, etc. that have the organization's logo on it and the value of the item must not exceed 500 Baht. Executives are authorized persons to receive gifts and have the authority to consider the distribution of gifts to employees. In the event that the value of any item or benefit exceeds 3,000 Baht, it can only be accepted in the case that it is absolutely necessary to maintain good relations between people. The receiver must report it to

their supervisor and deliver the item to the relevant department to be used in the company's business within 7 business days. However, receiving the said item must not influence one's decision, whether it is performing a duty or making decisions that are unfair to the business operations.

- 2.1.3) Expenses for hospitalitys are acceptable but must be spent reasonably.

## **2.2 Sponsorships**

Sponsorships refer to a reasonable amount of money paid or received from customers, trade partners and business partners for the business purpose to strengthen the business relationship at an appropriate opportunity. The amount of money must be accurate, transparent, and have evidence for accounting records, and be paid or received on behalf of the company. Disbursement must clearly specify the objectives and proceed through the procedures in accordance with the company's regulations.

## **2.3 Charitable Contributions**

Charitable donations refer to giving or receiving donations which must be transparent and legal. The Company must ensure that the donations or grants are not used as an excuse for bribery and must be done on behalf of the company, be verifiable and proceed in accordance with the regulations of the company. Charitable donations under a person's name may be done but must not involve or raise any suspicion of fraud for any benefit.

## **2.4 Political Contributions**

Political assistance refers to money, property, or other benefits, or places that is given to facilitate political parties,

politicians or people involved in politics. The Company is an organization that adheres to political neutrality, supports regulatory compliance, and democracy. The Company does not have a policy to provide political assistance to any political party whether directly or indirectly through the following practices:

- Exercise the rights of a good citizen in accordance with the constitution and other relevant laws.
- Does not participate in any activities that may cause a misunderstanding that the company is involved.
- Does not use the company's assets to support political parties.

## 2.5 Business Relations and Procurement

Does not give or accept bribes, whether directly and/or indirectly. The business must be carried out in accordance with the procedure regulations of the company transparently and verifiably. The selection of trade partners is based on the value, and fair comparison of quality, price, and qualifications of trade partners.

## 2.6 Personnel Management Process

The Company established a human resource process to fight against corruption beginning with the recruitment or selection of personnel, performance appraisal, training, promotion, and remuneration. The supervisors at all levels are required to communicate and help employees to understand.

## 3) Dissemination of the Anti-Corruption Policy

Anti-corruption is an integral part of the business operations and it is the responsibility of the Board of Directors, executives, and employees at all levels and related parties to comply with this anti-corruption policy. The Company provided knowledge, advice and understanding to the directors, executives, and employees in the organization and related parties regarding anti-corruption so that personnel and related parties comply with this anti-corruption policy. The Company will proceed as follows:

- 3.1 Place an announcement in a prominent place so that the organization acknowledges the anti-corruption policies.
- 3.2 Disseminate the anti-corruption policy through the company's communication channels. This includes the annual reports, the company website, email and the annual disclosure report (Form 56-1).
- 3.3 Organize training on anti-corruption policies for new directors and new employees.

## 4) Procedures to Comply with the Anti-Corruption Policy

The Company regularly reviews the compliance with the anti-corruption policy and reviews the practice guidelines to be aligned with the anti-corruption policy, regulations, and related laws.

## 5) Risk Assessment and Internal Control

The Company arranged risk assessments on activities that were vulnerable to corruption and regularly reviews internal control at least once a year.

## 6) Whistle Blowing Center

The Company encouraged employees and those involved to report clues of suspicious corruption to the "Chairman of the Audit Committee" for consideration through the following whistle blowing channels

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### Whistle Blowing Center:

#### Chairman of the Audit Committee:

#### Malee Group Public Company Limited

No. 401/1 Village No. 8, Phahonyothin Road  
Khu Khot Subdistrict, Lam Luk Ka District, Pathum  
Thani Province 12130

✉ auditcommittee@malee.co.th

☎ 02 080 7899 extension 1422

Click "Report Clues of Corruption"  
in SmartMalee

Complaint Box for fraudulent behavior  
Near the Rangsit Office and Sampran Factory

The Company has internal processes to scrutinize and consider the matters for further submission to the Audit Committee of the Company.

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### Process after Receiving Complaints

1. Gather facts that are received via the complaint box or e-mail: auditcommittee@malee.co.th or to the "Chairman of the Audit Committee". The recipient of the complaint (Company Secretary) will compile the facts regarding the complaint and propose them to the Chairman of the Audit Committee
2. Process and scrutinize data: The Chairman of the Audit Committee will process and scrutinize data to consider the appropriate procedure and methods for each subject. The Chairman of the Audit Committee can process the data by oneself or assign

the appointed agency, or the investigation committee to process and scrutinize the data. The investigation committee will be appointed from the Chief Executive Officer from time to time.

3. Report the results: In the case of important matters, the results will be reported to the highest-ranking executive of the company, subsidiary or department, as the case may be and/or the Audit Sub-Committee and/or the Board of Directors. This includes reporting the results to the complainant if they reveal their identity.

## 7) Protection and Confidentiality Measures

The Company treats and protects the complainants and informants fairly and in good faith. The Company will appoint an executive to inspect and follow all the clues that have been reported. The information, complaints and the evidence of the complainant and the informant will be kept confidential.

## 8) Non-Compliance with Anti-Corruption Policy

If the directors, executives, or employees do not comply with the anti-corruption policy of the company, they will be subject to the disciplinary punishment according to the regulations set by the company. This depends on the facts and circumstances. If the fraudulent action is illegal, the offender may be subject to legal penalties. The Company does not have a policy to demote, punish or treat employees negatively if they reject corruption.

In 2021, there was a plan to develop an anti-corruption system in the organization for sustainability, continuing from 2020 as follows:

1. To continuously create corporate ethics by providing understanding and implementation. An annual plan was formulated to develop and upgrade knowledge on corporate governance that employees and executives have access to information, leading to effective communication.
2. To plan a partnership development to expand the coalition to become a sustainable trade alliance and strengthen business operations under the management with transparency and honesty in accordance with the principles of good corporate governance. The "partners" of Malee Group Public Company Limited are required to join the Anti-Corruption Coalition. In 2021, approximately 90% of partners have announced their intentions to fight against corruption. Corruption with Malee Group Public Company Limited
3. To review the risks in accordance with the measures and audit systems that have been yearly established as a work plan.
4. In 2021, upon the monitoring and investigation of complaints by the Working Group, it was found that there were no complaints and no whistleblowing in case of corruption in all channels.



**Malee Group Public Company Limited** has been certified for the renewal of its membership in the Private Sector Collective Action Coalition against Corruption, certified on March 31, 2021, for a period of 3 years ending on March 30, 2024.

## 6.5 Internal Control and Risk Management

### Internal Control System

In accordance with the principles of Good Corporate Governance, the Board of Directors consistently attached importance to internal control. This was done by assigning the Audit Committee, which was comprised of independent directors, to be reviewers of the internal control system assessment. The internal audit department, is independent from the Management team and reports

directly to the Audit Committee and reviews the operations of each department of the company and subsidiaries in accordance with the annual audit plan which was approved by the Audit Committee in order to ensure that management achieves the company's objectives.

The Board of Directors and the management have determined that the company's internal control system is appropriate enough and effective in the following areas:

1. Achieved the objectives with efficiency and effectiveness.
2. Had comprehensive and effective risk management.
3. Had information systems, important financial information, management and operations that were reliable, complete, accurate and timely.
4. Had a protection system to control, maintained and utilized Company assets in a beneficial way. Had a separation of duties for operators, supervisors and appraisers to ensure a suitable check and balance system. This included safe and appropriate information in the information system.
5. Had appropriate anti-corruption measures and a risk prevention system for activities that were vulnerable to corruption.
6. The operations and duty performance were in accordance with the policies, rules and regulations that were consistent with the laws or other regulations related to the business operations of the company
7. The Board of Directors is responsible for ensuring that the system of financial reporting and disclosure of important information is accurate, adequate, timely and in accordance with relevant rules, standards and guidelines.
8. The Board of Directors has established a position of the Company Secretary by appointing Mr. Paitoon Eiamsirikulmit as the company Secretary with duties and responsibilities as required by law.

The Board of Directors shall supervise the management to set up an investor relations unit with Mr. Paitoon Eiamsirikulmit, Deputy Managing Director of Central Administration Division, to communicate and publicize information that is beneficial to shareholders, investors, analysts and related parties appropriately, equally and in a timely manner. There is also a communication channel with investors by contacting 02-080-7899 ext. 1131 and 1135; Investor Relations Department website [ir@malee.co.th](mailto:ir@malee.co.th).

### Code of Conduct for Investor Relations

This Code of Conduct is established in case there is a problem or issue that is difficult for judgment. This guideline is consistent to the Code of Conduct for Investor Relations 2014 and the good corporate governance, as formulated by the Securities and Exchange Commission and the Stock Exchange of Thailand. There are four Basic principles of the Code of conduct for Investor Relations as follows:

1. Disclose any material information which will be necessary to make an adequate and accurate decision in timely manner by complying with the requirements and regulations of the SEC and the Stock Exchange of Thailand.
2. Shall not use internal information for one's own and others' benefit. Set a quiet period for analysts and investors about future performance that is appropriate and close to the time when the numbers are first received, at least 2 weeks ( 14 days) before disclosing the financial statements, etc.
3. Disclose information equally and fairly and provide opportunities for stakeholders to have equal access to information.

Perform duties with honesty and integrity based on equality concept, no discrimination.

4. Shall perform their duties with professional integrity on the basis of the principle of equality with no discrimination.

### Details of Investor Relations in 2021

Due to the pandemic of the Coronavirus (COVID-19), the company refrains from accepting Company Visits from both institutional and retail investors, as well as institutional analysts, except from communicating via Conference Call or via various online channels. The Company also refrains from organizing the Opportunity Day event of the Stock Exchange of Thailand

The Board of Directors encourages the use of information technology in disseminating information. In addition to disseminating information in accordance with the established rules and through the channels of the Stock Exchange of Thailand, the Board of Directors will arrange for information disclosure in both Thai and English through other channels, such as the company's website, as well as presenting the information that is true and current.

### Preventive Insider Trading Measures

The Company has a policy of establishing preventive insider trading measures for related persons. This includes the Board of Directors, senior executives, employees in the departments involved with the company's information (which includes spouses and children that are not of legal age of the said person). Prohibited individuals who are involved in trading company securities for

one month prior to the disclosure of the quarterly and annual financial statements.

### Supervision on the Use of Insider Information

The Board of Directors recognizes the importance of good corporate governance. In order to be transparent and prevent the pursuit of personal benefits from the use of the company's insider information that has not been disclosed to the public, the company set the policy for using the company's insider information as follows:

1. Provide knowledge to directors and executives which include executives in accounting or finance at the level of department manager or equivalent or higher in regards to the duty to prepare and submit a report on the securities holding of one's own, spouse and children are not yet of legal age to the Office of the Securities and Exchange Commission under Section 59 and Penalty Section 275 of the Securities and Exchange Act B.E. 2535.
2. Require that directors and executives, including management positions in accounting or finance that are department managers or equivalent or higher, prepare and submit a report on the securities holdings of one's own, spouse and children who are not yet of legal age and passing it on to the Company Secretary before submitting it to the Office of the Securities and Exchange Commission every time. This must be prepared and delivered within 30 days from the date that one was appointed as director or executive, report the change of securities holding (if any) and prepare the report of securities holding if there are any changes to securities holding within 3 business days.

3. Establish disciplinary penalties for violating the use of insider information for personal gain. Penalties may be a warning in written form, a wage cut, a temporary suspension without wages, discharge or to the extent permitted by law. The punishment is based on the intent of the action and the seriousness of the offense. In regards to the securities holdings report, the Company Secretary compiles the securities holdings information of the directors and executives including spouses and children who have not yet become sui juris and inform the Board of Directors for acknowledgement every quarter.

### Personal Data Protection Act (PDPA)

In accordance with the Personal Data Protection Act B.E. 2562, Malee Group Public Company Limited and/or its group companies ("the company") have issued a personal information protection policy and notified employees within the organization to comply with the regulations, rules, and/or policies of the company. The details are as follows:

To ensure that the personal information of our customers, partners, employees and business associates are kept confidential and used with the consent of its owner in accordance with the Personal Data Protection Act B.E. 2562, the company has set up the personal information protection policy as follows:

1) The Company respects the personal rights of its customers, business partners, employees and all related parties to the utmost.

- 2) The Company will request for personal information only as necessary for the administration or as required by law, and will only request directly from the owner of the information.
- 3) The Company will notify the purposes of use and storage of information by asking for the owners' consent from the beginning.
- 4) The Company has set up a system for the use, processing, and storage of personal information in strict and confidential manners.
- 5) The Company has assigned controllers, reviewers, approvals to ensure that the personal information is used in accordance with the purposes. The Company refrains from using beyond consent or causing any damage to the owner of the information.
- 6) If the information with specific controls such as ethnicity, political opinions, religious belief, illness, and criminal records are required, the company will seek explicit consent from the owner and use it with caution and confidentiality.



- 7) The owner of the information has the right to access, review, and withdraw consent at all time when it is stored.
- 8) The owner of the information who is foreigner and expatriate will be subjected to the same policies as Thai national.
- 9) If the personal information must be sent to an external organization or abroad, the Company will strictly comply with the law.
- 10) The Company shall treat the personal information collected by the company as if it was its own property. The Company shall not allow anyone to infringe, disclose, access, exploit for personal gain, or destroy this information without the authorization of the data controller. Violators shall be punished with maximum penalties, prosecuted to the fullest extent, and compensate for the damage at the full rate prescribed by law.

## 8. Support Participation and Communication with Shareholders

The Company recognizes and attaches importance to the rights of shareholders such as the right to sell or transfer shares, share in the profits of the business, receive the company's news and information sufficiently and completely. This includes the attendance of the meeting to exercise the right to vote at the shareholders' meeting independently and equally, participation in decision-making on important matters that affect the company, such as the appointment or removal of directors Determination of remuneration of directors, appointment or removal of auditors, and auditor's

remuneration dividend allocation Determination or amendment of the Articles of Association and the Memorandum of Association Capital reduction or capital increase and approval of special items as required by law, etc. The shareholders' meeting is an important channel that the company's shareholders able to exercise their rights as shareholders.

### 8.1 Rights of Shareholders

The Company places the importance in the care and protection of the shareholders' rights. This includes protecting and promoting all shareholders so they receive accurate, complete, sufficient, timely, equal and fair information in order to make decisions in all matters. The basic shareholders' rights include trading and transferring shares, earning profit share from the business in accordance with the laws and regulations of the company appropriately.

In regards to the Shareholders' Meeting, the company has a clear policy and intention to support and encourage all shareholders and institutional investors to exercise their rights in meeting attendance and casting votes at the Shareholders' Meeting. The Company facilitates all shareholders to attend the Meeting equally, whether it is a convenient meeting venue or an appropriate time. The Meeting is organized transparently and verifiably, not committing any actions that deprive shareholders' rights, while allowing shareholders to make inquiries and express their opinions appropriately.



## 8.2 Shareholders' Meeting

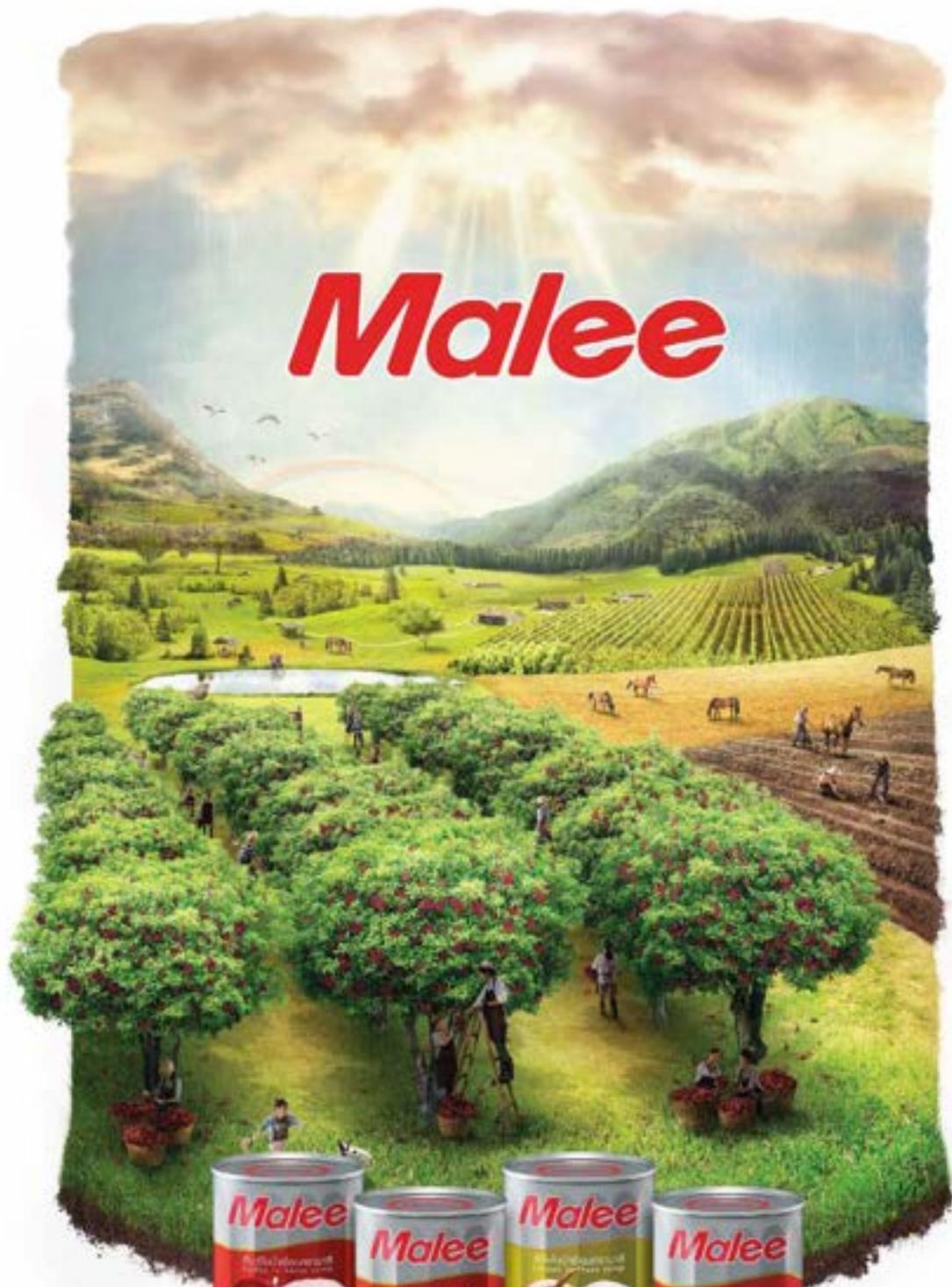
### 8.2.1) Before the Date of the Shareholders' Meeting

- A) The Company has a policy to give shareholders the opportunity to propose agenda items and nominate candidates to be appointed as directors of the company and/or submit inquiries that need clarification from the proposed agenda item in advance. This is in accordance with the company's rules that are disseminated on the company's website so that shareholders are able to get the maximum benefit from the Meeting and the rights and benefits of the shareholders are fully protected. The inquiries can be delivered via electronic mail or fax to the Company Secretary.
- B) The Company increased its channels for shareholders to receive news so they could receive news through the channels of the Stock Exchange of Thailand and the company's website by posting various information and details on the company's website. Specifically, in the event that the invitation letter to the Shareholders' Meeting is disseminated prior to the Meeting, no less than 30 days in advance. This enables shareholders to study the information and download the information and meeting agenda quickly and completely.
- C) The Company delivered a meeting invitation letter which included the Meeting information and proxies in the form of a QR Code. This latest technology is implemented in compliance with the policy of the Stock Exchange of Thailand regarding the increased efficiency and facilitating quick and easy access to information of listed companies for

investors, reducing the costs of listed companies and reducing the use of resources for long-term sustainability.

- D) The Company delivered a meeting invitation letter together with any supporting documents for meeting agenda as well as specifying the objectives, reasons and opinions of the Board of Directors for every agenda item in order to give shareholders the opportunity to study the information completely prior to the Meeting of Shareholders for no less than 14 days in advance.
- E) In the event that the shareholders are unable to attend the meeting by themselves, the company allows shareholders to appoint an independent director of the company or any person to attend the Meeting on their behalf by using the Proxy Form that the company delivered together with the meeting invitation letter. In addition, shareholders can also download the Proxy Form via the company's website, <https://investor.maleegroup.com/en/downloads/shareholders-meeting>.

In 2021, since there was the pandemic of coronavirus (COVID-19) during the time of the shareholders' meeting, the company took into account hygiene, safety, and well-being of those who attended the meeting. Therefore, some measures were implemented to prevent the spread of the COVID-19 in accordance with the guidelines of the Ministry of Health. The Company also disseminated the guidelines for the attendees along with the invitation letter of the 2021 Annual General Meeting of Shareholders.



*Malee*



“ ผลไม้ที่ดูแลคุณได้ ”  
ต้องถูกดูแลมาอย่างดี  
ผลไม้กระป๋อง ตรา มาลี อร่อยทุกฤดูกาล

### 8.2.2) Date of the Shareholders' Meeting

- 1) The Company selected a suitable meeting venue and time to hold the Shareholders' Meeting that was convenient so that all shareholders could attend the meeting. In 2021, The Annual General Meeting of Shareholders was held on Thursday, April 22, 2021 at 10:00 am in the Cafeteria Room, 1st Floor, Rangsit Ofce Building, 401/1 Moo 8, Phahonyothin Road, Khu Khot Subdistrict, Lam Luk Ka District, Pathum Thani 12130.
- 2) Due to the pandemic of COVID-19, the company has organized the venue and conducted the meeting with strictness according to the measures and guidelines of the Ministry of Public Health, to ensure the safety of attendees and the compliance with law in organizing the shareholders' meeting. The Company facilitated shareholders during the meeting and organized quick registration procedures. The barcode system was used for registration to identify the registration number of each shareholder that was printed on the registration form and proxy.
- 3) The Company encouraged independent individuals to be vote counters and inspectors of the vote counting in the Meeting, disclose it to the Meeting for acknowledgment and write the meeting minutes in the report.
- 4) The Company has a policy that directors, senior executives, legal counsel, and the auditor attend the Meeting in order to answer any inquiries and acknowledge the opinions of the shareholders in unison.
- 5) The Company explained the voting procedure and the method to show the voting results before the Meeting was conducted.
- 6) In regards to vote counting method, the company distributed ballots with a barcode to all shareholders who attended the Meeting. The barcode system was used to make vote counting quick so that the voting results could be announced immediately after considering each agenda item. When the meeting was over, shareholders would be able to verify the details.
- 7) The Meeting considered and casted vote in accordance with the agenda items without changing any important information and providing shareholders with the equal right to inspect the company's operations, make inquiries, give opinions and make recommendations. The relevant committees and executives were in the Meeting to answer any inquiries at the Meeting.
- 8) In the event that many items needed to be approved in the same agenda item, each item would be considered separately so that shareholders could fully exercise their rights with prudence. For example, the agenda item to appoint directors.
- 9) In every agenda of the Meeting, the company has a policy to present information to shareholders that is accurate, complete, sufficient, timely, equal and fair. This is done in order to support decision making in all matters as well as allow shareholders to fully express their opinions or make inquiries within the appropriate time frame.
- 10) The Company prepared the minutes of the Meeting completely, accurately, and transparently, and also recorded any important questions or comments in the minutes of the Meeting for the shareholders to verify. Due to the pandemic of COVID-19, apart from the Social Distancing measure by arranging

seats away from each other according to the guidelines of the Department of Disease Control, Ministry of Health, the company also asked the attendees for their cooperation by refraining from asking live questions in the meeting and submitting questions instead to prevent the spread of the virus. Shareholders were informed to read the answers at the company's website or in the Minutes of the 2021 Annual General Meeting of Shareholders, which will be published via the official communication channel of the SET.

### 8.2.3) The Day After the Shareholders' Meeting

- 1) The Company summarized the resolution of the Shareholders' Meeting and disseminated the information via the Stock Exchange of Thailand and the company's website on the next business day after the Shareholders' Meeting was complete.
- 2) The Company prepared the minutes of the Shareholders' Meeting within 14 days in accordance with the law and submitted them to the Department of Business Development, the Ministry of Commerce, and the Stock Exchange of Thailand. This included the dissemination of the minutes of the Shareholders' Meeting through the communication channels of the Stock Exchange of Thailand and the company's website, <https://investor.maleegroup.com/en/downloads/shareholders-meeting>, for the shareholders to consider and verify.
- 3) The Company facilitated the shareholders to receive dividends by transferring the money into bank accounts (in the case that a dividend was paid) in order for shareholders to receive their dividends quickly and on time, and to prevent any

problems from sending checks to shareholders, whether checks were late, damaged, lost, or shareholders changed addresses.

### 8.3) Responsibility to Shareholders

As for the equitable treatment of shareholders, the company gives importance to treating every shareholder equally, both in terms of supporting the exercise of rights in various matters, receiving information that is complete, accurate, sufficient, timely, equal and fair in order to make decisions on appropriate profit share from the business according to the laws and regulations of the company.

As for the information for the Shareholders' Meeting, the company has a clear policy and intention to support and provide information for every shareholder. This includes institutional investors being able to exercise their rights in the Meeting and cast vote as needed.

- A) The Company announced the meeting invitation, meeting agenda, with supporting information and the directors' opinions on each agenda item to the Stock Exchange of Thailand and disseminated it through the company's website for no less than 30 days prior to the date of the Meeting so that shareholders were able to fully study the information prior to the Meeting.
- B) The Company provided the rules and regulations for the Meeting, the voting procedures and shareholders' right in vote casting for the acknowledgement of shareholders prior to the Meeting.
- C) The Company prepared an invitation letter for the Shareholders' Meeting in both Thai and English and disseminated the information through the channels of the Stock Exchange of Thailand and the company's website.

- D) The Company announced the results immediately after each agenda item was considered at the Shareholders' Meeting by using a barcode system which was quick and modern.
  - E) The Company summarized the resolution of the Shareholders' Meeting and disseminated the resolution via the Stock Exchange of Thailand and the company's website on the next business day after the Shareholders' Meeting was held.
  - F) The Company completed the minutes of the Shareholders' Meeting within 14 days in accordance with the law and disseminated the minutes of the meeting through the communication channels of the Stock Exchange of Thailand and the company's website, <https://investor.maleegroup.com/en/downloads/shareholders-meeting>, for shareholders to consider and verify.
- B) The Company gave shareholders the opportunity to exercise the right to elect individual directors with prudence in order to give shareholders the opportunity to select the desired director.
  - C) The Company facilitates all shareholders to attend the Meeting equally, whether it is a convenient meeting venue and an appropriate time. The Meeting is organized transparently and verifiably, not committing any actions that deprive shareholder rights and allows shareholders to make inquiries and express their opinions appropriately.
  - D) The Company facilitated shareholders who were unable to attend the Meeting by themselves by allowing shareholders to authorize any person or have at least one independent director attend the Meeting and vote on their behalf and notify the names of the said independent director in the meeting invitation letters.
  - E) The Company encouraged independent individuals to be vote counters and inspectors of vote counting in the Meeting, disclosed it to the Meeting for acknowledgment and wrote meeting minutes in the report.
  - F) Considered and cast vote in accordance with the agenda item without changing any important information and providing shareholders with equal rights to inspect the company's operations, make inquiries, give opinions and make recommendations. The relevant committees and executives were in the meeting to answer any inquiries at the Meeting.

#### 8.4 The Protection of Minority Shareholders' Rights

- A) To ensure equal fairness to all shareholders, The Company has a policy to give shareholders the opportunity to propose agenda items and nominate candidates to be appointed as directors of the company and/or submit inquiries that need clarifying for the proposed agenda item in advance in accordance with the company's rules that are disseminated on the company's website. Inquiries can be delivered via electronic mail or fax to the Company Secretary.



**ORGANIZATION CHART,  
THE BOARD OF DIRECTORS PROFILES, SUB-COMMITTEE,  
EXECUTIVES AND EMPLOYEES, ETC.**



*Growing well together*

## 7.1 Organization Chart

# ORGANIZATION STRUCTURE MALEE GROUP PUBLIC COMPANY LIMITED

Effective Date : 1 December 2021



## 7.2 The Board of Directors Profiles

### Structure of the Board of Directors

The Board of Directors is responsible to shareholders in regards to carrying out the business operations of the company so that they are in accordance with the goals and guidelines which will generate the maximum benefit for shareholders by taking into account the benefits of all stakeholders. As of December 31, 2021, the Board of Directors consisted of 8 members which was comprised of:

- A. 1 executive director
- B. 7 non-executive directors, in which 4 of the non-executive directors were independent directors

### The Board of Directors

Currently, the Board of Directors consists of 8 members as follows:

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1. Mrs. Chintana Boonyarat	Director/Chairman
2. Ms. Roongchat Boonyarat	Director/Chairman of the Executive Committee/ Chief Executive Officer
3. Mr. Pichai Chirathivat	Director/Member of the Executive Committee
4. Mr. Kitti Vilaivarangkul	Director/Member of the Executive Committee/ Member of the Risk Management Committee
5. Ms. Nattharin Taltong	Director/Independent Director/Chairman of Audit Committee/ Member of the Risk Management Committee/ Member of the Nomination and Remuneration Committee
6. Ms. Nart Fongsmut	Director/Independent Director/Chairman of the Nomination and Remuneration Committee/Member of the Audit Committee/ Member of the Risk Management Committee
7. Mr. Arin Jira	Director/Independent Director/Chairman of the Risk Management Committee/Member of the Nomination and Remuneration Committee/Member of the Audit Committee
8. Ms. Supavadee Tantiyanon	Director/Independent Director

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### Director Who Has Signatory Authority to Bind the Company

Directors who have signatory authority to sign on behalf of the Company:

- 
- 1. Mrs. Chintana Boonyarat
  - 2. Mr. Kitti Vilaivarangkul
  - 3. Ms. Roongchat Boonyarat

*2 of these 3 directors must jointly affix their signature with the Company's seal.*



## THE BOARD OF DIRECTORS PROFILES MALEE GROUP PUBLIC COMPANY LIMITED



### **MRS. CHINTANA BOONYARAT**

- Director
- Chairman of the Board of Director



### **MS. ROONGCHAT BOONYARAT**

- Director
- Chairman of the Executive Committee
- Chief Executive Officers

### **MR. PICHAI CHIRATHIVAT**

- Director
- Member of Executive Committee

### **MR. KITTI VILAIVARANGKUL**

- Director
- Member of Executive Committee
- Member of Risk Management Committee



**MS. NART FONGSMUT**

- Independent Director
- Member of Audit Committee
- Chairman of Nomination and Remuneration Committee
- Member of Risk Management Committee

**MS. NATTHARIN TALTHONG**

- Independent Director
- Chairman of Audit Committee
- Member of Risk Management Committee
- Member of Nominating and Remuneration Committee

**MR. ARIN JIRA**

- Independent Director
- Chairman of Risk Management Committee
- Member of Audit Committee
- Member of Nominating and Remuneration Committee



**MS. SUPAVADEE TANTIYANON**

- Director
- Independent Director

**MR. PAITON EIAMSIRIKULMIT**

- Company Secretary
- Vice President Corporate Affairs

# THE BOARD OF DIRECTORS PROFILES

## 1 MRS. CHINTANA BOONYARAT Age : 70 Years Old

Chairman of the Board of Directors



**Date of First Director's Appointment:** August 17, 1999

**No. of Rotation (Term of office):**

- Director: 7 Terms or 22 Years
- Chairman: 1 Term or 3 Years

**Education:**

- Bachelor's Degree in Business Administration, Menlo College, USA
- Director Certification Program (DCP 5/2000), Thai Institute of Directors Association (IOD)
- Role of Chairman Program (RCP 15/2011), Thai Institute of Directors Association (IOD)
- Top Executive Program in Commerce and Trade (TEPCot3), The University of the Thai Chamber of Commerce

**Training in the Past Year None:** None

**Work Experience:**

2018-Present	Chairman of the Board of Directors Malee Group Public Company Limited
1999-2018	Director Malee Group Public Company Limited
2008-2018	Member of the Executive Committee Malee Group Public Company Limited
2013-Present	Director - Central Marketing Group Co., Ltd
1992-Present	Chairman of the Board of Directors Abico Holdings Public Company Limited

**Director/Executive Director in Other Listed Companies:**

- Chairman of the Board of Directors  
Abico Holdings Public Company Limited
- Director - Central Plaza Hotel Public Company Limited

**Director/Executive Director in Other Non-Listed Companies:**

- Director - Central Group Company Limited

**Family Relationship between Director and Executive**

**Management:**

- Parent of Ms. Roongchat Boonyarat  
Director / Member of the Executive Committee /  
Chief Executive Officer
- Sister of Mr. Pichai Chirativat  
Director / Member of the Executive Committee

**Shareholding included shareholding by spouse and minor child (%):**

(as of Dec 31, 2020): 9,128,566 shares or 3.31%

(as of Dec 31, 2021): 9,128,566 shares or 3.31%

**Stock Trading During the Year 2021:** None

**Number of Meeting Attendance:**

- 4/4 Board of Directors Meetings



## 2 MR. PICHAI CHIRATHIVAT

Age : 61 Years Old

Director /  
Member of the Executive Committee

**Date of First Director's Appointment:** April 5, 2012

**No. of Rotation (Term of office):** 4 Terms or 9 Years

### Education:

- Bachelor's Degree in Business Administration, Claremont College, USA
- Master's Degree in Business Administration, Azusa Pacific University, USA

### Director Accreditation Program:

- Directors Accreditation Program DAP 169/2020, Thai Institute of Directors Association (IOD)
- Strategic Planning & Management in Retailing Program, IGDS
- PSA Program (Class 98), The Psychological Security Association of Thailand
- NCD Program (Class 53), National Defense College of Thailand
- Advanced Security Management Program, The National Defense College Association of Thailand (NDCAT)
- Capital Market Academy Leader Program, Class 22, Capital Market Academy
- Executive Management with Business Development and Investment, Class 5, Institute of Business and Industrial Development (IBID)

### Training in the Past Year:

Training Program for Senior Executive Development, Royal Thai Police

### Work Experience:

2012-Present	Director / Member of the Executive Committee Malee Group Public Company Limited
2018-Present	Vice Chairman, Climate Change, Renewable Energy Industry Club The Federation of Thai Industries (FTI)
2018-Present	Co-Chairman of the Strategic Plan Committee, Digital Economy and E-Commerce Board of Trade of Thailand
2018-Present	Vice Chairman Driven Committee of TCC Digital Platform Project
1999-Present	Member of the Executive Committee Central Marketing Group Co., Ltd

### Director/Executive Director in Other Listed Companies:

Director - Central Retail Corporation Public Company Limited

### Director/Executive Director in Other Non-Listed Companies:

20 Companies

### Family Relationship between Director and Executive Management:

- Brother of Mrs. Chintana Boonyarat  
Chairman of the Board of Directors
- Uncle of Ms. Roongchat Boonyarat  
Director / Chairman of Executive Committee and Chief Executive Officer

### Shareholding included shareholding by spouse and minor child (%):

(as of Dec 31, 2020): 6,608,567 shares or 2.39%

(as of Dec 31, 2021): 6,608,567 shares or 2.39%

**Stock Trading During the Year 2021:** None

### Number of Meeting Attendance:

- 4/4 Board of Directors Meetings
- 11/11 Executive Committee Meetings

**3 MR. KITTI VILAIVARANGKUL**  
**Age : 65 Years Old**

.....  
**Director / Member of the Executive Committee /  
Member of the Risk Management Committee**



**Date of First Director's Appointment:** May 6, 2003

**No. of Rotation (Term of office):** 6 Terms or 18 Years

**Education:**

- Bachelor's Degree in Accounting (2<sup>nd</sup> Class Honors), Ramkhamhaeng University
- Master's Degree in Business Administration, Thammasat University

**Director Accreditation Program:**

- Board Nomination and Compensation Program BNCP 2019, Thai Institute of Directors Association (IOD)
- Directors Accreditation Program (DAP 2005), Thai Institute of Directors Association (IOD)
- Directors Certification Program (DCP 2010), Thai Institute of Directors Association (IOD)

**Training in the Past Year None:** None

**Work Experience:**

2003-Present	Director - Malee Group Public Company Limited
2003-Present	Director - Malee Enterprise Co., Ltd.
1999-Present	Director - Abico Holdings Public Company Limited
1999-Present	Director - Abico Land Co., Ltd.
1997-Present	Director - Abico Dairy Farm Co., Ltd
1997-Present	Director - PPO Farm Co., Ltd.

**Director/Executive Director in Other Listed Companies:**

- Director - Abico Holdings Public Company Limited

**Director/Executive Director in Other Non-Listed Companies:** 3 Companies:

1. Director - Abico Dairy Farm Co., Ltd
2. Director - Abico Land Co., Ltd.
3. Director - PPO Farm Co., Ltd.

**Family Relationship between Director and Executive Management:** None

**Shareholding included shareholding by spouse and minor child (%):**

(as of Dec 31, 2020): None

(as of Dec 31, 2021): None

**Stock Trading During the Year 2021:** None

**Number of Meeting Attendance:**

- 4/4 Board of Directors Meetings
- 11/11 Executive Committee Meetings
- 4/4 Risk Management Committee Meetings



**4 MS. NATTHARIN TALTHONG**  
**Age : 53 Years Old**

**Independent Director / Chairman of the Audit Committee /  
 Member of the Risk Management Committee /  
 Member of the Nominating and Remuneration Committee**

**Date of First Director's Appointment:** March 29, 2013

**No. of Rotation (Term of office):** 3 Terms or 9 Years

**Education:**

- Bachelor's Degree in Economics and Business Administration, Kasetsart University
- Master's Degree of Science in Finance, University of Colorado, Denver, USA

**Director Accreditation Program:**

- Directors Accreditation Program (DAP), Class 69, Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP), Class18/2015, Thai Institute of Directors Association (IOD)
- The Executive Program in Energy Literacy for a Sustainable Future (TEA15), Thailand
- Tourism Management program for Executives 2018, Tourism Authority of Thailand
- Ultra Wealth-Invest Like A Master (2016), Thailand
- The Capital Market Academy Leader program (CMA) Class 11
- Top Executive Program in Commerce and Trade (TEPCoT7)
- Private Banking Strategies & Techniques for Growth by Euromoney Training, London, United Kingdom
- Private Bank – Rebuilding Private Banking after the Crisis, VRL Institute, Singapore
- Leadership Greatness - Great Leader, Great Team, Great Results, Thailand

**Training in the Past Year None:** None

**Work Experience:**

2013-Present	Director / Independent Director / Chairman of the Audit Committee / Member of the Risk Management Committee / Member of the Nominating and Remuneration Committee - Malee Group Public Company Limited
2017-Present	Director - Dusit Thani Properties Reit Company Limited
2014-Present	The Panel of Expert Market for Alternative Investment (MAI)
2010-2013	Chairman of the Executive Committee - Kasikorn Securities Public Company Limited
2010-2013	Head of K Group Private Banking Business, Kasikornbank Public Company Limited,
2005-2009	Managing Director - Kasikorn Securities Public Company Limited

**Director/Executive Director in Other Listed Companies:**

None

**Director/Executive Director in Other Non-Listed Companies:**

1 Company:

Director - Dusit Thani Properties Reit Company Limited

**Family Relationship between Director and Executive**

**Management:** None

**Shareholding included shareholding by spouse and minor child (%):**

(as of Dec 31, 2020): None

(as of Dec 31, 2021): None

**Stock Trading During the Year 2021:** None

**Number of Meeting Attendance:**

- 4/4 Board of Directors Meetings
- 4/4 Audit Committee Meetings
- 4/4 Risk Management Committee Meetings
- 1/1 Nominating and Remuneration Committee Meeting

**5 MS. NART FONGSMUT**  
**Age : 59 Years Old**

.....  
**Independent Director / Member of the Audit Committee /  
Chairman of the Nominating and Remuneration Committee  
/ Member of the Risk Management Committee**



**Date of First Director's Appointment:** May 9, 2014

**No. of Rotation (Term of office):** 4 Terms or 8 Years

**Education:**

- Bachelor's Degree in Doctor of Medicine (M.D.), Chulalongkorn University
- Master's Degree in Business Administration, School of Management, Boston University, USA.

**Director Accreditation Program:**

- Director Accreditation Program (DAP), Class122/2015, Thai Institute of Directors Association (IOD)
- Top Executive Program in Commerce and Trade (TEPCoT9), The University of Thai Chamber of Commerce

**Training in the Past Year None:** None

**Work Experience:**

2014-Present	Independent Director / Member of the Audit Committee / Chairman of the Nominating and Remuneration Committee / Member of the Risk Management Committee Malee Group Public Company Limited
2017-Present	Member of the Executive Committee Otium Living Pte., Ltd.
2012-Present	Director, Mater Dei Alumnae Association
2001-Present	Managing Director - Nap Nutriscience Co., Ltd.

**Director/Executive Director in Other Listed Companies:**

None

**Director/Executive Director in Other Non-Listed**

**Companies:** 2 Company:

1. Member of the Executive Committee Otium Living Pte., Ltd.
2. Managing Director - Nap Nutriscience Co., Ltd.

**Family Relationship between Director and Executive Management:** None

**Shareholding included shareholding by spouse and minor child (%):**

(as of Dec 31, 2020): 148,200 shares 0.05%

(as of Dec 31, 2021): 148,200 shares 0.05%

**Stock Trading During the Year 2021:** None

**Number of Meeting Attendance:**

- 4/4 Board of Directors Meetings
- 4/4 Audit Committee Meetings
- 4/4 Risk Management Committee Meetings
- 1/1 Nominating and Remuneration Committee Meeting



**6 MR. ARIN JIRA**  
Age : 72 Years Old

Independent Director / Member of the Audit Committee /  
Chairman of the Risk Management Committee /  
Member of the Nominating and Remuneration Committee

**Date of First Director's Appointment:** May 10, 2018

**No. of Rotation (Term of office):** 2 Terms or 3 Years

**Education:**

- Bachelor's Degree in Chemical Engineering, University of California, Berkeley, USA
- MBA, University of California, Berkeley, USA

**Director Accreditation Program:**

- Director Accreditation Program (DCP) Class 155/2018, Thai Institute of Directors Association (IOD)

**Training in the Past Year None:** None

**Work Experience:**

2018–Present	Independent Director / Member of the Audit Committee / Chairman of The Risk Management Committee / Member of the Nominating and Remuneration Committee Malee Group Public Company Limited
2019–Present	Chairman of the Board of Directors / Chairman of the Independent Committee Thai O.P.P. Public Company Limited
2008, 2009, 2019	Chairman ASEAN Business Advisory Council

2017–Present	Chairman Amata Industrial Gas Co., Ltd.
2009–Present	Vice Chairman The Federation of Thai Industries
2008–2021	Chairman ASEAN Business Advisory Council, Thailand
2006–Present	Senior Executive Advisor Bangkok Industrial Gas Co., Ltd.
2017–Present	Chairman - Yangon Industrial Gas Co., Ltd
2010–Present	Chairman - Map Ta Phut Industrial Gas Co., Ltd.

**Director/Executive Director in Other Listed Companies:**

Chairman of Board of Director / Chairman of Independent Committee, Thai O.P.P Public Company Limited

**Director/Executive Director in Other Non-Listed Companies:**

3 Companies:

1. Chairman - Amata BIG Industrial Gas Co., Ltd.
2. Chairman - Yangon Industrial Gas Co., Ltd.
3. Chairman - Map Ta Phut Industrial Gas Co., Ltd.

**Family Relationship between Director and Executive**

**Management:** None

**Shareholding included shareholding by spouse and minor child (%):**

(as of Dec 31, 2020): None

(as of Dec 31, 2021): None

**Stock Trading During the Year 2021:** None

**Number of Meeting Attendance:**

- 4/4 Board of Directors Meetings
- 4/4 Audit Committee Meetings
- 4/4 Risk Management Committee Meetings
- 1/1 Nominating and Remuneration Committee Meeting

**7 MS. ROONGCHAT BOONYARAT**  
**Age : 37 Years Old**

**Director /  
 Chairman of the Executive Committee /  
 Chief Executive Officer**



**Date of First Director's Appointment:** March 29, 2013

**No. of Rotation (Term of office):** 3 Terms or 9 Years

**Education:**

- Bachelor's Degree in Art in Economics, Bowdoin College, USA
- Master's Degree in Business Administration, Business Strategy and Marketing From Sasin Graduate Institute, Chulalongkorn University

**Director Accreditation Program:**

- Directors Certification Program DCP (195/2014), Thai Institute of Directors Association (IOD)
- Director Briefing 4/2017 "The Sleeping Giants of Succession: 3 Forces You can Awaken to Accelerate Leadership Growth", Thai Institute of Directors Association (IOD)

**Training in the Past Year None:** None

**Work Experience:**

2018-Present	Director / Chairman of the Executive Committee / Chief Executive Officer Malee Group Public Company Limited
2018-Present	Director/ Chief Executive Officer Malee Enterprise Company Limited
2013-2018	Director / Member of the Executive Committee / Chief Operating Officer Malee Group Public Company Limited
2013-2018	Director / Chief Operating Officer Malee Enterprise Company Limited
2011-2013	Vice Managing Director, Domestic Business Malee Enterprise Company Limited

**Director/Executive Director in Other Listed Companies:**

None

**Director/Executive Director in Other Non-Listed Companies:** 4 Companies:

1. Chairman of Board of Director - Malee Enterprise Company Limited
2. Chairman of Board of Director - Malee Capital Co., Ltd.
3. Chairman of Board of Director - Malee International Co., Ltd.
4. Chairman of Board of Director - Malee Applied Science Co., Ltd.

**Family Relationship between Director and Executive Management:**

- Daughter of Mrs. Chintana Boonyarat Chairman of the Board of Directors

**Shareholding included shareholding by spouse and minor child (%):**

(as of Dec 31, 2020): 1,130,000 shares or 0.41%  
 (as of Dec 31, 2021): 1,130,000 shares or 0.41%

**Stock Trading During the Year 2021:** None

**Number of Meeting Attendance:**

- 4/4 Board of Directors Meetings
- 4/4 Risk Management Committee Meetings
- 4/4 Audit Committee Meetings
- 11/11 Executive Committee Meetings



**8 MS. SUPAVADEE TANTIYANON**  
**Age : 56 Years Old**

**Director / Independent Director**

**Date of First Director's Appointment:** April 11, 2019

**No. of Rotation (Term of office):** 1 Term or 2 Year

**Education:**

- Bachelor Business Administration, Eastern Michigan University, USA
- PG Certificate, MIT: Digital Transformation, 2561
- PG Diploma: Institute of Direct Marketing, UK
  - Direct Marketing 2003
  - Digital Marketing 2013

**Director Accreditation Program:**

- Directors Certification Program DCP Class 282/2019, Thai Institute of Directors Association (IOD)
- Foundation in Design Thinking by IDEO

**Training in the Past Year None:**

- Ogilvy Consulting: Certificate on Behavioral Economics
- Ogilvy Consulting: Certificate on Applied Behavioral Science
- Cannes Lion-The School: Certificate on Goodvertising
- Cannes Lion-WARC: Marketing Strategy

**Work Experience:**

- 2019-Present Director / Independent Director  
Malee Group Public Company Limited
- 2019-Present Vice President - Marketing Association of Thailand

2018-Present Managing Director - Creative Spice Co., Ltd.  
Associated Agency of Tribal Worldwide

- 2016-2018 - Managing Director / Founder  
Experience Matters Co., Ltd.
- Chief Executive Officer,  
MullenLowe Group Thailand
- Digital Service Director,  
Minor International Group

2012-2016 General Manager,  
Mysale Thailand (JV subsidiary of  
Minor Group)

2010-2012 Regional Consultant, APAC, Ogilvy Asia

2006-2010 Managing Director, OgilvyOne Thailand

2002-2006 Business Director (CRM & Digital), Leo Burnett Thailand

1995-2002 Client Service Director, OgilvyOne Thailand

1989-1995 Brand Manager (Pond's), Unilever Thailand

**Director/Executive Director in Other Listed Companies:**

None

**Director/Executive Director in Other Non-Listed Companies:**

2 Companies:

1. Managing Director Business Development  
Creative Spice Co., Ltd.
2. Managing Director / Founder  
Experience Matters Co., Ltd.

**Family Relationship between Director and Executive**

**Management:** None

**Shareholding included shareholding by spouse and minor child (%):**

(as of Dec 31, 2020): None

(as of Dec 31, 2021): None

**Stock Trading During the Year 2021:** None

**Number of Meeting Attendance:**

- 4/4 Board of Directors Meetings

**9 MR. PAITON EIAMSIRIKULMIT**

**Age : 57 Years Old**

**Company Secretary /  
Vice President of Corporate Affairs**



**Date of First Director's Appointment:** May 13, 2013

**No. of Rotation (Term of office):** 4 Terms or 8 Years

**Education:**

- Bachelor of Science (Agricultural Economics) (Agricultural), Kasetsart University
- Master of Science (Agricultural Economics) (Agricultural), Kasetsart University

**Director Accreditation Program:**

- Company Secretary Program (Class 57/2014), Thai Institute of Directors Association (IOD)
- Board Report Program (Class 13/2014), Thai Institute of Directors Association (IOD)
- Company Reporting Program (CRP 9/2014), Thai Institute of Directors Association (IOD)
- Strategic CFO in Capital Market Program, course 7/20 Stock Exchange of Thailand
- Outbound Investment: Legal & Tax Strategies, OMEGA WORLD CLASS Research Institute
- Preliminary to Corporate Sustainability - Stock Exchange of Thailand

**Training in the Past Year None:**

- 2021 Effective KPIs Setting & Leadership Competencies (In-house Training)
- Proactive Leadership & Collaboration (In-house Training)
- Legal in Action Special, Thai Listed Companies Association
- Effective Communication (In-house Training)
- WORKSHOP: CORPORATE SUSTAINABILITY STRATEGY, Class 4/2021, the Stock Exchange of Thailand
- Trends and Directions for Doing M&A: Important Issues to Consider and Strategies on Making M&A Successful, the Stock Exchange of Thailand
- OUTBOUND INVESTMENT: Legal & Tax Strategies, Omega World Class Research Institute
- EMPLOYMENT & LABOR LAWS for NON-LAWYER, Omega World Class Research Institute
- Personal Data Protection Act (PDPA), OETC Training Center
- Climate Action, ESG and a Company's Reporting, Thailand Greenhouse Gas Management Organization
- INTERNATIONAL TRADE CONTRACT, Omega World Class Research Institute
- CGR Workshop 2/2021, Thai Institute of Directors Association (IOD)

**Work Experience:**

- |              |   |
|--------------|---|
| 2011-Present | Vice President of Corporate Affairs<br>Malee Group Public Company Limited       |
| 2013-Present | Company Secretary<br>Malee Group Public Company Limited                         |
| 2010-2011    | Vice President of Supply Chain Management<br>Malee Group Public Company Limited |
| 2009-2010    | Vice President of Financial Management<br>Malee Group Public Company Limited    |

**Director/Executive Director in Other Listed Companies:**

None

**Director/Executive Director in Other Non-Listed Companies:** 4 Companies:

1. Director - Malee Enterprise Company Limited
2. Director - Malee Capital Co., Ltd.
3. Director - Malee International Co., Ltd
4. Director - MONDE Malee Beverage Co., Ltd

**Family Relationship between Director and Executive Management:** None

**Shareholding included shareholding by spouse and minor child (%):**

(as of Dec 31, 2020): None

(as of Dec 31, 2021): None

**Stock Trading During the Year 2021:** None

Malee  
In Season

Malee น้ำสตρώเบอร์รี่  
ยามากาตะ 100%  
ผสมน้ำผลไม้รวม

น้ำดื่มดั่งรส!  
พร้อมดื่มกับน้ำ

正形いちご



まかすくん  
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## **The Scope of Duties of the Board of Directors**

### **1) The Roles, Duties, and Responsibilities of the Board of Directors**

The Board of Directors has a duty to comply with the law, objectives, the Articles of Association of the company, and the resolutions of the Shareholders' Meeting by performing their duties with honesty and cautiously protecting the benefits of shareholders and stakeholders whether in the short-term or long-term, and ensuring that the operations of the company are in the direction that will bring maximum benefit to shareholders and stakeholders. The Board of Directors has a duty to appoint the Audit Committee and every sub-committee. The Board of Directors will oversee the establishment of the company's vision, mission, strategy, goals, policies and annual budget. The Board of Directors will jointly review and give comments annually in order to understand the overall picture of the business together before considering approval and following up with management so that it is in accordance with the set goals in order to adhere to the guidelines of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

- 1.1 Review and provide guidelines for the company's strategy, important operating plans, risk policy, annual budget, and business plan. Set performance goals, observe the implementation, and supervise any important investment expenditures which includes joint ventures and business sales.
- 1.2 Select, set remuneration, assess the performance of executives on a regular basis (or remove if necessary), and review the succession plan to ensure continuity.
- 1.3 Review the remuneration of directors and executives. Ensure that the Board of Directors has a formal and transparent process for nominating directors.
- 1.4 Ensure that the accounting system, financial reporting and auditing are reliable. This includes supervising the process to have a sufficient internal control assessment, risk management, financial control, and legal compliance.
- 1.5 Monitor and manage conflicts of interest of the Management Team, the Board of Directors and shareholders. This includes misusing Company assets and inappropriate actions with connected transactions.
- 1.6 Propose the appointment of suitable persons to be directors. Ensure that the structure and practices of the existing Board of Directors paved the way for appropriate corporate governance and ethical practices.
- 1.7 Directors are able to exercise discretion directly in the company's business independently from the Management Team and any other benefit groups. The directors must devote sufficient time and pay attention to the performance of duties according to their responsibilities.
- 1.8 Monitor and ensure that the company's strategy is implemented in order to achieve the performance according to plan well.

## **Roles and Responsibilities of the Chairman of the Board of Directors**

1. Responsible as the leader of the Board of Directors to supervise, monitor and oversee business management of the Executive Committee and other sub-committees in order to achieve the objectives as planned.

2. Call for Board meetings and the Meeting of the Shareholders, take part in establishing regulations and the meeting agenda with the president of the company.
3. Be the Chairman of the Meeting of the Board and in the case of an equal number of votes, the Chairman of the Board of Directors will have an additional vote to be the deciding vote.
4. Be the Chairman of the Shareholders' Meeting who has a role in controlling the Meeting so that it is effective and in compliance with the Company's Articles of Association and also supports and allows shareholders to freely express opinions.
5. Has a duty to supervise the use of policies and strategic operating guidelines for the Management Team. This includes giving advice and supporting business operations of the Management Team but does not participate in the company's routine management.

### The Board of Directors Meeting

The Management Team will schedule meeting appointments for the Board of Directors and sub-committees a year in advance. The meeting agenda will be sent to the Board of Directors at least 7 days in advance so there is time to study the agenda information.

#### Schedule Meeting 2021 @ Malee Group Public Company Limited

MEETING MONTH	AUDIT COMMITTEE MEETING (ACM) (10:00-12:00)	BOARD OF DIRECTORS (BOD) (10:00-12:00)	RISK MANAGEMENT (RISK) (14:00-17:00)	EXECUTIVE COMMITTEE (EC) (10:00-12:00)	ANNUAL GENERAL MEETING (AGM) (10:00-12:00)
January				Friday 15	
February	Monday 22	Thursday 25		Friday 12	
March			Friday 19	Friday 12	
April				Friday 23	Thursday 22
May	Monday 10	Thursday 13		Friday 14	
June			Friday 18	Friday 18	
July				Friday 16	
August	Wednesday 11 (9.00-11.00)	Wednesday 11 (11.00-12.00)		Friday 13	
September			Friday 17	Friday 17	
October				Friday 15	
November	Thursday 11 (9.00-11.00)	Thursday 11 (11.00-12.00)		Friday 12	
December			Friday 17	Friday 17	

Note: ACM and BOD have limitations on the due dates for Financial Statements submission as follows:

- Yearly Statements no later than February 28.
- Quarterly Statements no later than the 14th of May, August, and November.

The Board of Directors shall appoint an appropriate person as the Chairman of the Board of Directors and ensure that the composition and operations of the Board of Directors facilitate independent decision-making. Since the Chairman of the Board of Directors is not an Independent Director, the Board of Directors therefore considered appointing an Independent Director to jointly consider the agenda of the Board of Directors' meeting with the Chairman of the Board to encourage that there was a balance of power between the Board of Directors and the management.

#### **Criteria for Consideration and Selection of Director Qualifications**

Persons appointed to be on the Board of Directors must have the following qualifications:

1. There are no restrictions based on gender.
2. A person who does not have a tainted history and does not have any prohibited characteristics under the law and good corporate governance principles.
3. A person with vision and is able to look at the overall picture that is aligned with the company's business strategy.
4. A person who relates well to others, is moral and has a suitable personality.
5. A person who is skilled in communicating effectively.
6. A person who has business ideas and systematic decisions.
7. A person who has knowledge and understanding in finance, commerce, or industry and has experience in business administration.

#### **Criteria for the Selection of Directors**

1. A person who meets the qualifications of a director.
2. The entire board should have various expertise that is beneficial to the company's direction and controls the company's operations.

#### **Criteria for the Selection of Independent Directors**

- 1) A person who meets the qualifications of the committee.
- 2) A director who can perform the duties and express independent opinions, using their own discretion, and be ethical by adhering to the benefits of the organization and not only taking into account the benefits of the major shareholders, minor shareholders, or oneself.
- 3) Has all the complete qualifications as specified by the Stock Exchange of Thailand and adheres to the following practice guidelines:
  - Holds no more than 1% of the total voting shares of the company, affiliated companies, associated companies, and is not a person with potential conflicts of interest (which includes related parties – under Section 258 of the securities law).
  - Does not participate in management and is not an employee, staff member, or consultant who receives a regular salary or a controlling person the company, affiliated companies, associated companies, or a person with possible conflicts of interest unless the person no longer receive any benefits in the aforementioned position for more than 2 years.
  - Does not have a business relationship, nor benefits nor vested interests, whether directly or indirectly, both financially and in the management of the company, affiliated companies, associated companies, or a person that may have characteristics that cause a lack of independence.



- Is not a close relative to any executives, major shareholders of the company, affiliated company, associated company, or a person who may have a conflict and is not appointed as a representative to protect the benefits of the directors or major shareholders.
- Discloses any relationships that may cause a lack of independence to the Board of Directors.

### **Diversity Policy in the Structure of the Board**

The Board of Directors has a policy regarding the diversity of the structure of the Board of Directors. There are no restrictions related to education, gender, or specialization. Currently, the Board of Directors is comprised of 8 directors, 5 of which are female. The Board of Directors has expertise in operations related to the company's business, whether finance, accounting, industry, engineering, sales and marketing, medicine, and agribusiness.

### **The Process for Selecting New Directors**

The Board of Directors appointed the Nomination and Remuneration Committee to consider the selection of new directors. The Nomination and Remuneration Committee must consider the qualifications, experience, suitability and ability to perform the work consistent with the company's business strategy as a company's director. This includes considering the diversity in the structure of the Board when proposing new directors and complies with the Public Limited Act.

## Recruitment of Directors and Executives

The appointment of the company's directors shall be made in the Shareholders' Meeting in which a person that holds the position of director of the company must be qualified and must not have any prohibited characteristics that are specified by law. The Board of Directors must have at least five (5) elected directors at the Shareholders' Meeting in accordance with the following criteria and methods:

- 1) Each shareholder has a vote, one vote per share.
- 2) For the selection of directors, a voting method may be used to select directors individually, one person at a time, or many directors at one time as the Shareholder Meeting deems appropriate. For each resolution, the shareholders must cast all the votes in accordance with clause 1, the votes cannot be divided to any other person.
- 3) The persons that receive the most votes in descending order will be selected as director equal to the required number of directors that should be elected at that time. In the event that the next elected person has an equal number of votes and is more than the number of directors that should be elected at that time, the Chairman of the Meeting shall cast the deciding vote.

In every Annual General Meeting of the Shareholders, if the number of directors cannot be divided into three parts, then the number of directors closed to one-third shall retire. The committee members who vacate office according to this article may be re-elected.

In the event that the position of the director becomes vacant for other reasons, aside from the expiration of the term, the Board of Directors shall select any person who has the qualifications and does not have any prohibited characteristics prescribed by the law regarding public limited companies in the next meeting of the Board, unless the director's remaining term is less than (2) months. The person who is appointed as a replacement of the director will only serve for the remainder of the term for the director they replaced. The resolution of the Board of Directors must consist of votes of no less than three quarters (3 in 4) of the remaining number of directors.

### 7.3 The Subcommittee

In addition, the Board of Directors appointed subcommittees that consist of the Executive Committee, the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee to perform specific duties and propose matters to the Board of Directors to consider or acknowledge. The said sub-committees have the rights and duties that are specified in the authority of each subcommittee. In addition, the Company set the scope of duties and authority for the Board of Directors, Sub-Committees, the Chairman of the Board, and the Chief Executive Officer in writing in order to clearly define the scope of operations



and responsibilities of each representative. This demonstrated that the company's is transparent, assigned duties and responsibilities clearly and systematically.

**7.3.1 Audit Committee**

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Ms. Nattharin Talthong	Chairman of the Audit Committee
Ms. Nart Fongsmust	Member of the Audit Committee
Mr. Arin Jira	Member of the Audit Committee

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The Audit Committee consists of 3 independent directors, all of whom have knowledge, understanding and work experience. Ms. Nattharin Talthong, Chairman of the Audit Committee, is knowledgeable, has expertise and experience in business administration, as well as expertise in accounting and finance, and is a qualified person for the Market for Alternative Investment (MAI). The Audit Committee is responsible for reviewing the Company so that it has accurate and sufficient financial reports, internal control systems, and an internal audit system that is suitable and effective.

In 2021, the Audit Committee held 4 meetings.

**The Scope of Duties and Responsibilities of the Audit Committee**

- 1) Review the quarterly financial statements and the annual financial statements. Collaborate with the auditors and relevant executives to propose them to the Board of Directors. Oversee the company's financial reports so that they are accurate, complete, sufficient, and reliable.
- 2) Review to ensure that the company complies with the requirements and the laws on securities and the Stock Exchange of Thailand.
- 3) Consider the disclosure of information which includes connected transactions or transactions that may have a conflict of interest.
- 4) Ensure that the company has an appropriate and effective internal control system.
- 5) Consider selection/appointment/removal and propose the auditor's remuneration.
- 6) Review the adequacy of the internal control system and continually monitor significant risk management
- 7) Consider the independence of the internal audit department, to approve the appointment/ transfer/dismissal of the Head of the Internal Audit Department
- 8) Review the process to prevent the occurrence of corruption by having strict internal control measures that are suitable. The Company is a part of Thai Private Sector Collective Action Coalition Against Corruption (CAC).

**7.3.2 Nomination and Remuneration Committee**

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Ms. Nart Fongsmust	Chairman of the Nomination and Remuneration Committee
Ms. Nattharin Talthong	Member of the Nomination and Remuneration Committee
Mr. Arin Jira	Member of the Nomination and Remuneration Committee

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The Chairman and members of the Nomination and Remuneration Committee are Independent Directors of the company. The entire committee or 100% of the Audit Committee Board are Independent Directors which is in accordance with the good corporate governance principles and ASEAN CG.

### **The Scope of Duties of the Nomination and Remuneration Committee**

- 1) Consider the selection and screen suitable persons to be directors and propose them to the Board of Directors in order to nominate them to the Shareholders' Meeting for an appointment of the position.
- 2) Consider the selection and screen suitable persons to be the managing director and propose them to the Board of Directors for approval.
- 3) Propose guidelines for determining the remuneration criteria for the company's executives at the management level.
- 4) Consider and screen the directors' remuneration rate to be proposed to the Board of Directors for approval at the Shareholders' Meeting.
- 5) Propose guidelines for issuing warrants to purchase shares of directors and employees. Propose them to the Company's Board of Directors, shareholders and the SEC for approval.
- 6) Consider the allocation of warrants for directors and employees that have been approved to be directors and employees to be in accordance with the objectives of the project.

In 2021, the Nomination and Remuneration Committee held 1 meeting.

### **7.3.3 Executive Committee**

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Miss Roongchat Boonyarat	Chairman of the Executive Committee
Mr. Pichai Chirathivat	Member of the Executive Committee
Mr. Kitti Vilaivarangkul	Member of the Executive Committee

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### **The Scope of Duties and Responsibilities of the Executive Committee**

- 1) Assist the Board of Directors in management by having strategies and policies to achieve the goals as approved by the Board of Directors.
- 2) Consider the company's annual budget before proposing it to the Meeting of the Board of Directors for approval.
- 3) Prepare and propose strategies, business plans and operations to the Board of Directors for approval.

- 4) Consider starting new business operations of the company in order to be in compliance with the company's policies before proposing them to the Meeting of the Board of Directors for approval.
- 5) Periodically review the business operations, both normal and non-normal transactions of each business line.
- 6) Hold a meeting every month to review and comment on the monthly profit and loss report that was prepared by executive management. Perform any other duties assigned by the Board of Directors and the Executive Committee deems appropriate. In 2021, The Executive Committee held 11 meetings.

#### 7.3.4 Risk Management Committee

Mr. Arin Jira	Chairman of the Risk Management Committee
Mr. Kitti Vilaivarangkul	Member of the Risk Management Committee
Ms. Nattharin Talthong	Member of the Risk Management Committee
Ms. Nart Fongsmut	Member of the Risk Management Committee

#### The Scope of Duties and Responsibilities of the Risk Management Committee

- 1) Assist the Board of Directors in risk management by having strategies and measures to control risk.
- 2) Review various risk that is related to the company's business. Set acceptable risk limits and control the risk effectively.
- 3) Collaborate with the Management Team to review strategies, pattern and procedures in the operations that reduce the major risk of the company.
- 4) Review the Management Team's report on implemented procedures in order to supervise and control various risk of the Company.
- 5) Perform other duties as assigned by the Board of Directors and the Risk Management Committee deems appropriate.

In 2021, the Risk Management Committee held 4 meetings.

#### 7.4 Executives Profiles

In 2021, the Company's Executive Team consists of 14 persons as follows:

1. Ms. Rungchat Boonrat	Chief Executive Officer
2. Mrs. Patnaree Sirilerdworakarn	Chief Financial and Accounting Officer
3. Mr. Pattarar Tanangsunghoen	Advisor to CEO
4. Mr. Suradach Srisuwan	Senior Vice President, Technology Strategy and Transformation
5. Mr. Ekarin Pinij	Senior Vice President, Sales and Marketing
6. Ms. Siriwan Finet	Senior Vice President, Human Resources
7. Mr. Sura Siwilai	Senior Vice President, Supply Chain
8. Mr. Prasith Surachetphanich	Senior Vice President, Quality Management
9. Mr. Rung Sornin	Senior Vice President, Engineering
10. Mr. Preecha Homchan	Senior Vice President, Production

11. Mr. Preecha Powanusorn	Senior Vice President, Operation Excellence Lead
12. Mr. Paitoon Eiamsirikulmit	Vice President, Corporate Affairs
13. Ms. Sumana Koedkanmag	Vice President, CEO Office
14. Ms. Nidaporn Peerapornwiput	Vice President, Contract Manufacturing

Note: Names 1-4, 6-11 are executives according to the definition of the SEC.

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

According to the Company's regulations, Chairman of the Executive Committee must also take the position of Chief Executive Officer.

### **The Scope of Duties and Responsibilities of the Chief Executive Officer (CEO)**

1. Be responsible for determining the company's business strategy, supervising the business operations and routine management in accordance with the company policy to achieve the target efficiently, and to be in accordance with the guidelines that the Board of Directors and/or the Executive Committee specified
2. Coordinate with the head of the internal audit department and the Risk Management Committee to conduct business and manage risks of the company to be in accordance with the objectives and the Article of Association of the Company as well as the resolutions of the Shareholders' Meeting and the Board of Directors. This includes the company policies and good governance principles.
3. Supervise, oversee and support human resource management to be efficient and in line with the company's business direction which includes the authority and responsibility.
4. Consider and approve payment for business transactions of the company within the credit limit specified by the Board of Directors.
5. Assign a person or multiple persons to perform any act deemed appropriate on his/her behalf within the scope of authority granted. The said assignment must not contradict or conflict with the orders stipulated by the Board of Directors and/or the Executive Committee.
6. Have other authorities as specified by the performance rules. This includes the operational authority of the company as assigned by the Meeting of the Board of Directors and/or the Executive Committee.

In this regard, the approval of the above transactions must not have the characteristic of transaction engagement that the Chief Executive Officer or the authorized person appointed by the Chief Executive Officer able to approve the transaction they may have a conflict of interest, or vested interests, or a conflict of interest with the company or subsidiary. The approval of such transactions must be proposed to the Audit Committee Meeting and/or the Executive Board Meeting and/or the Meeting of the Board of Directors and/or the Meeting of the Shareholders (as the case may be) in order to consider and approve such transaction in accordance with the Article of Association of the Company, subsidiary or related laws.

## The Remuneration Structure for Non-Executive Directors

The Company takes into account the roles and responsibilities of non-executive directors and arranges their compensations as follows:

1. Meeting allowance per meeting
2. Quarterly meeting allowance

Note: In addition to the directors' remuneration mentioned above, non-executive directors also received other benefits which included expenses from attending IOD training courses and other institutions related to the duties of directors, but no other compensation such as bonuses and pensions except for the chairman who is provided with a company car.

## The Remuneration of Directors and Executives

- 1) The total remuneration of a total of 9 directors for the year 2021 was 3,780,000 Baht. (Please see the details in the attached document: The Meeting Allowance Table for Directors for the year 2021)
- 2) The total remuneration of 16 executive committee and executives in 2021 was 51,964,836 Baht.
- 3) Other Remuneration: The provident fund for 16 executives in 2021 totaled 950,721 Baht.

## Comparison of Remuneration of Directors and Executives between 2020 and 2021

Remuneration	2020 (Baht)	2021 (Baht)
Directors' meeting allowance and yearly allowance	3,980,000	3,780,000
Total remuneration of Directors and Executives	57,147,511	51,964,836
Executives' provident funds	1,243,592	950,721

## Directors' Meeting Attendance and Meeting Allowances in 2021

Name / Position	Year of Tenure	Number of Meeting Attendance							Allowance					Total
		BOD	AC	EXCOM	RM	NR	BOD	AC	EXCOM	RM	NR			
1 Mrs. Chintana Boonyarat - Chairman of the Board of Directors	2020	4/4	-	-	-	-	320,000	-	-	-	-	-	-	320,000
2 Mr. Kitti Vilaivarakul - Director Member of the Executive Committee Member of the Risk Management Committee	2020	4/4	-	11/11	4/4	-	200,000	-	230,000	40,000	-	-	-	470,000
3 Mr. Pichai Chirathivat - Director Member of the Executive Committee	2021	4/4	-	11/11	-	-	200,000	-	230,000	-	-	-	-	430,000
4 Ms. Roongchat Boonyarat - Director Chairman of the Executive Committee	2019	4/4	-	11/11	-	-	200,000	-	460,000	-	-	-	-	660,000
5 Mr. Opas Lopansri - Director Member of the Executive Committee	2020	3/3	-	7/7	-	-	150,000	-	150,000	-	-	-	-	300,000
6 Ms. Nattharin Talthong - Independent Director Chairman of the Audit Committee Member of the Risk Management Committee Member of the Nominating and Remuneration Committee	2019	4/4	4/4	-	4/4	1/1	200,000	260,000	-	40,000	10,000	-	-	510,000
7 Ms. Nart Fongsmut - Independent Director Chairman of the Nominating and Remuneration Committee Member of the Audit Committee Member of the Risk Management Committee	2021	4/4	4/4	-	3/4	1/1	200,000	180,000	-	30,000	20,000	-	-	430,000
8 Mr. Arin Jira - Independent Director Chairman of the Risk Management Committee Member of the Audit Committee Member of the Nominating and Remuneration Committee	2021	4/4	4/4	-	4/4	1/1	200,000	180,000	-	80,000	10,000	-	-	470,000
9 Ms. Supavadee Tantijanon - Independent Director	2019	3/4	-	-	-	-	190,000	-	-	-	-	-	-	190,000
<b>Total</b>							<b>1,860,000</b>	<b>620,000</b>	<b>1,070,000</b>	<b>190,000</b>	<b>40,000</b>			<b>3,780,000</b>

Note: Mr. Opas Lopansri has resigned from the positions of Director and Member of the Executive Committee since August 12, 2021.

## Details of Remuneration

		2021	
Details of Remuneration		Remuneration (baht per meeting)	Meeting Allowance (baht per quarter)
<b>Board of Directors</b>			
•	Chairman	20,000	60,000
•	Member	10,000	40,000
<b>Executive Committee</b>			
•	Chairman	20,000	60,000
•	Member	10,000	30,000
<b>Audit Committee</b>			
•	Chairman	20,000	45,000
•	Member	10,000	35,000
<b>Risk Management Committee</b>			
•	Chairman	20,000	-
•	Member	10,000	-
<b>Nomination and Remuneration Committee</b>			
•	Chairman	20,000	-
•	Member	10,000	-
Other Remuneration and Benefits in Addition to Meeting Allowance and Quarterly Allowance		Only the Chairman of the Board of Directors who is provided with a Company car	

## Remuneration of the Chief Executive Officer (CEO)

The Nomination and Remuneration Committee considered the remuneration rate and other benefits with senior executives to request approval from the Meeting of the Board of Directors. The Company's remuneration of the Chief Executive Officer (CEO) consists of salary, a company vehicle along with a driver, company welfare, provident fund and bonuses which depended on the company's operating performance.

## Remuneration of Executives

### 1. Monetary Remuneration

The Company paid remuneration to Directors and Executives as follows:

	2021	
	Person	Amount (Baht)
Salary and bonus	16	53,015,542.67
Provident fund contributions	16	950,721.90

### 2. Other Remuneration

The Company has provided senior executives with the company cars. The Company does not provide remuneration to directors or employees in the form of shares, debentures or any other securities.

## 7.5 Employees Profiles

The change in the total number of employees of the company during the past three years are as follows:

- As of December 31, 2019, there are a total of 1,308 employees.
- As of December 31, 2020, there are a total of 1,193 employees.
- As of December 31, 2021, there are a total of 1,004 employees.

Due to the impact of the COVID-19 situation together with the continuous improvement of the company's operational efficiency, the number of employees decreased each year in accordance with the suitability of the business. The Company has not had a significant change in the number of employees during the past three years.

## Remuneration of Employees

The Company has a policy to pay remuneration to employees by considering appropriate and fair amount in accordance with the knowledge, capability, and performance of each employee and in accordance with the remuneration average rate of other business in the same industry. This must be suitable for business expansion and the growth of the Company as well.

In regards to the short-term remuneration, the Company pays remuneration to employees in various ways such as salaries, bonuses, overtime pay and other remuneration which includes transportation costs and telephone costs to perform duties, etc. In this regard, the

remuneration of the employees will depend on the performance measurement of the employees at all levels in the form of the Performance Index or Key Performance Indicator (KPI) and other measuring tools in which the supervisor must evaluate each employee. The increase of salary and annual bonus payments are based on the performance result of the assessment or KPI and other measuring tools each year.

In regards to long-term remuneration, the company established a provident fund for everyone in the organization. The Malee Sampran Savings Cooperative Limited was also established to save money and alleviate the suffering of employees who are members of the cooperative in the case where it is necessary to use money for personal reasons.

This also includes the policy to increase the competitiveness of the company group to retain and motivate talented employees by offering benefits in the form of rewards. This includes promotions for the work accomplished in the past year in order to motivate and create incentives for future work at the organizational and employee levels.

Details of remuneration for employees (excluding executives) in monetary form for the year 2021 can be summarized as follows:

Type of Remuneration	Remuneration (Baht million)
Total Salary	304.52
Bonus	10.69
Provident Fund Contribution	5.27
Social Security Contribution	4.64
Workmen's Compensation Fund Contribution	0.30
Overtime Pay	24.09
<b>Total</b>	<b>349.51</b>

## 7.6 Other Significant Profiles

### Company Secretary

According to the Securities and Exchange Act, No.4, B.E. 2551, Section 89/15, the Board of Directors must have a Company Secretary who is responsible for the operations of the company on behalf of the company or the Board of Directors. The Company appointed a person who has appropriate qualifications and experience to be the Company Secretary. The Board of Directors appointed Mr. Paitoon Iamsirikulmit to be the Company Secretary since May 13, 2013. The Company Secretary has the following qualifications, attributes, duty and responsibilities as follows:

#### Qualifications and Attributes

- Bachelor's degree
- Knowledge of various legal principles related to the company and the SEC
- Good human relations and ability to communicate well
- Knowledge of corporate governance

## The Scope of Duties and Responsibilities for the Company Secretary

- 1) Be a consultant and secretary of the Board of Directors and subcommittees.
- 2) Be the center of communication between the Board of Directors, executives, shareholders and supervisory agencies.
- 3) Prepare and maintain the following documents:
  - Director registration
  - Meeting invitation letter to the Board of Directors' Meeting, Minutes of the Board of Directors' Meeting and the Company's Annual Report
  - Meeting invitation letter to the Shareholders' Meeting and Minutes of the Shareholders' Meeting
- 4) Keep vested interests report which was reported by the directors or executives.
- 5) Carry out other tasks as specified by the Capital Market Supervisory Board.
- 6) Oversee the disclosure of information and report to be in accordance with relevant laws and regulations and good corporate governance.

The Company also set up an investor relations unit with Mr. Paitoon Eiamsirikulmit, Vice President of Corporate Affairs, to communicate with shareholders both institutional and retail investors as well as institutional analysts, make an appointment to visit the company, meet and talk with the company's top executives, and will publish the Company information both financial and general information to shareholders, securities analysts, and investors. This unit serves as a channel to communicate with investors by contacting 02-080-7899 ext. 1131 and 1135; Company Investor Relations website [ir@malee.co.th](mailto:ir@malee.co.th).

## Internal Audit Department

The Company has its own internal audit department in which Ms. Pornmanee Kaewjairak is the Section Manager of the Internal Audit Department in 2021 who report to the Audit Committee directly.

## Accounting Supervisor

The Company has appointed Ms. Ploynapas Puttisongkran, Assistant Vice President of Accounting, to be the supervisor of the company's accounting.

## Remuneration of the Auditor

EY Company Limited is the new auditor of the company and its subsidiaries in the fiscal year of 2021, which are affiliated with the same audit firm. The list of certified auditors are as follows:

- 
- |                                  |   |
|----------------------------------|---|
| 1. Mr. Supachai Phanyawattan     | Certified Public Accountant Registration No. 3930, and/or |
| 2. Mr. Chatchai Kasemsrithanawat | Certified Public Accountant Registration No. 5813, and/or |
| 3. Mr. Preecha Arunnaral         | Certified Public Accountant Registration No. 5800, and/or |
| 4. Ms. Sutthirak Fakon           | Certified Public Accountant Registration No. 7712         |
-

The Company has set the rate of remuneration for the audit of the company's financial statements not exceeding 2,450,000 baht per year, and not exceeding 1,300,000 baht per year for its subsidiaries. The total is not more than 3,750,000 baht, excluding other expenses such as transportation expenses for working in other provinces, etc., as presented by the Audit Committee.

The auditor's remuneration for the year 2020 compared to the year 2021 is as follows:

Remuneration	2020	2021
1. Audit Fee for the Company	3,310,000 Baht	2,450,000 Baht
2. Other Fees	-	-
<b>Total</b>	<b>3,310,000 Baht</b>	<b>2,450,000 Baht</b>

Note: \* This does not include other remuneration such as transportation costs for business operation in other provinces or accommodation costs in other provinces.

\*\* Annual Audit Fee, Non-Audit Fee - None -

The auditor of the Company was independent and did not have any connections or conflicts of interest with the Company.

### Overseas company supervisor

The Company has assigned Mr. Pattarar Tanangsunnoen, Advisor to CEO, to be the supervisor of overseas companies and contact information in Thailand.



# REPORT ON KEY PERFORMANCE IN CORPORATE GOVERNANCE



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## REPORT ON KEY PERFORMANCE IN CORPORATE GOVERNANCE

The Board of Directors adheres to the principles of good corporate governance with ethical standards, Code of Conduct, and sustainability management framework to develop and enhance the Company's good corporate governance. This will create fairness and confidence for all groups of stakeholders, and develop towards sustainable growth and a transparent and ethical organization based on honesty, accountability and anti-corruption in all forms. Therefore, the Board of Directors has acted as the self-regulated supervisor of the Company operations. In summary, the key points in 2021 are as follows:

- Review the corporate governance policy, business ethics, and the charter of the Board of Directors and sub-committees, in accordance with the principles of good corporate governance for listed companies in 2017 (CG Code). The Board of Directors considered and saw that the Company has applied all 8 CG Code practices as appropriate. However, as for any guideline in the CG Code that is not suitable for the Company's business operations, the Board of Directors has assigned the Executive Committee together with the Management to review the matter annually and propose appropriate replacement measures
- Supervise the operations of the Board of Directors and sub-committees in accordance with the good corporate governance policy.
- Provide an evaluation of the Board of Directors' performance, sub-committees, and Chief Executive Officer, both collectively and individually, in accordance with the principles of corporate governance. This includes using the aforementioned evaluation results to develop and improve for better efficiency including a summary of the Board's assessment results, sub-committees, and Chief Executive Officer presented to shareholders in the annual report for acknowledgment



As for the self-assessment of the Board of Directors, sub-committees, and Chief Executive Officer, the evaluation form was used according to the example of the Stock Exchange of Thailand which covers important matters as follows:

- As for the Board of Directors and sub-committees, these matters consist of 4 topics: structure and qualifications of the board of directors, meeting of the Board of Directors, roles, duties and responsibilities of the Board of Directors and, lastly, relationships with the management and Director's self-development. The overall assessment results in 2021 are at the level of "excellent".
- As for the Chief Executive Officer, these matters consist of 10 topics: Leadership, Strategy Formulation, Strategic Implementation, Financial Planning and Performance, Board Relationships, External Relations, Management and Corporate Governance, People Relationships, Succession, Product and Service Knowledge, and personal features. The assessment results of the year 2021 overall are in the level of "excellent"
- Arrange meetings among non-executive directors without the involvement of the management, in accordance with the principles of corporate governance to provide opportunities for independent directors to freely discuss various issues about the management of the Company.
- Provide a summary report on the performance of all committees and present it to shareholders in the annual report for acknowledgement.
- As for information disclosure and transparency, the Board of Directors has provided annual data transactions (Form 56-1), annual report (Form 56-2), as well as disclosure of the Company's operating results quarterly as well as other important information continuously to shareholders,

investors and the general public. The disclosure is completely important, sufficient, reliable and timely through various channels both the website of the SET and the website of the Company. The Company secretary and investor relations department is the main departments for disseminating information

- As for the rights of shareholders, the Board of Directors gives the opportunity to shareholders each year to propose meeting agendas and to nominate persons to be considered for election as directors. This is done in advance for a period of 2 months before the agenda of the shareholders' meeting is set according to the rules in accordance with the Good Corporate Governance Principles for Listed Companies 2017 (CG Code).

- As for equitable treatment of shareholders, the Board of Directors has held an annual general meeting of shareholders every year. All important information has been provided to shareholders in advance of the meeting for a long time, such as date, time, place, agenda of the meeting. as well as all information related to matters to be decided at the meeting and rules of the meeting. The information has been disclosed both on the website and the documents have been delivered to all shareholders for a long enough time to provide an opportunity for shareholders to study the information on the meeting in advance as well as facilitating the shareholders to exercise their rights to attend. The meeting and vote are fully done in parallel with the provision of safety measures in meeting attendance under the pandemic of COVID-19.

- To supervision the use of inside information (Insider Trading) to seek benefits, the Board of Directors has issued regulations and guidelines on the use of inside information by requiring directors, top executives, and

information related persons to refrain from trading in the Company's securities 30 days in advance of the announcement of the results of operations. The aim is to create transparency.

- As for the conflict of interest, the Board of Directors has set a policy on the principle that any decision of personnel at all levels in carrying out business activities must be done in the best interest of the Company. It is the duty of all personnel to avoid any financial involvement and/or relationships with other third parties that will result in the Company losing benefits, causing conflicts of interest or hindering the operation. Those who are involved or connected with the considered items must notify the Company of their relationship or connection with the said transaction, and must not participate in the adjudication including no approval authority in that transaction

- As for anti-corruption, the Board of Directors has approved the Company to announce its intention to become the Private Sector Collective Action Coalition Against Corruption (CAC) by being certified as a member of the CAC Coalition since May 17, 2018, for a period of 3 years. In 2021, the Company has been certified to extend the membership for another 3 years until 2024. Throughout the past, the Company had planned to maintain this membership qualification, such as training and communicating the policy to keep people in the organization always aware, continuously organize promotional activities to change the behavior of employees, and create awareness of personnel within the organization including whistle blowing in the event of corruption within the organization. This includes having measures to expand the CAC Code of Conduct with the Company's business

partners. In 2021, the Company has continued to organize training for its partners, providing knowledge, objectives and goals of declaring intentions and inviting partners to join together, announcing the intention to fight against corruption with the Company for more than 90 percent. This leads to good and sustainable success with partners

- As for Whistle Blowing Center, the Company encourages employees and related persons to take part in reporting clues about actions that may cause suspicion of corruption to the Company to "Chairman of the Audit Committee" who will consider the audit. This is done through several convenient channels for receiving complaints in screening and considering the matter for further submission to the Audit Committee and the Board of Directors. In addition, the Company has measures to protect and maintain company confidentiality, fairness, and protection of complainants and informants. The information, complaints, and documentary evidence of the complainant and the information provider will be kept confidential. In 2021, there is no complaint about corruption and ethics both inside and outside the organization.

- To ensure that there is an appropriate risk management and internal control system, the Board of Directors has set up a Risk Management Committee to supervise and ensure that the Company There is a risk management and internal control system to effectively achieve the objectives, and complies with relevant laws and standards. Clear measures and responsible persons are set to consider various risk factors that might happen. Report and follow-up assessment and correction are done in a timely manner to prevent any damage to occur.

- To promote the innovation and responsible business operations, the Board of Directors emphasizes and supports the creation of innovations that bring value to the business while creating benefits for all stakeholders involved and be responsible for society and the environment. The Board of Directors will monitor and ensure that the management operates business in a socially and environmentally responsible manner, while also reflected in the Operational Plan to ensure that all departments of the organization operate compliance with the objectives, the Company's main goals and strategic plans, and taking into account the roles of stakeholders. The Board of Directors provides a mechanism to ensure that the business Conduct is done ethically with social and environmental responsibility. Not violation of the rights of stakeholders. This will be a guideline for every part of the organization to achieve the main objectives and goals that are sustainable.

- To supervision the operations of subsidiaries and joint ventures, the Board of Directors has a policy to monitor the management of subsidiaries and affiliated companies in order to maintain the benefits of the Company's investments. The Company has sent representatives to serve as directors. ("Representative Directors of the Company") in joint ventures in proportion to their shareholding in each company according to the joint venture contract. The aim is to act as a supervisor for the joint ventures so that they can operate in accordance with the Company's plans and comply with the law, the Good Corporate Governance Policy, and the policy to supervise the operation of joint ventures, as well as other policies of the Company. Representative directors are responsible for supervising joint ventures. They are responsible for summarizing the

report on the performance of joint venture companies in which they station for the Board of Directors' meeting. The aim is to inform periodically continuously and submit the quarterly operating results and financial statements which have been reviewed by a certified public accountant as well as information supporting the preparation of the said financial statements of joint ventures for the Company.

- As for Corporate sustainability, the Board of Directors is committed to the Company products that are developed to meet the needs of the economy, the society, the environment, and stakeholders. The Company are responsible for products and processes without only limited to compliance with regulations and laws, but also to focus on minimizing the potential impact on the community, society, and environment, and create coexistence of the Company and the community as well as respect the rights of stakeholders

Dur to the fact that Company pays attention and has a strong determination to always drive the operations in accordance with the principles of good corporate governance, the Company received the results of corporate governance assessment as follows:

- As for the assessment of the quality of the Annual General Meeting of Shareholders for the year 2021, the Company received the highest rating of 100 full points for the 2nd consecutive year from the Thai Investors Association.

- As for the governance assessment of listed companies for the year 2021, the Company received the highest evaluation score (Excellent - Excellent CG Scoring) at the level of 5 symbols for the 3rd year in a row from the National Corporate Governance Committee and the Thai Institute of Directors Association (IOD)

Such success reflects our commitment to conducting business under the principles of good corporate governance. There is a management system that is efficient, transparent, and auditable. The Company continues to strive to continuously raise the standards of good corporate governance, strengthen and grow business for the Company in the long and sustainable term

As for the issues that have not been observed, the Board of Directors has considered and formulated an appropriate, adequate, and consistent approach to business operations and corporate culture. There are important cases as follows:



Issue that was not observed	Reason/Guideline
1. The Meetings of the Board of Directors should be held no less than 6 times per year	The Board of Directors appointed the Executive Committee to closely supervise and be a consultant to the Management Team regarding the business operations of the Company and to approve matters in accordance with the delegation of authority manual. The Executive Committee holds meetings on a monthly basis in accordance with the meeting schedule that was set in advance throughout the year and at least 10 meeting per year as stated in the Company Articles of Association.
2. The Chairman of the Board of Directors is not an independent director	-
3. The Board of Directors should use a Professional Search Firm or Director Pool for the recruitment of new directors	The Board of Directors assigned the Nomination Committee, which consists of experts from various professions, to consider and screen in accordance with the process and criteria for the selection of directors of the Company, to nominate persons with qualifications, attributes, and experience suitable for the position of the Company's director. Therefore, it can be considered that the Company has appropriate and effective procedures to recruit new directors.
4. The Board of Directors should consist of more than 50% Independent Directors	The Board of Directors consists of well-qualified members who have qualifications, various abilities and experience. The Board of Directors consists of 4 Independent Directors of a total of 8 Directors. This is considered to be appropriate proportion for the duties and responsibilities of the Board of Directors.
5. Set policies for the Board of Directors to notify buying/selling shares 1 day in advance prior to the date of buying/ selling share.	The Company announced a "Blackout Period" to the Board of Directors, executives and employees of the Company involved in the Company's operating performance to prohibit buying/selling shares 30 days in advance prior to the date of the announcement of the operating performance in each quarter.



# INTERNAL CONTROL AND RELATED TRANSACTIONS



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## INTERNAL CONTROL AND RELATED TRANSACTIONS



### 9.1 Internal control

In accordance with the principles of good corporate governance, the Board of Directors has continually emphasized on internal control by assigning the Audit Committee which consists of independent directors to review the internal control system assessment. There is an internal audit department that is independent from the management and report directly to the Audit Committee to review the operations of the Company and its subsidiaries according to the annual audit plan approved by the Audit Committee. The aim is to ensure that the management will achieve the objectives of the Company.

The Board of Directors and executives are of the opinion that The Company's internal control system are appropriate, sufficient and effective as follows:

1. The operations are done based on the objectives with efficiency and effectiveness
2. There is a thorough and efficient risk management of the organization.
3. Information system, financially important information, and management and operations are reliable, complete, accurate and timely.
4. There is a protection system to control, maintain and use the Company's assets for the benefit and division of worker duties. Operators and assessors are separated to ensure proper balance and check between each other, including information in the information system, in a safe and appropriate manner.
5. There are anti-corruption measures and appropriate hedging system for activities that are prone to corruption.
6. Operations and Exertions are in accordance with the policies, rules, regulations, requirements with consistency to other laws and regulations related to the Company's business operations.

## 9.2 Connected transactions with related parties

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

Transactions with subsidiaries  (eliminated from the consolidated financial statements)	Consolidated financial statements		Separate financial statements		Transfer Pricing Policy
	2021	2020	2021	2020	
Sales of goods	-	-	1,385	1,359	As agreed
Management fee income	-	-	100	116	Contract price
Rental income	-	-	5	4	Contract price
Guarantee fee income	-	-	4	4	2.50 percent of the guarantee amount
Interest income	-	-	-	2	Contract price
Purchases of goods	-	-	1	2	As agreed
Rental and service expenses	-	-	18	21	Contract price
Guarantee fee expenses	-	-	9	19	2.50 percent of the guarantee amount
Interest expenses	-	-	2	-	3.25 and 3.30 percent per annum
<b>Transactions with joint ventures</b>					
Sales of goods	31	38	-	-	As agreed
Management fee income	-	1	-	1	Contract price
Marketing support income	2	11	-	-	Contract price
<b>Transactions with related companies</b>					
Service income	3	3	3	3	Contract price
Purchases of raw materials and others	13	30	13	30	As agreed
Contract manufacturing service fee	81	98	81	98	As agreed
Rental and service expenses	15	15	15	15	Contract price
Other services expenses	2	2	2	2	Contract price

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
<b>Trade and other receivables - related parties</b>				
<b>Trade receivables - related parties</b> (Note 9)				
Subsidiaries	-	-	193,362	58,586
Joint ventures	11,126	11,423	1,980	-
Total trade receivables - related parties	11,126	11,423	195,342	58,586
<b>Other receivables - related parties</b> (Note 9)				
Subsidiaries	-	-	27,563	30,140
Joint ventures	2,050	1,884	2,050	1,884
Related companies (Common shareholders/directors)	125	1,347	125	1,315
Total other receivables - related parties	2,175	3,231	29,738	33,339
<b>Total trade and other receivables - related parties</b>	<b>13,301</b>	<b>14,654</b>	<b>225,080</b>	<b>91,925</b>
<b>Deposit - related party</b>				
Related company (Common shareholders/directors)	8,125	8,125	8,125	8,125
<b>Trade and other payables - related parties</b>				
<b>Trade payables - related parties</b> (Note 18)				
Subsidiaries	-	-	6	20
Related companies (Common shareholders/directors)	14,336	25,472	14,324	25,472
Total trade payables - related parties	14,336	25,472	14,330	25,492
<b>Other payables - related parties</b> (Note 18)				
Subsidiaries	-	-	56,416	37,162
Related companies (Common shareholders/directors)	131	138	124	135
Total other payables - related parties	131	138	56,540	37,297
<b>Total trade and other payables - related parties</b>	<b>14,467</b>	<b>25,610</b>	<b>70,870</b>	<b>62,789</b>
<b>Advance received from related party</b>				
Subsidiary	-	-	30,000	-

### Long-term loans to related party and short-term loans from related parties

During the current year, the movements of loans to and loans from between the Group and those related parties are as follows:

(Unit: Thousand Baht)

#### Separate financial statements

Loans to	Balance as at 1 January 2021	Decrease during the year	Balance as at 31 December 2021
<b>Subsidiary</b>			
Malee Applied Sciences Company Limited	31,500	(31,500)	-
Total	31,500	(31,500)	-

The above loans are repayable on demand, unsecured, and carry interest at the rate of 3.50 percent per annum (2020: 3.50 percent per annum).

(Unit: Thousand Baht)

#### Separate financial statements

Loans from	Balance as at 1 January 2021	Decrease during the year	Decrease during the year	Balance as at 31 December 2021
<b>Subsidiaries</b>				
Malee Capital Company Limited	29,000	-	(29,000)	-
Malee International Company Limited	-	40,000	-	40,000
Total	29,000	40,000	(29,000)	40,000

The above loans and interest are repayable within January 2022, unsecured, and carry interest at the rates of 3.25 and 3.30 percent per annum (2020: 3.25 percent per annum).



# FINANCIAL STATEMENT



Malee Group Public Company Limited and its Subsidiaries  
Report and consolidated financial statements  
31 December 2021



*Growing well together*

## **Independent Auditor's Report**

To the Shareholders of Malee Group Public Company Limited

### **Opinion**

I have audited the accompanying consolidated financial statements of Malee Group Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Malee Group Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Malee Group Public Company Limited and its subsidiaries and of Malee Group Public Company Limited as at 31 December 2021, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

## Key Audit Matters

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

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

Key audit matter and how audit procedures respond to the matter are described below.

### Goodwill and trademark

As at 31 December 2021, the Company had goodwill and trademark which are intangible assets with indefinite useful lives amounting to Baht 55 million and Baht 184 million, respectively.

I have focused on the consideration of the impairment of the goodwill and trademark because the assessment of impairment of goodwill and trademark is a significant accounting estimate requiring the management to exercise judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate.

I assessed the identified cash generating units by gaining an understanding of and testing the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets and the discount rate and long-term growth rate applied, making enquiry of responsible executives and comparing details with sources of information about the Group and the industry, and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill and trademark in the notes to the financial statements.

## **Other Matter**

The consolidated financial statements of Malee Group Public Company Limited and its subsidiaries (the Group) and the separate financial statements of Malee Group Public Company Limited for the year ended 31 December 2020 were audited by another auditor who, under his report dated 22 February 2021, expressed an unmodified opinion on those financial statements.

## **Other Information**

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

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

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

Supachai Phanyawattano  
Certified Public Accountant (Thailand) No. 3930

EY Office Limited  
Bangkok: 25 February 2022

Malee Group Public Company Limited and its subsidiaries  
 Statements of financial position  
 As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	80,321,083	83,668,757	39,557,026	46,294,223
Trade and other receivables	9	650,185,907	490,288,669	491,330,484	302,562,612
Current portion of lease receivables	21	-	-	2,431,065	1,959,075
Inventories	10	553,713,628	543,646,215	350,502,431	361,255,299
Other current assets		53,216,016	109,310,781	21,108,660	29,870,567
<b>Total current assets</b>		<b>1,337,436,632</b>	<b>1,226,914,422</b>	<b>904,929,666</b>	<b>741,941,776</b>
<b>Non-current assets</b>					
Lease receivables, net of current portion	21	-	-	44,191,115	34,356,879
Investments in subsidiaries	11	-	-	542,125,535	532,125,535
Investments in joint ventures	12	14,120,951	21,117,979	-	99,372,066
Long-term loans to related party	7	-	-	-	31,500,000
Other long-term loans	13	31,656,758	31,656,758	-	-
Property, plant and equipment	14	1,581,616,461	1,669,898,560	1,415,746,860	1,487,912,000
Right-of-use assets	21	438,821,323	477,537,443	286,309,244	334,405,821
Intangible assets	15	197,444,065	180,180,291	12,784,052	15,980,822
Goodwill	16	54,605,667	48,332,779	-	-
Deferred tax assets	26	325,511,895	284,407,151	278,152,796	250,047,430
Right to claim from the former shareholder		34,991,957	31,026,999	-	-
Other non-current assets		29,296,964	31,564,628	25,158,527	26,707,741
<b>Total non-current assets</b>		<b>2,708,066,041</b>	<b>2,775,722,588</b>	<b>2,604,468,129</b>	<b>2,812,408,294</b>
<b>Total assets</b>		<b>4,045,502,673</b>	<b>4,002,637,010</b>	<b>3,509,397,795</b>	<b>3,554,350,070</b>

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

Malee Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from					
financial institutions	17	1,128,196,731	1,104,177,884	951,281,841	954,531,625
Trade and other payables	18	652,372,913	585,115,205	439,389,430	400,035,217
Advances received from customers		82,702,340	25,896,538	75,436,688	22,736,170
Advance received from related party	7	-	-	30,000,000	-
Short-term loans from related parties	7	-	-	40,000,000	29,000,000
Current portion of					
- Long-term loans from financial institutions	19	21,740,775	224,482,174	16,796,400	224,482,174
- Lease liabilities	21	40,841,176	63,553,343	37,452,516	55,541,840
Income tax payable		5,530,883	467,785	-	-
Other current liabilities		42,473,646	30,877,084	10,910,303	7,114,930
<b>Total current liabilities</b>		<b>1,973,858,464</b>	<b>2,034,570,013</b>	<b>1,601,267,178</b>	<b>1,693,441,956</b>
<b>Non-current liabilities</b>					
Net current portion of					
- Long-term loans from financial institutions	19	795,487,142	608,187,529	795,487,142	602,342,029
- Lease liabilities	21	224,486,348	262,086,035	224,125,104	256,313,858
Provision for long-term employee benefits	22	108,055,901	99,466,152	85,780,742	79,594,869
Deferred tax liabilities	26	152,635,723	127,670,155	87,724,560	68,224,598
Provision for taxation liabilities		34,991,958	31,026,999	-	-
Other non-current liabilities		-	-	1,502,450	1,502,449
<b>Total non-current liabilities</b>		<b>1,315,657,070</b>	<b>1,128,436,870</b>	<b>1,194,619,998</b>	<b>1,007,977,803</b>
<b>Total liabilities</b>		<b>3,289,515,534</b>	<b>3,163,006,883</b>	<b>2,795,887,176</b>	<b>2,701,419,759</b>

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

Malee Group Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Shareholders' equity</b>					
Share capital					
Registered					
276,000,000 ordinary shares of Baht 0.5 each		138,000,000	138,000,000	138,000,000	138,000,000
Issued and fully paid up					
276,000,000 ordinary shares of Baht 0.5 each		138,000,000	138,000,000	138,000,000	138,000,000
Retained earnings					
Appropriated - statutory reserve	24	14,000,000	14,000,000	14,000,000	14,000,000
Unappropriated		237,514,672	351,531,413	314,061,368	453,481,060
Other components of shareholders' equity		254,123,285	230,587,746	247,449,251	247,449,251
Equity attributable to owners of the Company		643,637,957	734,119,159	713,510,619	852,930,311
Non-controlling interests of the subsidiaries		112,349,182	105,510,968	-	-
<b>Total shareholders' equity</b>		<b>755,987,139</b>	<b>839,630,127</b>	<b>713,510,619</b>	<b>852,930,311</b>
<b>Total liabilities and shareholders' equity</b>		<b>4,045,502,673</b>	<b>4,002,637,010</b>	<b>3,509,397,795</b>	<b>3,554,350,070</b>

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

Malee Group Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Revenues</b>					
Sales		3,457,770,376	3,870,374,745	2,538,049,844	2,808,657,229
Other income					
Exchange gains		3,594,933	2,460,883	-	748,512
Others		30,722,099	39,812,769	131,571,666	150,719,368
<b>Total revenues</b>		<b>3,492,087,408</b>	<b>3,912,648,397</b>	<b>2,669,621,510</b>	<b>2,960,123,109</b>
<b>Expenses</b>					
Cost of sales		2,623,447,965	3,168,839,179	2,246,844,777	2,786,011,346
Selling and distribution expenses		429,969,052	422,611,898	29,119,539	22,706,547
Administrative expenses		494,529,244	493,363,026	372,071,951	413,941,425
Impairment loss on investment in joint venture		-	-	99,372,066	-
Exchange losses		-	-	1,744,035	-
<b>Total expenses</b>		<b>3,547,946,261</b>	<b>4,084,814,103</b>	<b>2,749,152,368</b>	<b>3,222,659,318</b>
<b>Operating loss</b>		<b>(55,858,853)</b>	<b>(172,165,706)</b>	<b>(79,530,858)</b>	<b>(262,536,209)</b>
Share of loss from investments in joint ventures	12	(5,527,517)	(27,485,012)	-	-
Finance income		198,317	1,965,222	570,801	1,855,655
Finance cost		(76,168,743)	(70,863,253)	(69,065,039)	(60,736,330)
<b>Loss before income tax</b>		<b>(137,356,796)</b>	<b>(268,548,749)</b>	<b>(148,025,096)</b>	<b>(321,416,884)</b>
Income tax	26	15,771,917	65,648,861	8,605,404	74,089,197
<b>Loss for the year</b>		<b>(121,584,879)</b>	<b>(202,899,888)</b>	<b>(139,419,692)</b>	<b>(247,327,687)</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements					
in foreign currency		37,941,891	5,311,491	-	-
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial gain - net of income tax		-	7,594,973	-	6,552,548
<b>Other comprehensive income for the year</b>		<b>37,941,891</b>	<b>12,906,464</b>	<b>-</b>	<b>6,552,548</b>
<b>Total comprehensive income for the year</b>		<b>(83,642,988)</b>	<b>(189,993,424)</b>	<b>(139,419,692)</b>	<b>(240,775,139)</b>

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

Malee Group Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2021

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
<b>Loss attributable to:</b>					
Equity holders of the Company		(114,016,741)	(200,902,539)	(139,419,692)	(247,327,687)
Non-controlling interests of the subsidiaries		(7,568,138)	(1,997,349)		
		<u>(121,584,879)</u>	<u>(202,899,888)</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		(90,481,202)	(187,838,112)	(139,419,692)	(240,775,139)
Non-controlling interests of the subsidiaries		6,838,214	(2,155,312)		
		<u>(83,642,988)</u>	<u>(189,993,424)</u>		
<b>Earnings per share</b>	28				
<b>Basic earnings per share</b>					
Loss attributable to equity holders of the Company		<u>(0.41)</u>	<u>(0.73)</u>	<u>(0.51)</u>	<u>(0.90)</u>

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

Malee Group Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity  
For the year ended 31 December 2021

	Consolidated financial statements											(Unit: Baht)
	Equity attributable to owners of the Company											
	Other components of equity											
	Issued and fully paid-up share capital	Premium on treasury shares	Treasury shares	Retained earnings			Exchange differences on translation of financial statements in foreign currency	Revaluation surplus on assets	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Non-controlling interests of the subsidiaries	
Legal reserve				Appropriated	Treasury shares reserve	Unappropriated						
Balance as at 1 January 2020	140,000,000	5,848,058	(114,335,425)	14,000,000	114,335,425	536,990,921	(28,076,488)	253,194,780	225,118,292	921,957,271	107,666,280	1,029,623,551
Loss for the year	-	-	-	-	-	(200,902,539)	-	-	-	(200,902,539)	(1,997,349)	(202,899,888)
Other comprehensive income for the year	-	-	-	-	-	7,564,973	5,469,454	-	5,469,454	13,064,427	(157,953)	12,906,464
Total comprehensive income for the year	-	-	-	-	-	(193,307,566)	5,469,454	-	5,469,454	(187,838,112)	(2,155,312)	(189,993,424)
Share capital reduction from treasury shares cancellation (Note 23)	(2,000,000)	(5,848,058)	114,335,425	-	(114,335,425)	7,848,058	-	-	-	-	-	-
Balance as at 31 December 2020	138,000,000	-	-	14,000,000	-	351,531,413	(22,607,034)	253,194,780	230,597,746	734,119,159	105,510,968	839,630,127
Balance as at 1 January 2021	138,000,000	-	-	14,000,000	-	351,531,413	(22,607,034)	253,194,780	230,597,746	734,119,159	105,510,968	839,630,127
Loss for the year	-	-	-	-	-	(114,016,741)	-	-	-	(114,016,741)	(7,566,136)	(121,584,879)
Other comprehensive income for the year	-	-	-	-	-	23,535,539	23,535,539	-	23,535,539	23,535,539	14,406,352	37,941,891
Total comprehensive income for the year	-	-	-	-	-	(114,016,741)	23,535,539	-	23,535,539	(90,481,202)	6,838,214	(83,642,866)
Balance as at 31 December 2021	138,000,000	-	-	14,000,000	-	237,514,672	928,505	253,194,780	254,123,285	643,637,957	112,349,182	755,987,139

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

Malee Group Public Company Limited and its subsidiaries  
Statement of changes in shareholders' equity (continued)  
For the year ended 31 December 2021

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
	Issued and fully paid-up share capital	Retained earnings			Other components of equity		Total	
		Premium on treasury shares	Treasury shares	Treasury shares reserve	Unappropriated	Revaluation surplus on revaluation of assets		
<b>Balance as at 1 January 2020</b>	140,000,000	5,848,058	(114,335,425)	114,335,425	686,408,141	247,449,251	1,063,705,450	
Loss for the year	-	-	-	-	(247,327,687)	-	(247,327,687)	
Other comprehensive income for the year	-	-	-	-	6,552,548	-	6,552,548	
Total comprehensive income for the year	-	-	-	-	(240,775,139)	-	(240,775,139)	
Share capital reduction from treasury shares cancellation (Note 23)	(2,000,000)	(5,848,058)	114,335,425	(114,335,425)	7,848,058	-	-	
<b>Balance as at 31 December 2020</b>	138,000,000	-	-	-	453,481,060	247,449,251	852,930,311	
<b>Balance as at 1 January 2021</b>	138,000,000	-	-	-	453,481,060	247,449,251	852,930,311	
Total comprehensive income for the year	-	-	-	-	(139,419,692)	-	(139,419,692)	
<b>Balance as at 31 December 2021</b>	138,000,000	-	-	-	314,061,368	247,449,251	713,510,619	

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

Malee Group Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
	(Unit: Baht)			
<b>Cash flows from operating activities</b>				
Loss before tax	(137,356,796)	(268,548,749)	(148,025,096)	(321,416,884)
Adjustments to reconcile loss before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	180,560,506	285,752,376	129,435,644	232,478,824
Allowance for expected credit losses (reversal)	(3,124,106)	5,548,301	(1,729,580)	2,925,758
Reduce cost to net realisable value of inventories (reversal)	(38,821,658)	(735,135)	(48,530,470)	7,357,053
Write-off of withholding tax	273,564	180,818	-	-
Impairment loss on investment in joint venture	-	-	99,372,066	-
(Gain) loss on disposal of investments in joint ventures	-	(682,164)	-	14,833,251
Impairment loss of fixed assets (reversal)	(1,972,585)	1,420,036	(1,972,585)	1,420,036
(Gains) losses on disposals/write-off of equipment	5,830,340	(70,208)	5,830,215	(80,665)
Unrealised gains on exchange	(1,911,434)	(1,008,954)	(1,368,417)	(16,737)
Share of loss from investments in joint ventures	5,527,517	27,485,012	-	-
Provision for long-term employee benefits	10,038,282	10,205,403	7,336,273	7,883,325
Finance income	(198,317)	(1,965,222)	(570,801)	(1,855,655)
Finance cost	76,168,743	70,863,253	69,065,039	60,736,330
<b>Profit from operating activities before changes in operating assets and liabilities</b>	<b>94,814,056</b>	<b>128,444,767</b>	<b>108,642,288</b>	<b>4,264,636</b>
<b>Operating assets (increase) decrease</b>				
Trade and other receivables	(160,004,132)	232,211,651	(185,450,425)	370,181,565
Inventories	28,754,248	(19,634,281)	59,283,338	(41,280,605)
Other current assets	65,414,352	2,169,804	15,666,021	1,911,619
Other non-current assets	2,267,664	(1,526,823)	1,548,213	(1,032,326)
<b>Operating liabilities increase (decrease)</b>				
Trade and other payables	58,265,432	(86,781,649)	27,507,763	(46,514,296)
Advances from customers	56,805,802	6,410,587	52,700,518	6,831,207
Advance received from related party	-	-	30,000,000	-
Other current liabilities	11,596,562	21,560,013	3,795,373	15,022,963
Provision for long-term employee benefits	(1,448,533)	(1,851,068)	(1,150,400)	(1,013,067)
<b>Cash flows from operating activities</b>	<b>156,465,451</b>	<b>281,003,003</b>	<b>112,542,689</b>	<b>308,371,716</b>
Cash received from interest income	198,317	1,965,222	570,801	1,855,655
Cash paid for interest expenses	(72,784,300)	(70,863,253)	(63,599,570)	(60,736,330)
Cash paid for income tax	(9,988,042)	(20,614,418)	(6,164,159)	(4,471,113)
<b>Net cash flows from operating activities</b>	<b>73,891,426</b>	<b>191,490,554</b>	<b>43,349,781</b>	<b>245,019,928</b>

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

Malee Group Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2021

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
				(Unit: Baht)
<b>Cash flows from investing activities</b>				
Decrease in restricted bank deposits	-	21,001,047	-	21,001,047
Cash received from long-term loans to related party	-	-	31,500,000	-
Cash received from lease receivables	-	-	3,673,029	1,996,884
Cash received from capital decrease in subsidiary	-	-	30,000,000	-
Cash paid for investment in subsidiary	-	-	(40,000,000)	-
Cash paid for additional investments in joint ventures	-	(15,008,700)	-	-
Cash received from investments in joint ventures	-	44,952,817	-	68,988
Cash received from disposals of equipment	2,355,579	5,661,057	2,355,579	2,768,177
Cash paid for acquisitions of equipment	(34,004,894)	(21,550,462)	(33,492,802)	(18,780,972)
Cash paid for acquisitions of intangible assets	(2,605,683)	(2,188,642)	(2,605,683)	(2,188,642)
<b>Net cash flows from (used in) investing activities</b>	<b>(34,254,998)</b>	<b>32,867,117</b>	<b>(8,569,877)</b>	<b>4,865,482</b>
<b>Cash flows from financing activities</b>				
Decrease in bank overdrafts	46,019,845	65,938,432	10,713,714	17,949,426
Cash received from short-term loans from financial institutions	2,810,641,784	2,921,490,700	2,552,066,584	2,626,026,100
Repayment of short-term loans from financial institutions	(2,832,642,782)	(3,322,742,600)	(2,566,030,062)	(3,026,738,000)
Cash received from repayment of short-term loans				
from related parties	-	-	40,000,000	29,000,000
Repayment of short-term loans from related party	-	-	(29,000,000)	-
Cash received from long-term loans from financial institutions	-	298,000,000	-	298,000,000
Repayment of long-term loans from financial institutions	(16,098,786)	(149,399,644)	(14,540,660)	(149,399,644)
Repayment of lease liabilities	(39,191,242)	(72,776,972)	(34,726,637)	(63,776,462)
<b>Net cash flows used in financing activities</b>	<b>(31,271,181)</b>	<b>(259,490,084)</b>	<b>(41,517,081)</b>	<b>(268,938,580)</b>
Increase (decrease) in translation adjustments	(11,712,921)	30,931	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(3,347,674)</b>	<b>(35,101,482)</b>	<b>(6,737,197)</b>	<b>(19,053,170)</b>
Cash and cash equivalents at beginning of year	83,668,757	118,770,239	46,294,223	65,347,393
<b>Cash and cash equivalents at end of year</b>	<b>80,321,083</b>	<b>83,668,757</b>	<b>39,557,026</b>	<b>46,294,223</b>
	-	-	-	-
<b>Supplemental cash flow information:</b>				
<b>Non-cash transactions</b>				
Acquisitions of equipment for which cash has not been paid	1,119,509	1,996,000	1,119,509	1,996,000
Increase in right-of-use assets from lease liabilities	36,830,722	-	36,830,722	-
Decrease in right-of-use assets due to lease modification	(57,952,394)	-	(52,382,063)	-

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

**Malee Group Public Company Limited and its subsidiaries**  
**Notes to consolidated financial statements**  
**For the year ended 31 December 2021**

**1. General information**

**1.1 General information of the Company**

Malee Group Public Company Limited ("The Company") is a public company incorporated and domiciled in Thailand. The Company and its subsidiaries are principally engaged in the manufacture and distribution of agriculture products such as canned fruit, fruit juices, milk and cereal drink and non-alcohol beverage for local and export. The registered office of the Company is at 401/1, Moo 8, Phaholyothin Road, Kookod, Lumlookka, Pathumthani.

**1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group's management has continuously monitored ongoing developments and assessed the financial impact of various issues as the situation has evolved.

**2. Basis of preparation**

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

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

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

## 2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Malee Group Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2021 Percent	2020 Percent
<b><u>Subsidiaries directly owned by the Company</u></b>				
Malee Enterprise Company Limited	Distribution of canned food and beverage	Thailand	99.99	99.99
Malee International Company Limited	Importer, exporter, distribution of canned agriculture products, fruit juices and non-alcohol beverage	Thailand	99.99	99.99
Malee Capital Company Limited	Investment	Thailand	99.99	99.99
Malee Applied Sciences Company Limited	Research and development of scientifically, transformation, agriculture	Thailand	99.99	99.99
Icon Foods LLC.	Distributor (not currently operate)	USA	99.00	99.00
<b><u>Subsidiary held through Malee Capital Company Limited</u></b>				
Long Quan Safe Food Joint Stock Company	Distributor consumer products in Vietnam and neighboring countries	Vietnam	65.00	65.00
<b><u>Subsidiary held through Long Quan Safe Food Joint Stock Company</u></b>				
Tan Quang Minh Manufacture and Trading Company Limited	Manufacture and distributor consumer products in Vietnam and neighboring countries	Vietnam	100.00	100.00

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of "Exchange differences on translation of financial statements in foreign currency" in the statements of changes in shareholders' equity.
  - f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.
  - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and joint ventures under the cost method net of allowance for impairment loss (if any).

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current period**

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

#### 4. Cumulative effects of changes in an accounting estimate related to depreciation method of machines

During the current year, the Company has reviewed and changed the depreciation method of certain machinery from the straight-line method to the units of production method to reflect the change in the expected pattern of consumption of the future economic benefits embodied in the assets. The change, became effective immediately from 1 January 2021 onwards. As a result of the change loss of the Group for the year ended 31 December 2021 decreased by Baht 76 million (0.28 Baht per share) (the Company only: Baht 76 million (0.28 Baht per share)).

#### 5. Significant accounting policies

##### 5.1 Revenue and expense recognition

###### Sales of goods

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

Revenue from sale related to contract manufacturing is recognised over time when services have been rendered taking into account the stage of completion.

###### Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion.

###### Interest income

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

###### Finance cost

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

###### Dividends

Dividends are recognised when the right to receive the dividends is established.

## 5.2 Cash and cash equivalents

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

## 5.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads.

Raw materials, packaging materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

## 5.4 Investments in subsidiaries and joint ventures

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method.

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

## 5.5 Export incentive receivable

Export incentive, in the form of tax coupons, is recognised as revenue when the relevant export shipment is made. Export incentive is calculated by multiplying of the determined percentage and invoicing value based on F.O.B. basis.

## 5.6 Property, plant and equipment/Depreciation

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

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Revaluation surplus on assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus on assets" in respect of the same asset.

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

Land improvement	5 years
Buildings	20 years and 40 years
Buildings improvement	3 years to 20 years
Machinery and equipment	15 years and 20 years
Furniture and office equipment	5 years and 10 years
Motor vehicles	5 years

Depreciation of certain machinery is calculated by reference to their costs, on the units of production method.

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction and installation.

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

## 5.7 Borrowing costs

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

## 5.8 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

	<u>Useful lives</u>
Customer relationship	7 years
Computer software	10 years

Intangible assets with indefinite useful lives is trademark.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually either individually or at the cash-generating unit level. The assessment of indefinite useful lives of the intangible assets is reviewed annually.

## 5.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of group of cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

## 5.10 Leases

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

### The Group as a lessee

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

**Right-of-use assets**

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

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

Land	29 years
Buildings	3 - 16 years
Machinery and equipment	3 years
Office equipment	3 years
Motor vehicles	5 years

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

**Lease liabilities**

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

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

**Short-term leases and leases of low-value assets**

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

## **The Group as a lessor**

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

### **5.11 Related party transactions**

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

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

### **5.12 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Group functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

Gains and losses on exchange are included in determining income.

### **5.13 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However, in cases where property was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

## 5.14 Employee benefits

### Short-term employee benefits

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

### Post-employment benefits

#### *Defined contribution plans*

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

#### *Defined benefit plans*

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

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

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

## 5.15 Provisions

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

## 5.16 Income tax

Income tax represents the sum of corporate income tax currently payable and deferred tax.

### Current tax

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

### Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

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

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

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

### **5.17 Treasury shares**

Treasury shares are stated at cost in the statements of financial position and presented as a deduction from shareholders' equity. If the selling price of treasury shares is greater than the purchase price of treasury shares, the Company recognises the difference under the caption of "Premium on treasury shares". If the selling price of treasury shares is less than the purchase price of treasury shares, the difference is initially deducted from premium on treasury shares, with the remainder deducted against retained earnings.

### **5.18 Financial instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

#### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

#### **Financial assets at amortised cost**

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### **Financial assets at FVTPL**

Financial assets measured at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments include derivatives, security investment held for trading, investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **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 Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **5.19 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 Group 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 Group measures fair value using valuation technique 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 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 Group 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.

#### **6. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

##### **Allowance for expected credit losses of trade receivables**

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

### **Net realisable value of inventories**

The management uses judgement to estimate the net realisable value of inventories based on the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of reporting date. In addition, the management makes judgement and estimates expected loss from stock obsolescence based upon past sales history and the prevailing economic condition.

### **Property plant and equipment/Depreciation**

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives, unit of production and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

The Group measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach. The valuation involves certain assumptions and estimates.

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

### **Goodwill and intangible assets**

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

### **Post-employment benefits under defined benefit plans**

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

## 7. Related party transactions

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,385	1,359	As agreed
Management fee income	-	-	100	116	Contract price
Rental income	-	-	5	4	Contract price
Guarantee fee income	-	-	4	4	2.50 percent of the guarantee amount
Interest income	-	-	-	2	Contract price
Purchases of goods	-	-	1	2	As agreed
Rental and service expenses	-	-	18	21	Contract price
Guarantee fee expenses	-	-	9	19	2.50 percent of the guarantee amount
Interest expenses	-	-	2	-	3.25 and 3.30 percent per annum
<u>Transactions with joint ventures</u>					
Sales of goods	31	38	-	-	As agreed
Management fee income	-	1	-	1	Contract price
Marketing support income	2	11	-	-	Contract price
<u>Transactions with related companies</u>					
Service income	3	3	3	3	Contract price
Purchases of raw materials and others	13	30	13	30	As agreed
Contract manufacturing service fee	81	98	81	98	As agreed
Rental and service expenses	15	15	15	15	Contract price
Other services expenses	2	2	2	2	Contract price

As at 31 December 2021 and 2020, the balances of the accounts between the Group and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade and other receivables - related parties</u></b>				
<b><u>Trade receivables - related parties (Note 9)</u></b>				
Subsidiaries	-	-	193,362	58,586
Joint ventures	11,126	11,423	1,980	-
Total trade receivables - related parties	<u>11,126</u>	<u>11,423</u>	<u>195,342</u>	<u>58,586</u>
<b><u>Other receivables - related parties (Note 9)</u></b>				
Subsidiaries	-	-	27,563	30,140
Joint ventures	2,050	1,884	2,050	1,884
Related companies (Common shareholders/directors)	125	1,347	125	1,315
Total other receivables - related parties	<u>2,175</u>	<u>3,231</u>	<u>29,738</u>	<u>33,339</u>
<b>Total trade and other receivables - related parties</b>	<b><u>13,301</u></b>	<b><u>14,654</u></b>	<b><u>225,080</u></b>	<b><u>91,925</u></b>
<b><u>Deposit - related party</u></b>				
Related company (Common shareholders/directors)	<u>8,125</u>	<u>8,125</u>	<u>8,125</u>	<u>8,125</u>
<b><u>Trade and other payables - related parties</u></b>				
<b><u>Trade payables - related parties (Note 18)</u></b>				
Subsidiaries	-	-	6	20
Related companies (Common shareholders/directors)	14,336	25,472	14,324	25,472
Total trade payables - related parties	<u>14,336</u>	<u>25,472</u>	<u>14,330</u>	<u>25,492</u>
<b><u>Other payables - related parties (Note 18)</u></b>				
Subsidiaries	-	-	56,416	37,162
Related companies (Common shareholders/directors)	131	138	124	135
Total other payables - related parties	<u>131</u>	<u>138</u>	<u>56,540</u>	<u>37,297</u>
<b>Total trade and other payables - related parties</b>	<b><u>14,467</u></b>	<b><u>25,610</u></b>	<b><u>70,870</u></b>	<b><u>62,789</u></b>
<b><u>Advance received from related party</u></b>				
Subsidiary	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>

### Long-term loans to related party and short-term loans from related parties

During the current year, the movements of loans to and loans from between the Group and those related parties are as follows:

(Unit: Thousand Baht)

Loans to	Separate financial statements		
	Balance as at 1 January 2021	Decrease during the year	Balance as at 31 December 2021
<b><u>Subsidiary</u></b>			
Malee Applied Sciences Company Limited	31,500	(31,500)	-
Total	31,500	(31,500)	-

The above loans are repayable on demand, unsecured, and carry interest at the rate of 3.50 percent per annum (2020: 3.50 percent per annum).

(Unit: Thousand Baht)

Loans from	Separate financial statements			
	Balance as at 1 January 2021	Increase during the year	Decrease during the year	Balance as at 31 December 2021
<b><u>Subsidiaries</u></b>				
Malee Capital Company Limited	29,000	-	(29,000)	-
Malee International Company Limited	-	40,000	-	40,000
Total	29,000	40,000	(29,000)	40,000

The above loans and interest are repayable within January 2022, unsecured, and carry interest at the rates of 3.25 and 3.30 percent per annum (2020: 3.25 percent per annum).

### Directors and management's benefits

During the year ended 31 December 2021 and 2020, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	59,194	64,865	53,807	63,317
Post-employment benefits	2,046	1,899	2,046	1,899
Total	61,240	66,764	55,853	65,216

**Guarantee obligations with related parties**

The Company has outstanding guarantee obligations with a subsidiary and its subsidiary has outstanding guarantee obligations with the Company, as described in Note 20 to the consolidated financial statements.

**8. Cash and cash equivalents**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Cash	926	630	32	37
Bank deposits	78,553	75,166	38,683	39,148
Cheque in hand	842	7,873	842	7,109
<b>Total</b>	<b>80,321</b>	<b>83,669</b>	<b>39,557</b>	<b>46,294</b>

As at 31 December 2021, bank deposits in saving accounts and fixed deposits carried interests 0.125 to 0.4 percent per annum (2020: 0.125 to 0.4 percent per annum).

**9. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	7,603	11,423	88,903	58,586
Past due up to 3 months	3,523	-	106,439	-
<b>Total trade receivables - related parties</b>	<b>11,126</b>	<b>11,423</b>	<b>195,342</b>	<b>58,586</b>
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	482,613	347,502	190,966	154,014
Past due				
Up to 3 months	139,663	113,559	65,772	46,237
3 - 6 months	262	64	-	-
6 - 12 months	120	5,368	-	2,926
Over 12 months	7,587	5,049	5,616	4,613
<b>Total</b>	<b>630,245</b>	<b>471,542</b>	<b>262,354</b>	<b>207,790</b>
Less: Allowance for expected credit losses	(9,223)	(12,193)	(5,454)	(7,184)
<b>Total trade receivables - unrelated parties, net</b>	<b>621,022</b>	<b>459,349</b>	<b>256,900</b>	<b>200,606</b>
<b>Total trade receivables - net</b>	<b>632,148</b>	<b>470,772</b>	<b>452,242</b>	<b>259,192</b>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Other receivables</u>				
Other receivables - related parties	2,175	3,231	29,738	33,339
Accrued income	16,678	17,255	9,350	10,032
Total	18,853	20,486	39,088	43,371
Less: Allowance for expected credit losses	(815)	(969)	-	-
Total other receivables - net	18,038	19,517	39,088	43,371
Total trade and other receivables - net	650,186	490,289	491,330	302,563

The normal credit term is 30 to 60 days.

Changes of allowance for expected credit losses of trade and other receivables as are follows:

	(Unit: Thousand Baht)							
	Consolidated financial statements						Separate	
	Trade receivables		Other receivables		Total		Trade receivables	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at the beginning of the year	12,193	6,645	969	969	13,162	7,614	7,184	4,258
Provision for expected credit losses								
(reversal)	(2,970)	5,548	(154)	-	(3,124)	5,548	(1,730)	2,926
Balance at the ending of the year	9,223	12,193	815	969	10,098	13,162	5,454	7,184

## 10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Finished goods	241,103	293,155	(11,030)	(45,211)	230,073	247,944
Raw materials	185,481	164,710	(7,165)	(12,343)	178,316	152,367
Packing materials	121,096	124,386	(10,761)	(11,382)	110,335	113,004
Spare parts and factory supplies	25,556	26,407	(1,158)	-	24,398	26,407
Goods in transit	10,592	3,924	-	-	10,592	3,924
Total	583,828	612,582	(30,114)	(68,936)	553,714	543,646

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	91,925	158,151	(3,500)	(47,390)	88,425	110,761
Raw materials	142,666	132,153	(7,165)	(12,343)	135,501	119,810
Packing materials	102,658	112,353	(9,500)	(10,121)	93,158	102,232
Spare parts and factory supplies	23,984	24,528	(1,158)	-	22,826	24,528
Goods in transit	10,592	3,924	-	-	10,592	3,924
<b>Total</b>	<b>371,825</b>	<b>431,109</b>	<b>(21,323)</b>	<b>(69,854)</b>	<b>350,502</b>	<b>361,255</b>

During the current year, the Group reversed the write-down of cost of inventories by Baht 39 million (2020: Baht 1 million) (the Company only: Baht 49 million), and reduced the amount of inventories recognised as expenses during the year (2020: The Company reduced cost of inventories by Baht 7 million to reflect the net realisable value. This was included in cost of sales).

## 11. Investments in subsidiaries

### 11.1 Details of investments in subsidiaries as presented in separate financial statements

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss on investments		Carrying amounts based on cost method - net	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Malee Enterprise Company Limited	100,000	100,000	99.99	99.99	99,988	99,988	-	-	99,988	99,988
Malee International Company Limited	40,000	40,000	99.99	99.99	37,138	37,138	-	-	37,138	37,138
Malee Capital Company Limited	345,000	385,000	99.99	99.99	355,000	385,000	-	-	355,000	385,000
Malee Applied Sciences Company Limited	10,000	10,000	99.99	99.99	50,000	10,000	-	-	50,000	10,000
Icon Foods LLC.	USD 51 thousand	USD 51 thousand	99.00	99.00	1,291	1,291	(1,291)	(1,291)	-	-
Total					543,417	533,417	(1,291)	(1,291)	542,126	532,126

### 11.2 Details of investment in subsidiary that has material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year		Other comprehensive income allocated to non-controlling interests during the year	
	2021	2020	2021	2020	2021	2020	2021	2020
Long Ouan Safe Food Joint Stock Company	35	35	112,349	105,511	(7,568)	(1,997)	6,838	(2,155)
	(Percent)	(Percent)						

### 11.3 Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling interests

#### Summarised information about financial position

(Unit: Thousand Baht)

	Long Quan Safe Food Joint Stock Company	
	<u>2021</u>	<u>2020</u>
Current assets	84,458	66,074
Non-current assets	102,734	111,264
Current liabilities	(196,686)	(159,443)
Non-current liabilities	-	(6,190)

#### Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the year ended 31 December	
	Long Quan Safe Food Joint Stock Company	
	<u>2021</u>	<u>2020</u>
Revenue	393,317	417,859
Loss for the year	(21,623)	(5,707)
Other comprehensive income	424	1,271
Total comprehensive income	(21,199)	(4,436)

#### Summarised information about cash flow

(Unit: Thousand Baht)

	For the year ended 31 December	
	Long Quan Safe Food Joint Stock Company	
	<u>2021</u>	<u>2020</u>
Cash flow from (used in) operating activities	(9,302)	24,205
Cash flow used in investing activities	(454)	(2,359)
Cash flow from (used in) financing activities	8,016	(22,148)
Increase (decrease) in translation adjustment	2,061	(221)
Net increase (decrease) in cash and cash equivalents	321	(523)

**Movements of the investments in subsidiaries during the year ended 31 December 2021 are summarised below.**

**Investment in Malee Applied Sciences Company Limited**

On 29 March 2021, the Extraordinary General Meeting of the shareholders of Malee Applied Sciences Company Limited passed a special resolution to approve capital increase of a subsidiary, from Baht 10 million to Baht 50 million, by issuing 0.4 million ordinary shares with a par value of Baht 100 per share to be offered to the existing shareholders. Such subsidiary registered the capital increase for the first time on 31 March 2021 and received a payment of Baht 35 million for the share subscription. Subsequently, the subsidiary registered the capital increase for the second time on 30 April 2021 and received a payment of Baht 5 million for the share subscription.

**Investment in Malee Capital Company Limited**

On 15 March 2021, the Extraordinary General Meeting of the shareholders of Malee Capital Company Limited passed a special resolution to approve a reduction in its share capital from Baht 500 million to Baht 460 million by cancelling 4 million ordinary shares (with par value of Baht 10 each) which were paid-up share capital amounting to Baht 30 million. Such subsidiary registered the reduction in share capital with the Ministry of Commerce on 19 April 2021 and made payments to the shareholders for share reduction in full amount.

## 12. Investments in joint ventures

### 12.1 Details of investments in joint ventures

Investments in joint ventures represent investments in entities which are jointly controlled by the Company/subsidiaries and other companies. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint ventures	Nature of business	Country of incorporation	Shareholding percentage (Percent)	Consolidated financial statements				Separate financial statements				
				Carrying amounts based on equity method		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net		
				2021	2020	2021	2020	2021	2020	2021	2020	
Monde Malee Beverage Corporation	Importation, marketing promotion and sale of the Company's food and beverage in Philippine	Philippine	49.00	-	5,578	99,372	99,372	-	(99,372)	-	-	99,372
PT Kino Malee Trading	Importer of food and beverage for sale in Indonesia	Indonesia	49.00	14,121	14,699	-	-	-	-	-	-	-
Malee Kino (Thailand) Company Limited	Importing, selling, marketing and distribution of KINO products	Thailand	51.00	-	841	-	-	-	-	-	-	-
<b>Total</b>				<b>14,121</b>	<b>21,118</b>	<b>99,372</b>	<b>99,372</b>	<b>(99,372)</b>	<b>(99,372)</b>	<b>-</b>	<b>-</b>	<b>99,372</b>

Malee Kino (Thailand) Company Limited registered the dissolution on 16 June 2020 and the liquidation is in process.

## 12.2 Share of comprehensive income

During the years, the Company recognised its share of comprehensive income from investments in the joint venture, in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint ventures	Consolidated financial statements			
	Share of profit (loss) from investments in joint ventures during the years		Share of other comprehensive income from investments in joint ventures during the years	
	2021	2020	2021	2020
Monde Malee Beverage Corporation	(4,018)	(19,708)	(5,392)	6,720
PT Kino Malee Trading	(1,510)	(266)	28	-
Malee Kino (Thailand) Company Limited	-	(4,803)	-	-
PT Kino Malee Indonesia	-	183	-	-
Mega Malee	-	(2,891)	-	-
<b>Total</b>	<b>(5,528)</b>	<b>(27,485)</b>	<b>(5,364)</b>	<b>6,720</b>

## 12.3 Summarised financial information about material joint ventures

Summarised information about financial position.

(Unit: Thousand Baht)

	Monde Malee Beverage Corporation		PT Kino Malee Trading	
	2021	2020	2021	2020
Cash and cash equivalent	9,615	28,981	30,216	28,578
Other current assets	23,657	34,265	2,377	7,514
Non-current assets	2,452	1,969	2,555	349
Current liabilities	(34,202)	(53,427)	(1,847)	(536)
Non-current liabilities	-	(405)	(2,341)	-

## Summarised information about comprehensive income

(Unit: Thousand Baht)

	Monde Malee Beverage Corporation		PT Kino Malee Trading	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	Revenue	37,087	52,005	6,271
Profit (loss)	8,199	(40,130)	(3,081)	(2,083)
Other comprehensive income	11,004	(9,558)	58	(37)
Total comprehensive income	19,203	(49,688)	(3,023)	(2,120)

**13. Other long-term loans**

During the year 2014 - 2016, Malee International Company Limited had entered into various loan agreements with Lanchang Farm Company Limited (formerly is subsidiary of Malee International Company Limited on 31 March 2017, Malee International Company Limited disposed the investment in Lanchang Farm Company Limited with interest at the rate MLR percent per annum and payment conditions on principal and interest as specified in each agreement.

On 1 February 2017, Lanchang Farm Company Limited has executed a letter of acknowledgement of debt as of 31 January 2017 with Malee International Company Limited and amended payment conditions on principal and accrued interest as follows:

- Grace period for all principal and accrued interest until September 2017 and start to make quarterly repayment from October 2017 as described in the agreement and the whole amount will be fully paid within January 2022.
- Starting from February 2017, the loan will be subject to interest rate of 6.275 percent per annum monthly payable.

Since Lanchang Farm Company Limited has some liquidity concerns where it cannot meet the obligation to repay its debt and interest for certain period during the past and on 12 December 2018, Lanchang Farm Company Limited has issued the letter requesting to delay debt payments and suggest the approach to comply such obligation. On 8 January 2019, Board of Directors of Malee International Company Limited agreed and approved reduction of the unpaid interest from July 2018 to December 2018 at the amount of Baht 0.82 million to Lanchang Farm Company Limited and stopping charging interest expenses commencing from 1 January 2019 onwards, and also allowed Lanchang Farm Company Limited to sell its land and property under the mortgage, then repay the debt to Malee International Company Limited within 30 December 2020.

On 30 November 2020, Lanchang Farm Company Limited has issued the letter requesting an extension of the repayment period. On 17 December 2020, Board of Directors of Malee International Company Limited agreed and approved extension of the repayment period within 30 December 2022.

Other long-term loans is secured by the mortgage of land together with buildings constructed thereon. The fair value are assessment by an independent professional appraiser, which is over the outstanding balance of other long-term loans

Lanchang Farm Company Limited is currently under sale proposal process.

#### 14. Property, Plant and equipment

Movements of property, plant and equipment for the years ended 31 December 2021 and 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements							
	Revaluation basis				Cost basis			
	Land	Land improvement	Building and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and machinery under installation	Total
<b>Cost/Revalued amount:</b>								
As at 1 January 2020	426,820	25,100	595,080	2,129,724	106,911	67,149	205,012	3,555,796
Additions	-	-	1,250	13,329	2,189	147	6,464	23,379
Disposals/write-off	-	-	-	(3,356)	(163)	-	-	(3,519)
Transfer in (out)	-	-	23,262	136,716	(158)	-	(159,820)	-
Translation adjustment	-	-	(105)	(797)	(8)	(102)	(2)	(1,014)
As at 31 December 2020	426,820	25,100	619,487	2,275,616	108,771	67,194	51,654	3,574,642
Additions	-	12	544	27,932	299	-	4,341	33,128
Disposals/write-off	-	(130)	(955)	(112,479)	(1,470)	(2,590)	-	(117,624)
Transfer in (out)	-	-	-	34,166	1,208	-	(35,374)	-
Translation adjustment	-	-	6,967	34,377	565	6,446	-	48,355
As at 31 December 2021	426,820	24,982	626,043	2,259,612	109,373	71,050	20,621	3,538,501
<b>Accumulated depreciation:</b>								
As at 1 January 2020	-	17,774	301,342	1,239,373	70,569	48,487	-	1,677,545
Depreciation for the year	-	2,668	30,608	162,693	11,953	4,604	-	212,526
Depreciation on disposals/write-off	-	-	-	(162)	(147)	-	-	(309)
Translation adjustment	-	-	(144)	(845)	(15)	(227)	-	(1,231)
As at 31 December 2020	-	20,442	331,806	1,401,059	82,360	52,864	-	1,888,531
Depreciation for the year	-	2,444	28,859	90,874	8,310	4,005	-	134,492
Depreciation on disposals/write-off	-	(130)	(941)	(104,509)	(1,468)	(2,590)	-	(109,638)
Translation adjustment	-	-	2,659	21,068	527	5,007	-	29,261
As at 31 December 2021	-	22,756	362,383	1,408,492	89,729	59,286	-	1,942,646

(Unit: Thousand Baht)

	Consolidated financial statements							
	Revaluation basis				Cost basis			
	Land	Land improvement	Building and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and machinery under installation	Total
<b>Allowance for impairment loss:</b>								
As at 1 January 2020	-	-	13,317	1,475	-	-	-	14,792
Increase during the year	-	-	-	1,420	-	-	-	1,420
As at 31 December 2020	-	-	13,317	2,895	-	-	-	16,212
Decrease during the year	-	-	-	(1,973)	-	-	-	(1,973)
As at 31 December 2021	-	-	13,317	922	-	-	-	14,239
<b>Net book value:</b>								
As at 31 December 2020	426,820	4,658	274,364	871,662	26,411	14,330	51,654	1,669,899
As at 31 December 2021	426,820	2,226	250,343	850,198	19,644	11,764	20,621	1,581,616
<b>Depreciation for the year</b>								
2020 (Baht 155 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)								212,526
2021 (Baht 71 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)								134,492

(Unit: Million Baht)

	Separate financial statements								Total
	Revaluation basis	Cost basis							
	Land	Land improvement	Building and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and machinery under installation		
<b>Cost/Revalued amount:</b>									
As at 1 January 2020	408,600	25,100	478,514	1,862,121	84,136	14,293	204,051		3,076,815
Additions	-	-	1,250	10,758	2,138	-	6,464		20,610
Disposals/write-off	-	-	-	(652)	(54)	-	-		(706)
Transfer in (out)	-	-	23,262	136,716	(158)	-	(159,820)		-
As at 31 December 2020	408,600	25,100	503,026	2,008,943	86,062	14,293	50,695		3,096,719
Additions	-	12	544	26,562	197	-	5,300		32,615
Disposals/write-off	-	(130)	(955)	(112,479)	(1,034)	(179)	-		(114,777)
Transfer in (out)	-	-	-	34,166	1,208	-	(35,374)		-
As at 31 December 2021	408,600	24,982	502,615	1,957,192	86,433	14,114	20,621		3,014,557
<b>Accumulated depreciation:</b>									
As at 1 January 2020	-	17,774	256,830	1,090,025	50,751	11,269	-		1,426,649
Depreciation for the year	-	2,668	23,796	138,185	10,654	73	-		175,376
Depreciation on disposals/write-off	-	-	-	(162)	(52)	-	-		(214)
As at 31 December 2020	-	20,442	280,626	1,228,048	61,353	11,342	-		1,601,811
Depreciation for the year	-	2,444	21,935	66,750	7,396	243	-		98,768
Depreciation on disposals/write-off	-	(130)	(941)	(104,509)	(1,033)	(179)	-		(106,792)
As at 31 December 2021	-	22,756	301,620	1,190,289	67,716	11,406	-		1,593,787

(Unit: Million Baht)

	Separate financial statements							
	Revaluation basis				Cost basis			
	Land	Land improvement	Building and building improvement	Machinery and equipment	Furniture and office equipment	Motor vehicles	Construction in progress and machinery under installation	Total
<b>Allowance for impairment loss:</b>								
As at 1 January 2020	-	-	4,101	1,475	-	-	-	5,576
Increase during the year	-	-	-	1,420	-	-	-	1,420
As at 31 December 2020	-	-	4,101	2,895	-	-	-	6,996
Decrease during the year	-	-	-	(1,973)	-	-	-	(1,973)
As at 31 December 2021	-	-	4,101	922	-	-	-	5,023
<b>Net book value:</b>								
As at 31 December 2020	408,600	4,658	218,299	778,000	24,709	2,951	50,695	1,487,912
As at 31 December 2021	408,600	2,226	196,894	765,981	18,717	2,708	20,621	1,415,747
<b>Depreciation for the year</b>								
2020 (Baht 155 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)								175,376
2021 (Baht 71 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)								98,768

The Group has pledged their land together with buildings constructed and certain machinery as collateral, as described in Note 20 to the consolidated financial statements.

The Group arranged for an independent professional valuer to appraise the value of land in 2019. The basis of the valuation was market approach.

Had the land been carried in the financial statements on a historical cost basis, its net book value as of 31 December 2021 would have been Baht 112 million (2020: Baht 112 million) (the Company only: Baht 99 million (2020: Baht 99 million)).

As at 31 December 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 1,169 million (2020: Baht 1,055 million) (the Company only: Baht 1,001 million, 2020: Baht 922 million).

## 15. Intangible asset

The net book value of intangible assets as at 31 December 2021 and 2020 is presented below.

	Consolidated				(Unit: Thousand Baht)
	financial statements			Separate	
	Trademark	Customer relationship	Computer software	Total	Computer software
<b>Cost:</b>					
As at 1 January 2020	163,481	699	74,628	238,808	69,020
Additions	-	-	2,189	2,189	2,189
Translation adjustment	(287)	(1)	-	(288)	-
As at 31 December 2020	163,194	698	76,817	240,709	71,209
Additions	-	-	2,605	2,605	2,605
Translation adjustment	20,855	89	-	20,944	-
As at 31 December 2021	184,049	787	79,422	264,258	73,814
<b>Accumulated amortisation:</b>					
As at 1 January 2020	-	-	51,436	51,436	47,656
Amortisation for the year	-	-	9,093	9,093	7,572
As at 31 December 2020	-	-	60,529	60,529	55,228
Amortisation for the year	-	413	5,881	6,294	5,802
Translation adjustment	-	(9)	-	(9)	-
As at 31 December 2021	-	404	66,410	66,814	61,030
<b>Net book value:</b>					
As at 31 December 2020	163,194	698	16,288	180,180	15,981
As at 31 December 2021	184,049	383	13,012	197,444	12,784

## 16. Goodwill and trademark

Movements of goodwill for the years ended 31 December 2021 and 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2021</u>	<u>2020</u>
Net book value as of 1 January	48,333	48,429
Translation adjustment	6,273	(96)
Net book value as of 31 December	<u>54,606</u>	<u>48,333</u>

The Company allocates goodwill acquired through business combination and trademark with indefinite useful lives to an asset's cash-generating unit for annual impairment testing as follows:

	(Unit: Thousand Baht)
	<u>Long Quan Safe Food Joint Stock Company</u>
Goodwill	54,606
Trademark (Note 15)	184,049

The Group has determined the recoverable amount of the cash generating units based on value in use, using cash flow projections from financial estimation approved by management covering a five-year period.

Key assumptions used in the value in use calculation are summarised below:

Terminal growth rate	3.0 percent per annum
Pre-tax discount rate	10.4 percent per annum

The management has determined expected operations and future cash flow projections based on factors including historical operating results, expected market growth and economic growth. The discount rate is a pre-tax rate that reflects the risks specific to cash generating units.

The management has considered and believes that there is no occurrence of impairment of goodwill and trademark which are an intangible assets with indefinite useful lives.

**17. Bank overdrafts and short-term loans from financial institutions**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bank overdrafts	12,186	9,969	12,186	9,969
Promissory notes	905,462	927,463	874,171	888,135
Discounted promissory notes	136,619	122,004	40,632	47,129
Trust receipt	49,637	35,443	-	-
Packing credits	24,293	9,299	24,293	9,299
<b>Total</b>	<b>1,128,197</b>	<b>1,104,178</b>	<b>951,282</b>	<b>954,532</b>

Bank overdrafts and short-term loans from financial institutions are secured as described in Note 20 to the consolidated financial statements.

**18. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Trade payables - related parties	14,336	25,472	14,330	25,492
Trade payables - unrelated parties	341,324	320,651	248,428	258,115
Other payables - related parties	131	138	56,540	37,297
Other payables - unrelated parties	88,090	83,104	54,531	48,397
Accrued expenses	208,492	155,750	65,560	30,734
<b>Total trade and other payables</b>	<b>652,373</b>	<b>585,115</b>	<b>439,389</b>	<b>400,035</b>

## 19. Long-term loans from financial institutions

The balances of long-term loans from financial institutions as at 31 December 2021 and 2020 are as follows:

Loan	Credit facilities	Agreement date	Interest rate	Repayment schedule	Consolidated financial statements		Separate financial statements	
					2021 (Thousand Baht)	2020 (Thousand Baht)	2021 (Thousand Baht)	2020 (Thousand Baht)
<u>The Company</u>								
1	Baht 656 million	8 May 2017	6M THBFIX plus fixed rate per annum	The principle and its interest are repayable in monthly installments, the final installments within March 2024	346,860	350,400	346,860	350,400
2	Baht 30 million	4 June 2018	Fixed rate per annum	The principle and its interest are repayable in monthly installments, the final installments within June 2022	5,246	5,300	5,246	5,300
3	Baht 300 million	1 August 2018	SPRL minus fixed rate per annum	The principle and its interest are repayable in monthly installments, the final installments within July 2023	194,989	203,124	194,989	203,124
4	Baht 303 million	26 June 2020	MLR minus fixed rate per annum	The principle and its interest are repayable in monthly installments, the final installments within June 2025	265,188	268,000	265,188	268,000
<u>The subsidiary (Long Quan Safe Food Joint Stock Company)</u>								
1	VND 20,700 million	25 October 2017	Fixed rate per annum	The principle and its interest are repayable in quarterly installments, the final installments within September 2022	4,945	5,846	-	-
Total					817,228	832,670	812,283	826,824
Less: Current portion					(21,741)	(224,482)	(16,796)	(224,482)
Long-term loans - net from current portion					795,487	608,188	795,487	602,342

Movements of the long-term loans account during the year ended 31 December 2021 and 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Balance as at 1 January</b>	832,670	684,416	826,824	678,224
Additions	-	298,000	-	298,000
Repayments of borrowing	(16,099)	(149,400)	(14,541)	(149,400)
Translation adjustment	657	(346)	-	-
<b>Balance as at 31 December</b>	<u>817,228</u>	<u>832,670</u>	<u>812,283</u>	<u>826,824</u>

### Long-term loans of the Company

In November 2020, the Company participated in the project "DR BIZ Program" with four local financial institutions for the first time, in August 2021 for the second time and in December 2021 for the third time. Under the project, the Company received an approval for adjusting the conditions of installment payment for the principal and interest rate as follows:

#### The conditions of principal installment payment

- January to June 2021 - principal moratorium period
- July to August 2021 - principal repayment in accordance with conditions agreed by each financial institution
- September 2021 to June 2022 - principal moratorium period
- July to December 2022 - principal repayment in accordance with conditions agreed by each financial institution
- January 2023 onwards - principal repayment in accordance with original conditions agreed by each financial institution

#### The conditions of interest installment payment and interest rate

During the year 2021, the interests are payable in monthly installment at the same rate as agreed upon in the agreement with each financial institution. From January 2023 onwards, the interests are payable in monthly installment in accordance with the original conditions.

Long-term loans from financial institutions of the Group are secured by as described in Note 20 to the consolidated financial statements.

## 20. Credit facilities

Credit facilities granted by financial institutions of the Group are guaranteed by the following.

- a) The guarantee provided by the Company and its subsidiary. Guarantee fees have been charged at 2.50 percent per guarantee amount.
- b) The pledge/mortgage of by the assets of the Company and its subsidiary with the net book value as at 31 December 2021 and 2020 as summarised below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	327	327	327	327
Property - net	82	89	71	76
Machinery and equipment - net	405	417	350	355

- c) The Company and its subsidiary entered in to an agreement to transfer debt collection right to financial institutions amounting to approximately Baht 137 million (2020: Baht 122 million) (the Company only: Baht 41 million 2020: Baht 47 million) as collateral to secure discounted promissory notes.

## 21. Leases

### 21.1 The Group as a lessee

The Group entered into lease contracts for assets used in its operations. Leases generally have lease terms between 3 - 29 years.

### a) Right-of-use asset

Movements of right-of-use assets for the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements					Total
	Land	Buildings	Machinery and	Office	Motor vehicles	
			equipment	equipment		
As at 1 January 2020	97,715	293,869	144,054	2,891	4,739	543,268
Additions	-	-	-	-	1,521	1,521
Write off - net	-	-	-	-	(2,381)	(2,381)
Depreciation for the year	(3,390)	(33,567)	(23,382)	(2,196)	(1,599)	(64,134)
Translation adjustment	(737)	-	-	-	-	(737)
As at 31 December 2020	93,588	260,302	120,672	695	2,280	477,537
Additions	-	22,487	10,033	3,412	106	36,038
Lease modification	-	(48,445)	53	-	-	(48,392)
Depreciation for the year	(4,108)	(25,987)	(7,550)	(827)	(1,302)	(39,774)
Translation adjustment	13,412	-	-	-	-	13,412
As at 31 December 2021	102,892	208,357	123,208	3,280	1,084	438,821

(Unit: Thousand Baht)

	Separate financial statements					Total
	Land	Buildings	Machinery and	Office	Motor vehicles	
			equipment	equipment		
As at 1 January 2020	-	234,105	143,421	2,891	4,040	384,457
Additions	-	-	-	-	1,521	1,521
Write off - net	-	-	-	-	(2,196)	(2,196)
Depreciation for the year	-	(22,826)	(23,187)	(2,196)	(1,167)	(49,376)
As at 31 December 2020	-	211,279	120,234	695	2,198	334,406
Additions	-	22,487	10,033	3,412	106	36,038
Lease modification	-	(59,323)	53	-	-	(59,270)
Depreciation for the year	-	(15,463)	(7,356)	(827)	(1,219)	(24,865)
As at 31 December 2021	-	158,980	122,964	3,280	1,085	286,309

## b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Lease payments	314,969	339,960	311,159	325,763
Less: Deferred interest expenses	(49,642)	(14,321)	(49,581)	(13,907)
<b>Total</b>	<b>265,327</b>	<b>325,639</b>	<b>261,578</b>	<b>311,856</b>
Less: Portion due within one year	(40,841)	(63,553)	(37,453)	(55,542)
<b>Lease liabilities - net of current portion</b>	<b>224,486</b>	<b>262,086</b>	<b>224,125</b>	<b>256,314</b>

Changes in accounts of lease liabilities for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Balance at beginning of year</b>	325,639	396,896	311,856	374,114
Additions	36,831	1,521	36,831	1,521
Accretion of interest	14,043	5,125	13,810	4,690
Repayments	(53,234)	(76,063)	(48,537)	(66,999)
Transfer during this year	-	(1,840)	-	(1,470)
Lease modification	(57,952)	-	(52,382)	-
<b>Balance at end of year</b>	<b>265,327</b>	<b>325,639</b>	<b>261,578</b>	<b>311,856</b>

## c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Depreciation expenses of right-of-use assets	39,774	64,134	24,865	49,376
Interest expenses on lease liabilities	14,043	5,125	13,810	4,690
Expenses relating to leases of low-value assets	767	767	767	767

#### d) Others

The Group had total cash outflows for leases for the year ended 31 December 2021 of Baht 54 million (2020: Baht 79 million) (the Company only: Baht 49 million, 2020: Baht 69 million), including the cash outflow related to leases of low-value assets.

#### 21.2 Group as a lessor

The Group has entered into finance leases for its office buildings of the lease terms are 16 years.

	(Unit: Thousand Baht)	
	Separate	
	financial statements	
	<u>2021</u>	<u>2020</u>
Undiscounted lease payments receivables under finance leases		
Within 1 year	3,833	3,024
Over 1 and up to 5 years	15,670	12,097
Over 5 years	38,284	29,992
<b>Total</b>	<b>57,787</b>	<b>45,113</b>
Less: Deferred interest income	(11,165)	(8,797)
<b>Total</b>	<b>46,622</b>	<b>36,316</b>
Less: Current portion	(2,431)	(1,959)
<b>Lease receivables - net of current portion</b>	<b>44,191</b>	<b>34,357</b>

#### 22. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, as at 31 December 2021 and 2020 was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Provision for long-term employee benefits at beginning of year</b>	99,466	100,606	79,595	80,915
Included in profit or loss:				
Current service cost	8,718	7,545	6,298	5,872
Interest cost	1,320	2,660	1,038	2,012
Included in other comprehensive income:				
Actuarial gain arising from				
Demographic assumptions changes	-	(9,494)	-	(8,191)
<b>Benefits paid during the year</b>	<b>(1,448)</b>	<b>(1,851)</b>	<b>(1,150)</b>	<b>(1,013)</b>
<b>Provision for long-term employee benefits at end of year</b>	<b>108,056</b>	<b>99,466</b>	<b>85,781</b>	<b>79,595</b>

The Group expects to pay Baht 3 million of long-term employee benefits during the next year (2020: Baht 2 million) (the Company only: Baht 2 million) (2020: Baht 1 million).

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 13 - 20 years (2020: 13 - 20 years) (the Company only: 13 years, 2020: 13 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	0.80% - 1.93%	0.78% - 1.93%	1.33%	1.30%
Salary increase rate	2.50% - 4.00%	2.50% - 4.00%	2.50% - 4.00%	2.50% - 4.00%
Turnover rate	0 - 70.00	0 - 70.00	0 - 70.00	0 - 70.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

(Unit: million Baht)

2021

	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(5)	5	(4)	4
Salary increase rate	5	(5)	4	(4)
	Change	Change	Change	Change
	increase 10%	decrease 10%	increase 10%	decrease 10%
Turnover rate	(4)	4	(3)	3

(Unit: million Baht)

2020

	Consolidated financial statements		Separate financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(5)	5	(4)	4
Salary increase rate	5	(4)	4	(3)
	Change	Change	Change	Change
	increase 10%	decrease 10%	increase 10%	decrease 10%
Turnover rate	(3)	4	(3)	3

### 23. Treasury shares

On 10 August 2017, the Board of Directors had approved to undertake a treasury share program for financial management purposes with the maximum amount of not exceeding Baht 500 million for the repurchase of not exceeding 15 million shares at the par value of Baht 0.50 per share or equal to not exceeding 5.36 percent of the total of paid-up shares. The procedure used for the repurchasing of shares is on the Stock Exchange of Thailand. The repurchase period started from 25 August 2017 to 23 February 2018.

The period of the resale of share is 6 months after the completion date of share repurchase and not later than 3 years from this time which the Board of Directors will consider fixing the schedule of the share resale later on.

During the first quarter of year 2018, the Company had purchased back 4 million ordinary shares (par value of Baht 0.50 each), or 1.43 percent of the total number of issued and fully shares, for a total of Baht 114 million (excluded cost of repurchase treasury shares).

According to letter No. Gor Lor Tor. Chor Sor. (Vor) 2/2548 of the Office of the Securities and Exchange Commission, dated 14 February 2005, concerning the acquisition of treasury shares, a public limited company may purchase back treasury shares in an amount not exceeding the amount of its retained earnings and is to appropriate an equal amount of retained earnings to a reserve for treasury shares, which must be maintained until the Company either sells the treasury shares or reduced its paid-up share capital by an amount equal to the value of the treasury shares which it could not sell. As at 31 March 2018, the Company appropriated the full required amount of retained earnings to a reserve for the treasury shares amounting to Baht 114 million.

On 13 November 2020, the Board of Directors has approved the resale of repurchased shares. The repurchased shares will be resold on the Stock Exchange of Thailand from 30 November 2020 to 4 December 2020 and resale price of the repurchased shares shall not be less than 85 percent of the average closing price of the latest five trading days of such average closing price.

The Board of Directors Meeting approved the decrease in issued and paid-up share capital of the Company by writing off the unsold amount of the repurchased shares, totaling 4 million shares at a total cost of Baht 2 million. Also, the Company has registered the decrease in issued and paid-up share capital with the Ministry of Commerce on 15 December 2020, resulting in a decline in the issued and paid-up share capital from Baht 140 million to Baht 138 million and adjust treasury shares reserve with retained earnings at Baht 5.85 million.

## 24. Statutory reserve

Pursuant to Section 116 of 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 capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

## 25. Expense by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Changes in inventories of finished goods	52,052	(8,944)	66,226	(21,605)
Reduce cost to net realisable value of inventories (reversal)	(38,822)	(735)	(48,530)	7,357
Raw materials and consumables used	2,113,209	2,295,390	1,837,954	2,084,980
Purchases of finished goods	56,880	79,291	1,951	3,992
Reduction of inventory cost to net realisable value (reversal)	38,822	735	48,530	(7,357)
Salaries and wages and other employee benefits	507,759	519,811	380,551	403,473
Depreciation and amortisation	180,561	285,752	129,436	232,479
Warehouse management fee	41,808	40,177	12,641	17,979

## 26. Income tax

Tax income for the years ended 31 December 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Current income tax:</b>				
Current income tax charge	(8,319)	(9,514)	-	-
Adjustment in respect of income tax of previous year	-	3,853	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	24,091	71,310	8,605	74,089
<b>Tax income reported in profit or loss</b>	<b>15,772</b>	<b>65,649</b>	<b>8,605</b>	<b>74,089</b>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2021 and 2020 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Actuarial gains	-	(1,899)	-	(1,638)
Others	-	120	-	-
	<u>-</u>	<u>(1,779)</u>	<u>-</u>	<u>(1,638)</u>

The reconciliation between accounting loss and tax income is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Accounting loss before tax	<u>(137,357)</u>	<u>(268,549)</u>	<u>(148,025)</u>	<u>(321,417)</u>
Applicable tax rate	20%	20%	20%	20%
Accounting loss before tax multiplied by income tax rate	27,471	53,710	29,605	64,283
Deductible temporary differences in the current year which not recognised as deferred tax assets during the current year	(19,917)	-	(19,874)	-
Unused tax loss in the current year	(9,591)	(4,070)	(9,591)	-
Effects of:				
Share of loss from investments in joint ventures	-	(5,497)	-	-
Adjustment deferred tax assets of unused tax benefit recognised in previous years	-	3,156	-	(698)
Additional expense deductions allowed	15,092	24,671	15,000	24,671
Others	2,717	(6,321)	(6,535)	(14,167)
Total	<u>17,809</u>	<u>16,009</u>	<u>8,464</u>	<u>9,806</u>
Tax income reported in profit or loss	<u>15,772</u>	<u>65,649</u>	<u>8,605</u>	<u>74,089</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Deferred tax assets</b>				
Allowance for expected credit losses	1,869	2,508	1,091	1,437
Allowance for diminution in value of inventories	5,771	14,616	4,265	13,971
Allowance for impairment of investments	2,665	2,665	258	258
Allowance for assets impairment	2,848	3,243	1,005	1,399
Provision for long-term employee benefits	21,611	19,893	17,156	15,919
Unused tax loss	289,856	241,482	253,589	216,763
Other	892	-	788	300
<b>Total</b>	<b>325,512</b>	<b>284,407</b>	<b>278,152</b>	<b>250,047</b>
<b>Deferred tax liabilities</b>				
Revaluation surplus of land	62,991	62,991	61,862	61,862
Accumulated depreciation resulting from change in the estimated useful lives of assets	19,228	4,676	18,977	4,446
Effect of changes in accounting policy from revenue recognition	6,885	1,788	6,886	1,788
Effect from business combination adjustments	63,532	58,162	-	-
Leases	-	53	-	129
<b>Total</b>	<b>152,636</b>	<b>127,670</b>	<b>87,725</b>	<b>68,225</b>

As at 31 December 2021, the Company has deductible temporary differences and unused tax losses totaling Baht 29 million (2020: Baht 7 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 10 million will expire in 2026.

## 27. Promotional privileges

A subsidiary has received promotional privileges from the Board of Investment for the research and development of food industry and energy, pursuant to the investment promotion certificate No. 60-1384-1-00-2-0 issued on 16 November 2017. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations begin generating revenues and a 50 percent reduction of corporate income tax on income derived from the promoted operations for a period of 8 years after the tax-exemption period end.

## 28. Earnings per share

Basic earnings per share is calculated by dividing loss for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Earnings per share</b>				
Loss attributable to equity holders of the Company (Thousand Baht)	(114,017)	(200,903)	(139,420)	(247,328)
Weighted average number of ordinary shares (Thousand shares)	276,000	276,000	276,000	276,000
Loss per share (Baht per share)	(0.41)	(0.73)	(0.51)	(0.90)

## 29. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows:

- (1) Agriculture products: canned fruit, fruit juices, coffee, tea and dairy products
- (2) Other products: ready-to-drink beverages

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2021 and 2020.

(Unit: Thousand Baht)

	Agriculture products		Others		Total		Elimination of inter-segment revenues		Consolidated financial statements	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenues</b>										
Revenues from external customers	3,286,598	3,695,237	171,172	175,138	3,457,770	3,870,375	-	-	3,457,770	3,870,375
Inter-segment revenues	1,385,313	1,360,165	19,328	3,778	1,404,641	1,363,943	(1,404,641)	(1,363,943)	-	-
<b>Total revenues</b>	<b>4,671,911</b>	<b>5,055,402</b>	<b>190,500</b>	<b>178,916</b>	<b>4,862,411</b>	<b>5,234,318</b>	<b>(1,404,641)</b>	<b>(1,363,943)</b>	<b>3,457,770</b>	<b>3,870,375</b>
<b>Segment profit</b>	<b>790,496</b>	<b>620,952</b>	<b>70,024</b>	<b>69,178</b>	<b>860,520</b>	<b>690,130</b>	<b>(26,198)</b>	<b>11,406</b>	<b>834,322</b>	<b>701,536</b>
Unallocated income and expenses:										
Other income									30,722	39,812
Exchange gains									3,595	2,461
Selling and distribution expenses									(429,969)	(422,612)
Administrative expenses									(494,529)	(493,363)
Share of loss from investments in joint ventures									(5,527)	(27,485)
Finance income									198	1,965
Finance cost									(76,169)	(70,863)
Loss before income tax									(137,357)	(268,549)
Income tax									15,772	65,649
<b>Loss for the year</b>									<b>(121,585)</b>	<b>(202,900)</b>

## Geographic information

Revenue from external customers is based on locations of the customers.

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
Segment in Thailand	1,939,543	2,469,440
Segment in overseas	1,518,227	1,400,935
Total	<u>3,457,770</u>	<u>3,870,375</u>

Other non-current assets (other than deferred tax assets goodwill and trademark) as at 31 December 2021 and 2020 as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
Thailand	2,041,165	2,331,719
Vietname	102,734	111,264
Total	<u>2,143,899</u>	<u>2,442,983</u>

## Major customers

For the year 2021, the Group has revenue from two major customers in amount of Baht 664 million, arising from sales agriculture products segments (2020: Baht 805 million derived from two major customers, arising from sales by agriculture products segments).

## 30. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and employee contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 6 million (2020: Baht 7 million) (the Company only: Baht 5 million 2020: Baht 5 million) were recognised as expenses.

### 31. Commitments and contingent liabilities

#### 31.1 Capital commitments

As at 31 December 2021, the Company had capital commitments of approximately Baht 33 million (2020: Baht 11 million) relating to the construction of factory buildings and acquisition of machinery.

#### 31.2 Service commitments

As at 31 December 2021 and 2020, the Group has future minimum payable under non-cancellable service agreements totaling Baht 13 million (2020: Baht 13 million).

#### 31.3 Bank guarantees

As at 31 December 2021, there were outstanding bank guarantees issued by banks on behalf of the Group for electricity usage and sales of goods amounting to Baht 11 million (2020: Baht 11 million) (the Company only: Baht 9 million 2020: Baht 9 million).

### 32. Fair value hierarchy

As at 31 December 2021 and 2020, the Group had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

		Consolidated financial statements							
		As at 31 December							
		Level 1		Level 2		Level 3		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
<b>Assets measured at fair value</b>									
	Land	-	-	-	-	427	427	427	427
		Separate financial statements							
		As at 31 December							
		Level 1		Level 2		Level 3		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
<b>Assets measured at fair value</b>									
	Land	-	-	-	-	409	409	409	409

### 33. Financial instruments

#### 33.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, loans, bank overdrafts, short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

##### **Credit risk**

The Group is exposed to credit risk primarily with respect to trade and other receivables and loans. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statements of financial position.

##### Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type and customer rating.

##### Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

##### **Market risk**

There are two types of market risk comprising foreign currency risk and interest rate risk.

##### *Foreign currency risk*

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidate financial statement						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	1.0	1.3	1.5	0.8	33.4199	30.0371

Separate financial statement						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	-	0.2	1.4	0.8	33.4199	30.0371

#### Foreign currency sensitivity analysis

The Group expects that there is no effect to be significantly impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

#### *Interest rate risk*

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, short-term loan and long-term loans. However, most of the Group's financial assets and liabilities bear fixed interest rates which are close to the market rate and concluded to be low. At present, the Group does not use derivative to manage interest rate risk.

As at 31 December 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidate financial statements

As at 31 December

	Fixed interest rates								Total	Effective interest rate (% per annum)	
	Within 1 year		1 - 5 years		Floating interest rate		Non-interest bearing				
	2021	2020	2021	2020	2021	2020	2021	2020			
<b>Financial assets</b>											
Cash and cash equivalents	-	-	-	-	80,321	83,669	-	-	80,321	83,669	Note 8
Trade and other receivables	-	-	-	-	-	-	650,186	490,289	650,186	490,289	-
Other long-term loans	33,643	35,628	-	-	-	-	-	-	33,643	35,628	Note 13
	33,643	35,628	-	-	80,321	83,669	650,186	490,289	764,150	609,586	
<b>Financial liabilities</b>											
Bank overdrafts and short-term loans											
from financial institutions	1,128,197	1,104,178	-	-	-	-	-	-	1,128,197	1,104,178	2.25 - 3.77 2.25 - 4.00
Trade and other payables	-	-	-	-	-	-	652,373	585,115	652,373	585,115	-
Long-term loans from financial institutions	10,191	11,146	-	-	807,037	821,524	-	-	817,228	832,670	Note 19
Lease liabilities	265,327	325,639	-	-	-	-	-	-	265,327	325,639	3.08 - 4.75 3.08 - 4.75
	1,403,715	1,440,963	-	-	807,037	821,524	652,373	585,115	2,863,125	2,847,602	

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December

	Fixed interest rates										Effective interest rate (% per annum)	
	Within 1 year		1 - 5 years		Floating interest rate		Non-interest bearing		Total			
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
<b>Financial assets</b>												
Cash and cash equivalents	-	-	-	-	39,557	46,294	-	-	39,557	46,294	Note 8	
Trade and other receivables	-	-	-	-	-	-	491,330	302,562	491,330	302,562	-	
Lease receivables	2,431	1,959	44,191	34,357	-	-	-	-	46,622	36,316	3.08	
Long-term loans to related party	-	31,500	-	-	-	-	-	-	-	31,500	Note 7	
	2,431	33,459	44,191	34,357	39,557	46,294	491,330	302,562	577,509	416,672		
<b>Financial liabilities</b>												
Bank overdrafts and short-term loans from financial institutions	951,282	954,532	-	-	-	-	-	-	951,282	954,532	2.25 - 3.77	
Trade and other payables	-	-	-	-	-	-	439,389	400,035	439,389	400,035	-	
Short-term loans from related parties	40,000	29,000	-	-	-	-	-	-	40,000	29,000	Note 7	
Long-term loans from financial institutions	5,246	5,300	-	-	807,037	821,524	-	-	812,283	826,824	Note 19	
Lease liabilities	261,578	311,856	-	-	-	-	-	-	261,578	311,856	3.08 - 4.75	
	1,258,106	1,300,688	-	-	807,037	821,524	439,389	400,035	2,504,532	2,522,247	3.08 - 4.75	

## Liquidity risk

The Group monitors the risk of a shortage of liquidity and has access to a sufficient variety of sources of funding to ensure that the Group has sufficient cash for operation.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2021 and 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

		Consolidated financial statements							
		As at 31 December							
		Less than 1 year		1 to 5 years		> 5 years		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
<b>Non-derivatives</b>									
Bank overdraft and short-term loans from financial institutions		1,154,551	1,104,178	-	-	-	-	1,154,551	1,104,178
Trade and other payables		652,373	585,115	-	-	-	-	652,373	585,115
Long-term loans from financial institutions		48,982	48,165	829,503	873,541	-	-	878,485	921,706
Lease liabilities		55,911	61,798	94,091	101,148	164,967	177,014	314,969	339,960
<b>Total non-derivatives</b>		<b>1,911,817</b>	<b>1,799,256</b>	<b>923,594</b>	<b>974,689</b>	<b>164,967</b>	<b>177,014</b>	<b>3,000,378</b>	<b>2,950,959</b>

(Unit: Thousand Baht)

## Separate financial statements

As at 31 December

	On demand		Less than 1 year		1 to 5 years		> 5 years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020		
<b>Non-derivatives</b>										
Bank overdraft and short-term loans from financial institutions	-	-	976,836	954,532	-	-	-	-	976,836	954,532
Trade and other payables	-	-	439,389	400,035	-	-	-	-	439,389	400,035
Short-term loans from related parties	40,000	29,000	-	-	-	-	-	-	40,000	29,000
Long-term loans from financial institutions	-	-	44,038	42,320	829,503	873,541	-	-	873,541	915,861
Lease liabilities	-	-	52,465	55,751	93,659	97,811	165,035	170,201	311,159	325,763
<b>Total non-derivatives</b>	<b>40,000</b>	<b>29,000</b>	<b>1,512,728</b>	<b>1,454,638</b>	<b>923,162</b>	<b>971,352</b>	<b>165,035</b>	<b>170,201</b>	<b>2,640,929</b>	<b>2,625,191</b>

### 33.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The methods and assumptions used by the Group estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturities, including cash and cash equivalents, accounts and other receivables, short-term loan, bank overdrafts and short-term loans from financial institutions, accounts and other payables and short-term loans from related parties, the carrying amounts in the statement of financial position approximate their fair value.
- b) The carrying amounts of long-term loans carrying interest at stable rates approximating the market rate, in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

### 34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

As at 31 December 2021 and 2020, the Group's debt-to-equity ratio are summarised below:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Debt-to-equity ratio	4.35	3.77	3.91	3.17

### 35. Events after the reporting period

On 25 February 2022, a meeting of the Company's Board of Directors passed a resolution to propose the Company's shareholding and management restructuring plan and the acquisition of ordinary shares of Abico Holdings Public Company Limited whose securities are listed on the Market for Alternative Investment for approval by the 2022 Annual General Meeting of the Company's shareholders.

### 36. Reclassification

During the current year, certain amounts in the statement of financial position as at 31 December 2020 have been reclassified to conform to the current period's classifications. The reclassifications are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
<b>Assets</b>				
Trade and other receivables	490,289	593,022	302,562	326,158
Other current assets	109,310	6,577	29,871	6,275
<b>Liabilities</b>				
Advances from customers	25,897	-	22,736	-
Other current liabilities	30,877	56,774	7,115	29,851

The reclassification has no effect on the previously reported profit or shareholders' equity.

### 37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2022.

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**ENCLOSURE**

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*Growing well together*

### Information of Directors, Management, Authorized person and Secretary of the Company

The Board of Directors and Executives of the Company as of December 31, 2021 consist of 21 qualified persons, whose names are as follows:

Name	Malee Group PCL	Subsidiary					Related Company			
		Malee Enterprise Co., Ltd.	Malee Capital Co., Ltd.	Malee International Co., Ltd.	Malee Applied Science Co., Ltd.	Malee Kino (Thailand) PLC	Abico Holdings PLC	Monde Malee Beverage Co., Ltd.	PT Kino Malee Trading Co., Ltd.	Long Quan Safe Food JSC Co., Ltd.
1. Mrs. Chintana Boonyarat	X/						X/			
2. Mr. Pichai Chirathivat	/									
3. Mr. Kitti Vilaivarangkul	/	/					/*			
4. Ms. Roongchai Boonyarat	/*	/*	/*	/*	/*	/*		/	/	/
5. Ms. Nattharin Taitong	+									
6. Ms. Nart Fongamut	+									
7. Mr. Arin Jira	+									
8. Ms. Supavadee Tantyanon	+									
9. Mr. Paltoon Eiamsinkulmit	*	/	/	/				/		
10. Mr. Suradach Srisuwan	*	*		*						
11. Mrs. Patraree Sirilerdvorakarn	*	/*	/*	/*	/*	/				*
12. Mr. Pattarak Tanangsungnoen	*									*
13. Ms. Sriwan Finet	*	*		*	*					
14. Mr. Sura Sivilai	*									
15. Mr. Rung Sorrin	*									
16. Mr. Preecha Homchan	*									
17. Mr. Praeth Surachetphanich	*									
18. Ms. Ploynapas Puttsongkran	*	*	*	*	*					
19. Mr. Supakeat Kambutong					/*					
20. Mr. Ekarin Pinj		/*		/*						
21. Mr. Preecha Powanusorn	*									

Note:

X = Chairman of the Board of Directors / = Director + = Independent Director \* = Executive

- The Board of Directors and Executives of the Company have full qualifications under Section 68 of the Public Company Limited Act, B.E. 2535
- No one in the Board of Directors and Executives of the Company has a history of being dismissed, laid off, asked to resign, or prosecuted for corruption; or has been filed for bankruptcy; or be subjected to criminal penalties; or have a dispute or litigation which has not been settled in the last 10 years.

First Name - Last Name Position [1]	Age (Years Old)	Education Training on Directorship	Shareholding in the Company (%)	Family Relationship between Director and Executive Management	Work Experience in the Past 5 Years		
					Period	Position	Name and Type of Business
1. Ms. CHONKHA BODHONGKUT Director / Chairman of the Board of Directors	31	- Bachelor's Degree in Business Administration, North-Central College, USA - Director Certification Program (DCP) 6/2005, The Institute of Directors Association (IOD) - MS of Chairman Program (MCP) 2/2011, The Institute of Directors Association (IOD) - The Executive Program in Commerce and Trade (EP/C&T), The University of the Chamber of Commerce	3.24	- Parent of Mr. Nanyongchai Bodhongkut (Director) - Member of the Executive Committee - Chief Executive Officer	2018 Present 2016-2018 2013 Present 2012 Present	Director / Chairman of the Board of Directors Director / Member of the Executive Committee Member of the Information and Administration Committee Director Director / Chairman of the Board of Directors	Maer Group Public Company Limited Maer Group Public Company Limited Central Marketing Group Co., Ltd. Maer Holdings Public Company Limited
2. Ms. IRONIE CHOLONGKUT Director / Member of the Executive Director	61	- Bachelor's Degree in Business Administration, Chamrassak College, USA - Master's Degree in Business Administration, South Florida University, USA - Directors Accreditation Program (DAP) 2002/2003, The Institute of Directors Association (IOD) - Strategic Planning & Management in Banking Program, IODS - MBA Program (Class 86), The Psychological Security Association of Thailand - MCI Program (Class 13), National Defense College of Thailand - Advanced Security Management Program, The National Defense College Association of Thailand (NDCAT) - Capital Market Academy Leader Program, Class 22, Capital Market Academy - Executive Management with Business Development and Investment, Class 5, Institute of Business and Industrial Development (IBID)	2.28	- Brother of Mrs. Chintana Bodhongkut - Chairman of the Board of Directors - Nanyongchai - Director / Member of the Executive Committee / Chief Executive	2012 Present 2012 Present 2019 Present 2019 Present 2019 Present 2019 Present 2019 Present	Director / Member of the Executive Committee Director Acting Chairman, Career Change Co-Chairman Acting Chairman Member of the Executive Committee	Maer Group Public Company Limited Central Maer Corporation Public Company Limited Kamathong Energy Industry Club - The Foundation of The Industries (KIC) Strategic Plan Committee, Digital Economy and E-Commerce - Board of Trade of Thailand Director, Committee of TCC Digital Platform Project Central Marketing Group Co., Ltd
3. Mr. KITTI RILAVANONGKOL Director/Member of the Executive Committee Member of the Risk Management Committee	66	- Bachelor's Degree in Accounting (Chit Chalewong), Nanyang University - Master's Degree in Business Administration, Tennessee University - Board Membership and Compensation Program (BMCP) 2011, The Institute of Directors Association (IOD) - Directors Accreditation Program (DAP) 2005, The Institute of Directors Association (IOD) - Directors Certification Program (DCP) 2011, The Institute of Directors Association (IOD)	None	None	2013 Present 2013 Present 2013 Present 2014 Present 2015 Present 2017 Present 2017 Present	Director / Member of the Executive Committee Director Director Director Director Director Director	Maer Group Public Company Limited Maer Group Public Company Limited Maer Group Public Company Limited Maer Holdings Public Company Limited AOD Land Co., Ltd. Maer Dairy Farm Co., Ltd. Maer Farm Co., Ltd.
4. Ms. IRONKONGKUT BODHONGKUT Director/Chairman of the Executive Committee /Chief Executive Officer	37	- Bachelor's Degree in BA in Economics, Southern College, USA - Master's Degree in Business Administration, Business Strategy and Planning from Sam Houston State University, Chabokgam University - Directors Certification Program (DCP) 2015/2016, The Institute of Directors Association (IOD) - Director Briefing (DB) "The Rising Stars of Succession: 3 Steps to the Answer to Succession Leadership Crisis", The	0.41	- Daughter of Mr. Chintana Bodhongkut - Chairman of the Board of Directors	2018 Present 2018 Present	Director/Chairman of the Executive Committee Chief Executive Officer Director / Chairman of the Executive Committee Chief Executive Officer Chairman of the Executive Committee Chairman of the Executive Committee Chairman of the Executive Committee Director / Member of the Executive Committee Chief Operating Officer Director / HR Management Director, Domestic Business	Maer Group Public Company Limited Maer Group Public Company Limited Maer Capital Co., Ltd. Maer International Co., Ltd. Maer Kim (Thailand) Co., Ltd. Maer Applied Systems Co., Ltd. Maer Group Public Company Limited Maer Group Public Company Limited



First Name - Last Name Position (1)	Age (Years Old)	Education Training on Directorship	Shareholding in the Company (%)	Family Relationship between Director and Executive Management	Work Experience in the Past 5 Years		
					Period	Position	Name and Type of Business
9 MR. PATTOON EAWISIRULLUMIT Company Secretary and Vice President of Corporate Affairs	57	<ul style="list-style-type: none"> <li>Bachelor of Science (Agricultural Economics) (Agricultural), Kasetsart University</li> <li>Master of Science (Agricultural Economics) (Agricultural), Kasetsart University</li> <li>Company Secretary Program (Class 57/2014), Thai Institute of Directors Association (IOD)</li> <li>Board Report Program (Class 13/2014), Thai Institute of Directors Association (IOD)</li> <li>Company Reporting Program (CIRP 9/2014), Thai Institute of Directors Association (IOD)</li> <li>Strategic CFO in Capital Market Program, course 7/20 Stock Exchange of Thailand</li> <li>Train the Trainers for Big Brother Program</li> <li>Saen Graduate Institute of Business Administration of Chulalongkorn University</li> <li>Outbound Investment: Legal &amp; Tax Strategies, OMEGA WORLD CLASS Research Institute</li> <li>Preliminary to Corporate Sustainability, Stock Exchange of Thailand</li> </ul>	None	None	<ul style="list-style-type: none"> <li>2013-Present Company Secretary</li> <li>2011-Present Vice President of Corporate Affairs</li> <li>2010 - 2011 Vice President</li> <li>2009-2010 Vice President</li> </ul>	<ul style="list-style-type: none"> <li>Maee Group Public Company Limited</li> <li>Maee Group Public Company Limited</li> <li>Maee Group Public Company Limited, Supply Chain Management</li> <li>Maee Group Public Company Limited, Financial Management</li> </ul>	
10 MR. SURADACH SIKSILWAN Senior Vice President, Technology Strategy and Transformation	54	<ul style="list-style-type: none"> <li>Bachelor of Statistics, Ramkhamhaeng University</li> <li>Master of Business Administration, Kasetsart University</li> </ul>	None	None	<ul style="list-style-type: none"> <li>2021-Present Senior Vice President, Technology Strategy and Transformation</li> <li>2018-2064 Chief Operating Officer</li> <li>2015-2018 Senior Vice President, Information Technology</li> <li>2014-2015 IS Share Service Manager - ASEAN Countries Manager</li> </ul>	<ul style="list-style-type: none"> <li>Maee Group Public Company Limited</li> <li>Maico Automotive (Thailand) Co., Ltd.</li> </ul>	
11 MRS. PATNAREE SIRLEKOWIRAKARN Chief Finance Officer	44	<ul style="list-style-type: none"> <li>Bachelor of Accounting, Bangsorndechadapinya Rajabhat University</li> <li>Bachelor of Accounting (Finance), Dhurakij Pundit University</li> </ul>	None	None	<ul style="list-style-type: none"> <li>2019-Present Chief Finance Officer (CFO)</li> <li>2018-2019 Director of Master of Accountancy Program</li> <li>2017-Present Managing Director</li> <li>2016-2019 Member of subcommittee</li> <li>2017-2019 Lecturer of Accounting</li> <li>2017-2017 Managing Director</li> <li>2015-2017 Chief Finance Officer (CFO)</li> <li>2012-2015 Finance &amp; Admin Manager</li> <li>2012-2015 Chief Finance Officer (CFO)</li> </ul>	<ul style="list-style-type: none"> <li>Maee Group Public Company Limited</li> <li>Dhurakij Pundit University</li> <li>Pattanae Accounting &amp; Tax Co., Ltd.</li> <li>Association of Private Higher Education Institutions of Thailand</li> <li>Dhurakij Pundit University</li> <li>JFI Shog (Thailand) Ltd.</li> <li>Solec Corp PCL</li> <li>TUV SUD (Thailand) Ltd.</li> <li>Worldwide Telecom Ltd.</li> </ul>	
12 MR. PATTARABAN TANGSUNGKON Senior Vice President Advisor to CEO	55	<ul style="list-style-type: none"> <li>Bachelor of Law, Thammasat University</li> </ul>	None	None	<ul style="list-style-type: none"> <li>2020-Present Advisor to Chief Executive Officer</li> <li>2002-2020 Senior Vice President</li> <li>2006-2002 Agribusiness Development Project Manager</li> </ul>	<ul style="list-style-type: none"> <li>Maee Group Public Company Limited</li> <li>Maee Group Public Company Limited</li> <li>Abeco Dairy Farm Co., Ltd</li> </ul>	
13 MS. GENEVIEVE SIRIVAN PINET Senior Vice President Human Resources	47	<ul style="list-style-type: none"> <li>Bachelor of Science (Chemical Engineering), Chulalongkorn University Science</li> <li>Master of Innovation Management, Mahidol University</li> </ul>	None	None	<ul style="list-style-type: none"> <li>2019-Present Senior Vice President, Human Resources and Administration</li> <li>2017-2019 HR Director</li> <li>2012-2017 HR Mgr,Thailand &amp; Vietnam</li> <li>2011-2012 Area Head Of HR Mgr., TH &amp; Emerging Asia</li> <li>2007 - 2010 HRBP</li> </ul>	<ul style="list-style-type: none"> <li>Maee Group Public Company Limited</li> <li>Goodyear (Thailand)Co.,Ltd.</li> <li>Louis Vuitton (Thailand)</li> <li>Nokia (Thailand)</li> <li>Unilever Thai Trading</li> </ul>	

First Name - Last Name Position (1)	Age (Years Old)	Education Training on Directorship	Shareholding in the Company (%)	Family Relationship between Director and Executive Management	Work Experience in the Past 5 Years		
					Period	Position	Name and Type of Business
14. MR. BUNG SORNIN Senior Vice President Engineering	49	Bachelor of Industrial Technology (Mechanical Technology) King Mongkurt's University of Technology North Bangkok Master of Business Administration (General Management) Sukhothai Thammathirat Open University	None	None	2014-Present 2011 - 2017	Senior Vice President of Engineering General Manager of Engineering	Malee Group Public Company Limited CP Meej Co., Ltd. Dairy Production and Processing Industry
15. MR. SURASITWALAI Senior Vice President Supply Chain	53	Bachelor of Business Administration (Marketing) University of the Thai Chamber of Commerce Master of MBA (Industrial Administration) Sripatum University	None	None	2017-Present 2010 - 2017	Senior Vice President of Supply Chain Supply Chain Director	Malee Group Public Company Limited Irtanon Group Public Company Limited
16. MR. PREEDHA HOICHAN Senior Vice President Production	56	Bachelor of Engineering (Chemical engineering) King Mongkurt's University of Technology Thonburi	None	None	2018-Present 2017 - 2018 2004 - 2017	Senior Vice President of Production Vice President of Production Operating Manager of Beverage Products	Malee Group Public Company Limited Malee Group Public Company Limited Malee Group Public Company Limited
17. MR. PRASITH SUPAOETHPHANCHI Senior Vice President Quality Management and Government Relations	49	Master of Business Administration, Thammasat University	None	None	2020-Present 2019-2020 2011-2018	Senior Vice President Quality Management Quality Assurance Director Assistant General Manager -	Malee Group Public Company Limited Tuckalee Food & Marketing Plc. DOSH (Thailand) Ltd
18. MS. PLOYNAPS PUTTSONGKORN Assistant to Vice President of Accounting	47	Bachelor of Accounting, Thammasat University Master of General Business Administration, University of Ballarat	None	None	2019-Present 2018 2017 2011-2017 2009-2011	Assistant to Vice President of Accounting Accounting Director Sr. Manager SCM Manager FP&A Asst. Manager FP&A	Malee Group Public Company Limited Index Creative Village Sony Technology Western Digital TOP
19. MR. SUPAREEY KAMBUONG Managing Director Malee Applied Science Co., Ltd.	39	- Doctorate of Dr.rer.nat (Organische Chemie), RWTH AACHEN UNIVERSITY, Germany - Master of Business Administration (Executive Program), Thammasat University - Master of Science (Organic Chemistry), Mahidol University - Bachelor of Science (Chemistry), Thammasat University	-	-	2018-Present 2017-2018 2014-2017 2013-2014	Vice President Innovation Center Director Researcher in Technology Platform Technical Researcher	Malee Applied Science Co., Ltd. Malee Group Public Company Limited SCG packaging Public Company Limited JH Germany GmbH
20. MR. EKASIN PANI Senior Vice President Sales and Marketing	55	- Bachelor of Business Administration, Ramkhamhaeng University	-	-	2021-Present 2019-2020 2015-2020 2009-2015	Senior Vice President Sales and Marketing Chief Sales Officer - Thailand and International biz Commercial Director-Thailand Director Hospital channel (Thailand)	Malee Enterprise Co., Ltd. Sam Health Group Diageo Most Hennessy Thailand JohnsonJohnson
21. MR. PREEDHA PORNANUSORN Senior Vice President Operation Excellence Lead	51	- Master of MS Industrial Eng. - TsingTeh University - Bachelor of Science (Electrical), Chulalongkorn University	-	-	2021-Present 2019-2021 2015-2018	Senior Vice President Operation Excellence Lead General Manager Vice President	Malee Group Public Company Limited Green Spot co.,Ltd Pandora

## Information of the Board of Directors of Subsidiaries

### Malee Enterprise Company Limited

Name	Position
Ms. Roongchat Boonyarat	Director
Mr. Kitti Vilaivarangkul	Director
Mr. Paitoon Eiamsirikulmit	Director
Mrs. Patnaree Sirilerdworakarn	Director
Mr. Ekarin Pinij	Director

### Malee Capital Company Limited

Name	Position
Ms. Roongchat Boonyarat	Director
Mr. Paitoon Eiamsirikulmit	Director
Mrs. Patnaree Sirilerdworakarn	Director

### Malee International Company Limited

Name	Position
Ms. Roongchat Boonyarat	Director
Mr. Paitoon Eiamsirikulmit	Director
Mrs. Patnaree Sirilerdworakarn	Director
Mr. Ekarin Pinij	Director

### Malee Applied Science Company Limited

Name	Position
Ms. Roongchat Boonyarat	Director
Mr. Supakeat Kambutong	Director
Mrs. Patnaree Sirilerdworakarn	Director

Malee Kino (Thailand) Company Limited

Name	Position
Ms. Roongchat Boonyarat	Director

Monde Malee Beverage Company Limited

Name	Position
Ms. Roongchat Boonyarat	Director
Mr. Paitoon Eiamsirikulmit	Director

PT Kino Malee Trading Company Limited

Name	Position
Ms. Roongchat Boonyarat	Director

Long Quan Safe Food JSC Company Limited

Name	Position
Ms. Roongchat Boonyarat	Director

## INFORMATION OF CHIEF INTERNAL AUDITOR AND CHIEF OF COMPLIANCE UNIT

The Company conducts internal audits in accordance with the Professional Practice of Internal Auditing Standards and the Guidelines Framework for Internal Control of the Committee of Sponsoring Organization of the Tread way Commission (COSO), which is acceptable in terms of the principles and essence for the assessment of adequacy of internal control system. The necessary principles consist of 5 areas as follow:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Audit Committee has appointed the Manager of the Internal Audit Office to be an internal audit operator. The Profiles of the Manager of the Internal Audit Office are as follows:

<b>First Name – Last Name</b>	Ms. Pornmanee Kaewjairak
<b>Position</b>	Manager of the Internal Audit Office
<b>Education</b>	Master's Degree of Business Administration Program in Business Law, Ramkhamhaeng University Bachelor's Degree in of Business Administration (Managerial Accounting), Kasetsart University Sriracha Campus
<b>Experience in Internal Audit</b>	4 years
<b>Training in Internal Audit</b>	<ul style="list-style-type: none"> <li>• Verify the readiness before PDPA is effective.</li> <li>• Your risk assessment is up-to-date and covers the overall risk of the organization</li> </ul>

## INFORMATION OF APPRAISED VALUE OF ASSETS

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Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

## AUDIT COMMITTEE REPORT

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The Audit Committee of Malee Group Public Company Limited was appointed in the Board of Directors' Meeting No. 2/21 on May 13, 2021, consisting of 3 independent directors who are qualified and independent in accordance with the regulations of the Stock Exchange of Thailand. The members are as follows:

1) Ms. Nattharin Taltong	Chairman of the Audit Committee
2) Mr. Arin Jira	Member of the Audit Committee
3) Ms. Nart Fongsmut	Member of the Audit Committee

In 2021, the Audit Committee held 4 meetings with certified auditors, the Internal Audit Office, and Company executives. The Audit Committee performed its duties in accordance with the policies of the Board of Directors and the assigned responsibilities which were in accordance with the rules and regulations of the Stock Exchange of Thailand. The summary of the operating performance of the Audit Committee in 2021 is as follows:

### 1) Reviewed the Accuracy of the Financial Reports and Disclosed Sufficient Information

The Audit Committee reviewed the quarterly financial statements and the Company's financial statements for the year 2021 to ensure that the financial report, and related parties' transactions between the Company and any related parties disclosed important information correctly and with credibility. The report was proposed to the Board of Directors for approval. The Audit Committee invited certified auditors and relevant executives to attend the meeting on the relevant agenda items in order to inquire about significant issues regarding the preparation of the financial reporting so that it was in accordance with the financial reporting standards. This included interpretations and accounting practice guidelines issued by the Federation of Accounting Professions. The Audit Committee found that the Company's financial statements were prepared in accordance with the generally accepted accounting principles and the information was disclosed sufficiently, completely and reliably.

### 2) Reviewed the Adequacy and Appropriateness of the Internal Control System.

The Audit Committee considered the audit plan for 2021 and reviewed the adequacy and suitability of the internal control system based on the audit performance report and the improvement plan from the Management team. The Audit Committee promoted and pushed the operations of the internal auditing to be in accordance with the audit plan and in accordance with international standards. The Audit Committee found that the Company had an appropriate and effective internal control system and no significant defects that may cause any material effects were found.

### 3) Reviewed Compliance with Regulations and Related Law

The Audit Committee strictly and consistently supervised the operations of the Company and found that the Company fully complied with securities and the stock exchange laws, the requirements of the Stock Exchange of Thailand, and any laws related to the Company's business.

**4) Considered the Suitability of the Auditor**

The Audit Committee considered, selected, and proposed the appointment of auditors and the remuneration of the Company's auditors for 2021 to the Board of Directors.

**5) Considered Related Parties Transactions**

The Audit Committee considered the disclosure of accurate and complete related parties' transactions or conflict of interest transactions in accordance with the laws and the requirements of the Stock Exchange of Thailand.

**6) Reviewed the Risk Management Process**

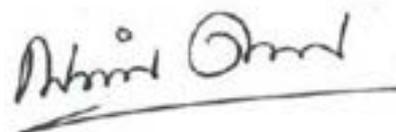
The Audit Committee reviewed the risk management process by appointing Mr. Arin Jira as Chairman of the Risk Management Committee. The Audit Committee found that the Company had a risk management system and gave helpful suggestions in order to reduce risk. In the overall evaluation, the Audit Committee sufficiently performed the duties and responsibilities as specified in the Audit Committee Charter by using sufficient knowledge and ability, prudence, and independence.

**7) Reviewed the Good Corporate Governance**

The Audit Committee monitored the progress of the processes and procedures to promote the implementation of all types of anti-corruption policies throughout the organization. This was done by considering the action plan to request certification after the Company announced its intention to be part of the Thailand's Private Sector Collective Action against Corruption Collective Action. The Board of the Audit Committee was of the opinion that the good corporate governance guidelines were appropriate.

Due to the above practices, the Audit Committee is of the opinion that for the year 2021, the Company prepared accurate financial reports in accordance with the generally accepted accounting standards and disclosed sufficient, complete and reliable information. The Company had an internal control system and an internal audit and complied with relevant laws and regulations. The appointment of an auditor, the consideration of related parties' transactions, the review of risk management and the operations were consistent with good and sustainable governance systems.

On behalf of the Audit Committee



(Ms. Nattharin Talthong)  
Chairman of the Audit Committee

February 25, 2022

## NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee of Malee Group Public Company Limited was appointed in the Board of Directors Meeting No.2/2021 which was held on May 13, 2021. The Nomination and Remuneration Committee was comprised of 3 Independent Directors who are qualified and independent in accordance with the regulations of the Stock Exchange of Thailand. The Members are as follows:

- |                          |   |
|--------------------------|---|
| 1) Ms. Nart Fongsmut     | Chairman of the Nomination and Remuneration Committee |
| 2) Ms. Nattharin Taltong | Member of the Nomination and Remuneration Committee   |
| 3) Mr. Arin Jira         | Member of the Nomination and Remuneration Committee   |

In 2021, the Nomination and Remuneration Committee performed its duties in accordance with the policy of the Board of Directors and the duties and responsibilities of the Nomination and Remuneration Committee. This was in accordance with the rules and regulations of the Stock Exchange of Thailand. The Nomination and Remuneration Committee held one meeting in which every member of the Nomination and Remuneration Committee attended the meeting and reported the resolutions of the Meeting to the Board of Directors.

- Considered, selected and screened suitable persons to be the Company's directors by nominating them to the Board of Directors to be proposed to the Annual General Meeting of Shareholders for 2021 for further consideration and appointment.
- Considered and selected qualified directors and executives to be members of various subcommittees by proposing them to the Board of Directors to approve the appointment.
- Considered and scrutinized the directors' remuneration by proposing it to the Board of Directors for their consideration and be proposed to the Annual General Meeting of the Shareholders for 2021.

As a result of the above operations, the Nomination and Remuneration Committee is confident that the duties were performed in accordance with the scope of duties and responsibilities of the Nomination and Remuneration Committee. The duties were performed with prudence and independently, by taking into account the maximum benefit of the Company and all stakeholders, in accordance with the principles and practice guidelines of Good Corporate Governance. The Nomination and Remuneration Committee complied with the law and regulations correctly and completely.

On Behalf of the Nomination and  
Remuneration Committee,



(Ms. Nart Fongsmut)

Chairman of the Nomination and  
Remuneration Committee

February 25, 2022

## EXECUTIVE COMMITTEE REPORT

The Board of Directors was aware of the importance of risk management, which enables the Company to operate business continually. Therefore, the Risk Management Committee was appointed by the Meeting of the Board of Directors No. 2/2021 which was held on May 13, 2021. The Risk Management Committee is comprised of 4 directors:

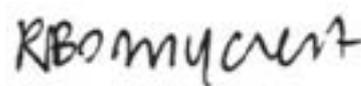
1) Mr. Arin Jira	Chairman of the Risk Management Committee
2) Ms. Nattharin Taltong	Member of the Risk Management Committee
3) Ms. Nart Fongsmut	Member of the Risk Management Committee
4) Mr. Kittti Vilaivarangkul	Member of the Risk Management Committee

The Risk Management Committee has the duties to consider and scrutinize major risk and the overall risk management of the Company to be efficient and effective. In 2021, the Risk Management Committee held 4 meetings to consider the following important matters:

- To consider reviewing formulated strategies, organizational risk management activities and measures to control risk to be more appropriate with the situations, especially during the pandemic of Covid-19.
- Consider and approve the annual corporate risk management plan that was proposed by the risk management working group. This covered strategic risk, operational risk, financial risk, and regulatory compliance risk.
- Monitor and evaluate the implementation of the risk management plan. If any risk increased or changed from before, the problem could be resolved in a timely manner along with the guidelines to determine the control measures or alleviate risk that may occur immediately.
- Support and create a risk management culture within the organization so that employees at all levels are involved in risk management in which they are responsible.
- Report the risk management results of the organization to the Audit Committee for acknowledgment.

According to the above operations, the Risk Management Committee is confident that the Company managed risks continually and effectively. This is consistent with the principles and practice guidelines of Good Corporate Governance. This was done by taking into account all of the stakeholders in the business operations in order to promote the stability of the Company. The Company had a sufficient internal control system that was suitable for the business and complied with the laws and regulations correctly and completely.

On behalf of the Executive Committee



((Ms. Roongchat Boonyarat)

Chairman of the Executive Committee

February 25, 2022

## RISK MANAGEMENT COMMITTEE REPORT

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The Board of Directors was aware of the importance of risk management, which enables the Company to operate business continually. Therefore, the Risk Management Committee was appointed by the Meeting of the Board of Directors No. 2/2021 which was held on May 13, 2021. The Risk Management Committee is comprised of 4 directors:

1) Mr. Arin Jira	Chairman of the Risk Management Committee
2) Ms. Nattharin Taltong	Member of the Risk Management Committee
3) Ms. Nart Fongsmut	Member of the Risk Management Committee
4) Mr. Kittti Vilaivarangkul	Member of the Risk Management Committee

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- Monitor and evaluate the implementation of the risk management plan. If any risk increased or changed from before, the problem could be resolved in a timely manner along with the guidelines to determine the control measures or alleviate risk that may occur immediately.
- Support and create a risk management culture within the organization so that employees at all levels are involved in risk management in which they are responsible.
- Report the risk management results of the organization to the Audit Committee for acknowledgment.

According to the above operations, the Risk Management Committee is confident that the Company managed risks continually and effectively. This is consistent with the principles and practice guidelines of Good Corporate Governance. This was done by taking into account all of the stakeholders in the business operations in order to promote the stability of the Company. The Company had a sufficient internal control system that was suitable for the business and complied with the laws and regulations correctly and completely.

On behalf of the Risk Management Committee



(Mr. Arin Jira)

Chairman of the Risk Management Committee

February 25, 2022

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# CHARTER

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*Growing well together*

# CHARTER

## THE BOARD OF DIRECTORS

### MALEE GROUP PUBIC COMPANY LIMITED

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#### 1.Objectives

The Board of Directors is a representative of the shareholders. Therefore, it plays an important role in creating value for the business and generating return on investment for shareholders. In general, the Board of Directors shall assign the management to act. Therefore, the main duties of the Board of Directors are divided into two areas.

1. To set the Company's directions, policies, and business strategies to ensure that the Company operate in a direction that is in the best interests of the shareholders
2. To Monitor the operations of the management in order to check, balance and be responsible for the Company's performance to the shareholders. The Board of Directors also have powers and responsibilities as stipulated by law, the Company's Articles of Association, and resolutions of the shareholders' meeting

#### 2.Composition and Appointment of the Board of Directors

The Board of Directors consists of not less than five (5) directors who are elected in the shareholders' meeting. Those directors are truly independent from the management and without any business relationship or any other relationship that may influence independent judgment of not less than one-third of the total number of directors and must not less than 3 directors. The directors may or may not be shareholders of the Company. However, the election of directors of the Company shall be made in accordance with the following rules and procedures:

1. A shareholder shall cast his/her votes equal to one share per one vote.
2. In selecting directors, voting methods can be done by selecting directors individually, one at a time, or several at a time as the shareholders' meeting deems appropriate. But in each resolution, shareholders must vote with all the votes they have, cannot divide them to any person in any amount
3. Persons receiving the highest votes in descending order shall be elected as a director equal to the amount that should have or should be elected at that time. In the event that the persons elected in descending order get equal votes or exceed the number of directors to be positioned ed or to be elected at that time The chairman of the meeting shall have a deciding vote.

Appointment of the Company directors shall be in accordance with the Company's regulations and the requirements of relevant laws. This must be done with transparency and clearness. The Nomination Committee shall consider and screen qualified persons to be the Company's directors, then submit to the Board of Directors for approval and propose in Annual General Meeting of shareholders. The meeting shall elect them as the Company's directors. There must be sufficient details offered in terms of the educational background and professional experience of the person for the benefit of the decision of the Board of Directors and shareholders.

The Board of Directors shall elect one director to be the chairman of the board. In the case where the Board of Directors deems appropriate, one or more directors may be elected as Vice Chairman. The Vice Chairman has duties in accordance with the regulations in the business assigned by the chairman.

### 3. Qualifications of Directors

1. There are no restrictions on gender.
2. A person who does not have a tainted history and does not have any prohibited characteristics under the law and good corporate governance principles.
3. A person with knowledge and abilities, be honest, have business ethics and sufficient time to devote his-her knowledge and skills and perform duties for the Company.
4. A person with vision and is able to look at the overall picture that is aligned with the Company's business strategy.
5. A person who relates well to others, is moral and has a suitable personality.
6. A person who is skilled in communicating effectively.
7. A person who has business ideas and systematic decisions.
8. A person who has knowledge and understanding in finance, commerce, or industry and has experience in business administration.
9. Directors can hold directorships in other companies. However, being such director must not be an obstacle to the performance of the Company's director and must be in accordance with the guidelines of the Board of Directors, the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand
10. The Company prohibits directors from operating businesses of the same nature and competing with the business of the Company or being a partner in an ordinary partnership or a partner with no limited liability in a limited partnership, or being a director of a private company that operates a business of the same nature and is in competition with the business of the Company, unless the Shareholders' Meeting is notified before there is a resolution to appoint a director.
11. Independent directors must have qualifications related to independence as specified by the Company and in accordance with the same guidelines as the qualifications of the Audit Committee. According to the announcement of the Stock Exchange of Thailand regarding the qualifications and scope of work of the Audit Committee. They must be able to take care of the interests of all shareholders equally and does not cause conflicts of interest. In addition, they must be able to attend the Board of Directors' meetings and give independent opinions.

Definition of Independent Director is in accordance with the rules prescribed by The Securities and Exchange Commission and the Stock Exchange of Thailand. The details are as follows:

1. Hold no more than one percent of the total voting shares of the Company, the parent company, subsidiary, associated company, major shareholder, or be a controlling person of the Company. This includes the shareholding of related persons of the independent director.
2. Not being nor used to be a director who is involved in management, staff, employees, or advisors who receive a regular salary or a controlling person of the Company, parent company, subsidiary, associated company, same-level subsidiary company, major shareholder, or a controlling person of the Company unless the above characteristics have passed for more than 2 years.

3. Not being a person related by blood or by legal registration in the form of father, mother, spouse, sibling or child including the spouse of the children, executive, major shareholder, controlling person and the candidate to be an executive or the controlling person of the Company and subsidiaries.
4. Not having nor has had a business relationship with the Company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the Company in a manner that may obstruct the independent discretion of the independent directors. This includes neither being nor having been a major shareholder or controlling person of a person who has a business relationship with the Company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the Company unless the above characteristics have passed for more than 2 years.
5. Not being nor has been an auditor of the Company, parent company, subsidiary, associated company, major shareholder, or a controlling person of the Company. Not being a major shareholder, controlling person, or partner of the audit firm which audits the Company, subsidiaries, associated companies, major shareholder, or controlling person of the Company unless the above characteristics have passed for more than 2 years.
6. Not being nor used to be a professional service provider which includes legal advisors or financial advisors that receive service fees of more than Baht 2 million per year from the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company and is not a major shareholder, controlling person, or partner of that professional service provider unless the above characteristics have passed for more than 2 years.
7. Not being a director appointed to be a representative of the Company, major shareholder, or shareholder who is related to a major shareholder.
8. Not operating a business of the same nature nor being in competition with the business of the Company or subsidiary. Not being partner in a partnership or being a director that participates in management, employees, staff, or consultants who receive a regular salary or hold more than one percent of the total voting shares of other companies that operate a business of the same nature and not being in competition with the business of the Company or subsidiary. Not having any characteristics that make them incapable of expressing independent opinions in regards to the Company's business affairs.
9. Not having any other characteristics that prevent an ability to express independent opinions on the Company's operations.

#### **4. Term of Office**

The Articles of Association of the Company determines that at every Annual General Meeting, at least one-third of the directors must vacate the position or if the number of directors cannot be divided equally into three parts, the number closest to one-third of the directors will retire in the first year and the second year after the Company was registered. Lots must be drawn in order to choose directors to vacate the position. In subsequent years, the directors who have held the positions the longest shall retire. However, retiring directors may be re-elected to the position.

In addition to vacating position by rotation, Directors will vacate position upon:

- 1) die
- 2) resign

- 3) Lack of qualifications or having prohibited characteristics under the law governing public limited companies.
- 4) The shareholders' meeting passed a resolution to leave (with a vote of not less than three-fourths (3 in 4) of the number of shareholders who attended the meeting and had the right to vote and holding shares in aggregate not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote).
- 5) The court has issued an order.

Any director who intends to resign from position shall submit a resignation letter to the Company. The resignation is effective as of the date the resignation letter reaches the Company. Director who resigned may also notify his resignation to the registrar.

In the event that the director's position becomes vacant due to other reasons in addition to the period of retirement, the committee shall select any person who has the qualifications and does not have any prohibited characteristics under the law on public limited companies in the next Board of Directors' meeting to replace the vacant position with a vote of not less than three-fourths (3-fourths) of the remaining directors. Unless the remaining term of that director is less than two months (2 months), the person who replaces him/her can hold office for only the remaining term of the director he replaces.

## **5. The Roles, Duties, and Responsibilities of the Board of Directors**

The Board of Directors has a duty to comply with the law, objectives, the Articles of Association of the Company, and the resolutions of the Shareholders' Meeting by performing their duties with honesty and cautiously protecting the benefits of shareholders and stakeholders whether in the short-term or long-term, and ensuring that the operations of the Company are in the direction that will bring maximum benefit to shareholders and stakeholders. The Board of Directors has a duty to appoint the Audit Committee and every sub-committee. The Board of Directors will oversee the establishment of the Company's vision, mission, strategy, goals, policies and annual budget. The Board of Directors will jointly review and give comments annually in order to understand the overall picture of the business together before considering approval and following up with management so that it is in accordance with the set goals in order to adhere to the guidelines of the Stock Exchange of Thailand and the Securities and Exchange Commission.

1. Review and provide guidelines for the Company's strategy, important operating plans, risk policy, annual budget, and business plan. Set performance goals, observe the implementation, and supervise any important investment expenditures which includes joint ventures and business sales.
2. Select, set remuneration, assess the performance of executives on a regular basis (or remove if necessary), and review the succession plan to ensure continuity.
3. Review the remuneration of directors and executives. Ensure that the Board of Directors has a formal and transparent process for nominating directors.
4. Ensure that the accounting system, financial reporting and auditing are reliable. This includes supervising the process to have a sufficient internal control assessment, risk management, financial control, and legal compliance.
5. Monitor and manage conflicts of interest of the Management Team, the Board of Directors and shareholders. This includes misusing Company assets and inappropriate actions with related parties' transactions.
6. Propose the appointment of suitable persons to be directors. Ensure that the structure and practices of the existing Board of Directors pave the way for appropriate corporate governance and ethical practices.

7. Directors are able to exercise discretion directly in the Company's business independently from the Management team and any other benefit groups. The directors must devote sufficient time and pay attention to the performance of duties according to their responsibilities.
8. Monitor and ensure that the Company's strategy is implemented in order to achieve the performance according to plan well.

## 6. The Meeting

The Board of Directors' Meeting is an important duty of the Board of Directors. The Board of Directors must regularly attend the Board Meetings in order to be informed and jointly make decisions on the Company's business operations. At the meeting of the Board of Directors, there must be not less than one-half of the total number of directors present in order to constitute a quorum. In the event that the Chairman of the Board of Directors is not present at the meeting or is unable to perform his/her duties, if the Vice Chairman of the Board of Directors is present, the Vice Chairman of the Board of Directors shall preside over the meeting. But if there is no Vice Chairman of the Company or he/she is not present at the meeting or unable to perform duties, the directors of the Company who attend the meeting shall elect one of the Company directors to preside over the meeting.

### 6.1 Agenda of the Meeting

In determining the agenda for the Meeting of the Board, the Executive Committee will consider the issues to be put into the agenda for the Board of Directors' Meeting. Every executive director is allowed to propose issues to be considered as an agenda item. They are also able to express opinions freely. The Company Secretary will compile the above matters into the agenda items for the Board of Directors' Meeting by proposing the agenda items to the Chairman of the Board of Directors to consider the approval and prepare the meeting invitation letter to call for the Board Meeting.

Secretary of the Board of Directors shall prepare the invitation letter for each meeting of the Board of Directors. The date, time, venue and agenda of the meeting are clearly set, and supporting documents for the meeting are delivered to the Board of Directors and attendees at least 7 days in advance of the meeting date, so that they have time to consider various matters or request additional information for consideration in order to consider matters assigned.

The following transactions must receive a majority vote of the total number of directors who attend the meeting and cast their votes:

1. Accepting financial and business policies, long-term policies, and business plans of the Company
2. Increasing and reducing the registered capital of the Company including the issuance of capital securities
3. Approval of borrowings, incurring debts, guarantees or contingent liabilities totaling more than four hundred million baht (400,000,000 baht) per accounting period
4. Dividend payment
5. Approval or amendment of annual financial statements, tax refunds, and important accounting policies of the Company
6. Change of the Company's auditor
7. Change of members of the Executive Committee or the assignment and including the amendment of the powers given to the Executive Committee
8. Capital Expenditure Approval (whether each transaction or project) in the total amount of more than four hundred million baht (400,000,000 baht) per accounting period or any expenses which are not included in the business plan which totals more than one hundred million baht (100,000,000 baht)

9. Approval of entering into any agreement with a value exceeding one million baht (1,000,000 baht) or zero point three (0.3) percent of the book value of the Company's net tangible assets. (As disclosed in the latest financial statements), which is a connected transaction under the Securities and Exchange Act
10. Approval of any operating contract which has a period of more than one year (1 year) or with a contract to renew the contract automatically which , together with the original period stated in the contract, exceeds one year (1 year) and has an annual value implied more than two hundred million baht (200,000,000 baht)
11. Approval of investment in new business, joint venture, partnership or any other project with the purpose of profit and loss sharing, or investments in other businesses with an amount exceeding two hundred million baht (200,000,000 baht)
12. Approval of the termination of important business lines of the Company
13. Selling, distributing, transferring assets, whether one-time or aggregated to more than four hundred million baht (400,000,000 baht) in each accounting period, or not in the normal course of trade
14. Approval of the creation of collateral, mortgage, pledge or any other encumbrance over any assets of the Company other than in relation to clause (3)
15. Approval of the merger or the acquisition of any business or businesses other than Clause (11)
16. Dissolution or liquidation of any company in the group
17. Delisting of shares from the Stock Exchange of Thailand or listing the Company's capital securities on other stock exchanges
18. Amendment or change of the Memorandum of Association or the Articles of Association of the company

## 6.2 Number of Meetings

The Board of Directors shall hold meetings at least 4 times a year, depending on the situation. and the necessity for the operation of the Board of Directors to achieve the set objectives. Each meeting will have a clearly set agenda in advance. And there may be special meetings to consider matters of urgency.

## 6.3 Attendees

The Board of Directors may invite auditors, internal auditor and related executives to attend the meeting as necessary to provide them with useful information and to let them know the policy directly.

## 6.4 Voting

The Company has a policy on the minimum number of quorums at the moment the Board of Directors cast votes at the meeting. There must be no less than two-thirds of the total number of directors in the Board of Directors meeting. In passing a resolution at a meeting of the Board of Directors, the resolution of the Board of Directors shall be made by a majority of votes, in which having one director has one vote. Directors who have interests will not attend the meeting or waive their right to vote on that matter. If the votes are equal, the chairman of the meeting shall be the arbiter.

### 6.5 Minutes

At the end of the meeting, the Company secretary is responsible for preparing the minutes of the meeting and proposing to the meeting to certify in the first agendas of the next meeting, then send the minutes to the Chairman of the Board of Directors for consideration and signature to certify the correctness.

The directors are able to express opinions and request to amend the minutes of the meeting to be as accurate as possible. Minutes of meetings approved by the meeting are systematically stored in the form of confidential documents. and stored in the form of electronic documents for the convenience of searching for references

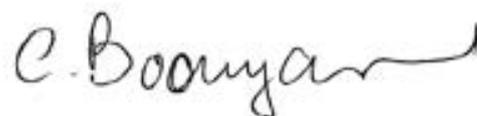
### 7. Reporting

The Board of Directors has a duty and responsibility to report the activities and opinions of the Board of Directors to shareholders, general investors, and government agencies. This is to ensure that the Board of Directors has carefully managed and considered the interests of all shareholders equally.

### 8. Evaluation

To ensure the efficiency of the Board of Directors' work and achieve the assigned objectives, the Board of Directors shall provide an evaluation of the Board of Directors by conducting the Board of Directors' self-assessment or other suitable methods to bring the assessment results to improve the operation to be more efficient and achieve the stated objectives.

This Charter of the Board of Directors of Malee Group Public Company Limited was revised and reviewed on February 22, 2021 to be effective in place of the original one from January 1, 2021 onwards. This charter shall be reviewed every 2 years, unless there is a requirement or new rules that have an impact will be taken into account from time to time.



Mrs. Chintana Boonyarat  
Chairman of the Board of Directors  
Malee Group Public Company Limited

# CHARTER

## THE AUDIT COMMITTEE

### MALEE GROUP PUBLIC COMPANY LIMITED

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#### 1.Objectives

The Audit Committee is one of the sub-committees of the Board of Directors and an important tool or mechanism to ensure that the Company has a good corporate governance system. The Audit Committee comprises of independent directors. It will help lighten the burden of the Board of Directors, increase flexibility in management, and is able to express an honest opinion on financial reports and internal control system as well as providing opportunities for the management and the auditors have discussions to manage the potential risks and to ensure that the financial reports are disclosed in full, accurate, and in accordance with the standards and related requirements. This will result in reliable financial reports. The establishment of an Audit Committee aims to enhance operational efficiency. and add value to the company in various fields as follows:

- 1) Confidence, credibility, and transparency of published financial reports.
- 2) Increased care in the performance of duties of the Board of Directors, in which the Board of Directors will take into account their own responsibilities towards:
  - Financial Reporting
  - Selection of appropriate accounting policies
  - Financial Management
  - Internal control system and internal audit
  - Compliance with relevant regulations and laws
  - Management and control of business risks
  - Regular monitoring of compliance with anti-corruption policy
  - Recommendations on the appointment and evaluation of the Certified Public Accountant.
- 3) Lighten the burden of the Board of Directors by delegating powers related to financial reports internal control and internal audits to the Audit Committee. This will provide an opportunity for the Board of Directors to consider various matters in depth, and increase efficiency in other aspects of management.
- 4) Improve the functions and processes of internal and external audits as well as communication between the Board of Directors, the Internal Audit Department, and the auditor.
- 5) Facilitate formal meetings between the Board of Directors and the Financial Management Department.
- 6) Strengthen the independence of internal auditors and the Internal Audit Department so that they are able to express opinions honestly. This results in higher operational efficiency.
- 7) Encourage the auditors to maintain their independence and set a framework for the auditors to express their opinions honestly in the event that there may be conflicts with the management.
- 8) Improve the quality of internal audit reports.
- 9) Strengthen the role and power of external Independent Directors.
- 10) Strengthen the directors' understanding of the scope of the audit that has been set.

## 2. Composition and Appointment of the Audit Committee

The Board of Directors appoints the Audit Committee by selecting at least 3 Independent Directors with appropriate qualifications. The Audit Committee who has been appointed shall elect one member to be the Chairman of the Audit Committee.

In the event that the Audit Committee completes the term of office or there is any reason that the Audit Committee cannot remain until the end of the term, and the number of members is less than the specified number of 3 people, the Board of Directors and/or the Shareholders' Meeting shall appoint a new audit committee member immediately or at the latest within 3 months from the date the number of members is incomplete to ensure continuity in the operation of the Audit Committee.

Head of the Internal Audit Department of the Company shall act as the secretary of the Audit Committee to assist the Audit Committee with regards to meeting appointments, preparing the agendas, delivering meeting documents, and recording meeting minutes

### 3. Qualifications

1. The Audit Committee must be appointed by the Board of Directors and/or shareholders.
2. All members of the Audit Committee must be independent directors with full qualifications as announced by the SEC as follows:
  - 2.1) Holding shares not more than 1% of the total number of shares with voting rights of the Company, parent company, subsidiary company, associated company or juristic person who may have conflicts of interest, including the shares held by related persons of that independent director.
  - 2.2) Not being or used to be a director who participates in management, employee, staff, advisor who receives a regular salary or controlling person of the Company, parent company, subsidiary company, associated company, subsidiary of the same level or juristic persons that may have conflicts, unless the above characteristics have been terminated for at least 2 years before being appointed as a member of the Audit Committee.
  - 2.3) Not a person who has a blood relationship or by legal registration in the form of parents, spouses, siblings and children including the spouses of the children of the executives, major shareholders, controlling persons, or persons to be nominated as an executive or a controlling person in the Company, parent company, or subsidiary.
  - 2.4) Not having or used to have a business relationship with the Company, parent company, subsidiary company, associated company or juristic person that may have conflicts of interest, including the relationship in the nature of professional services and trade/business as required by the Securities and Exchange Commission (SEC) both at present and 2 years before being appointed except in the case of necessity and reasonable which does not occur regularly and continuously. Independent directors can have relationships that exceed the level of significance specified by the SEC during their tenure but must be approved by the Board of Directors with a unanimous resolution before entering into the transaction.
  - 2.5) Not being a director who has been appointed as a representative of the Company's directors, major shareholder, or shareholders who are related to the Company's major shareholders.
  - 2.6) Not having any other characteristics that prevent the inability to express independent opinions on the Company's operations.
3. Not being a director who has been assigned by the Board of Directors to make decisions on business operations of the Company, parent company, subsidiary company, associated company, subsidiary of the same level, or juristic persons that may have conflicts

4. Not being a director of the parent company, subsidiary and subsidiary of the same level
5. There must be at least one member of the Audit Committee who has sufficient knowledge and experience to review the reliability of the financial statements. The Company must specify in the Form 56-1 and Form 56-2 reports that any of the Audit Committee members are qualified as such, and that audit committee member must specify such qualifications in the biographical certificate of the Audit Committee that must be submitted to the SET as well.

#### 4. Term of office

The term of office of members of the Audit Committee is year-by-year. The Nomination and Remuneration Committee propose the Board of Directors to consider appointing a new member of the Audit Committee to replace the old member at the first meeting of the Board of Directors after the Annual General Meeting of shareholders.

The Audit Committee has a term of office not exceeding 9 years, unless unanimously approved by the Nomination and Remuneration Committee that the office beyond the specified term does not impair the independence of such directors.

The meeting of the Board of Directors may pass a resolution to remove any member of the Audit Committee prior to the expiration of the term by a vote of not less than three-fourths of the number of committees present at the meeting and having the right to vote.

#### 5. Duties and Responsibilities

##### 5.1 Duties of the Audit Committee

1. To review and ensure that the Company has accurate financial reports and sufficient information disclosure.
2. To review and ensure that the Company has an appropriate and effective internal control system and internal audit, and consider the independence of the Internal Audit Department as well as to approve the appointment, transfer, and dismissal of the head of the Internal Audit Department or any other agency responsible for internal audits.
3. To review the Company's compliance with the Securities and Exchange Act, SET regulations, and laws related to the company's business.
4. To consider the selection and nominate an independent person to act as the Company's auditor, including considering the remuneration of such person. to the Board of Directors for their opinions to the shareholders' meeting.
5. To arrange a meeting of the Audit Committee with the auditor without the management attending the meeting at least once a year.
6. Consider connected transactions or transactions that may have conflicts of interest in accordance with the laws and regulations of the Stock Exchange of Thailand and the SEC to ensure that such transactions are reasonable and for the best benefit of the Company.
7. Prepare the Audit Committee's report to be disclosed in the Company's annual report. The information must be at least according to the announcement of the Stock Exchange of Thailand.
8. Perform any other tasks as assigned by the Board of Directors.

##### 5.2 Responsibilities of the Audit Committee

The Audit Committee is responsible to the Board of Directors for the duties assigned by the Board of Directors. While the responsibility for all activities of the Company to outsiders remains with the Board of Directors as a whole.

## 6. Meeting

### 6.1 Agenda

The Secretary of the Audit Committee prepare an invitation letter for each meeting of the Audit Committee. The date, time, venue and agenda of the meeting are clearly set, and supporting documents for the meeting are sent to the Audit Committee and attendees in advance for a reasonable period of time in order for them to have time to consider various matters or request additional information for consideration about various matters assigned as follows:

1. Consideration of financial statements and related financial reports, accounting principles and practices, compliance with accounting standards, existence of business, major accounting policy changes, and the management's reasons for determining the accounting policy, before presenting them to the Board of Directors for dissemination to shareholders and general investors.
2. Consideration of the sufficiency and appropriateness of the internal control system and the internal audit of the Company in order to make recommendations to the Internal Audit Department and the Board of Directors.
3. Review of the Company's annual internal audit plan and evaluation of the audit together with the internal auditors to ensure that the audit plan will increase the efficiency of the Company's business. This includes detecting corruption or deficiencies in the internal control system.
4. Consideration, together with the internal auditors, of any problems or limitations that arise during the audit and review of the internal auditors' performance.
5. Consideration, together with the internal auditors, of about problems or limitations arising from the audit and review of the financial statements including suggestions from auditors
6. Consideration, , together with the internal auditors and auditors, of planning a review of the methods and controls of electronic data processing, especially about security, to prevent fraud or misuse of electronic information systems by Company employees or third parties.
7. Consideration of the review of items that may cause conflicts of interest such as the connected transactions of the Company
8. Compliance with Securities and Exchange Laws, SET regulations, and laws related to the Company's business
9. Perform any other tasks assigned by the Board of Directors.
10. Consideration of self-assessment regarding the performance of duties and responsibilities as assigned

### 6.2 Number of meetings

The Audit Committee must hold a meeting at least 4 times a year, depending on the circumstances and the necessity for the operation of the Audit Committee to achieve the set objectives

### 6.3 Attendees

The Audit Committee should invite the Company's auditors and internal auditors to present the work and may invite relevant directors or executives to attend the meeting as necessary.

### 6.4 Voting

In voting at the Audit Committee meeting, the majority of votes shall be adopted in which one director has one vote. Directors who have interests will not attend the meeting or waive their right to vote on that matter. If the votes are equal, the chairman of the meeting shall be the arbiter.

### 6.5 Minutes

The secretary of the Audit Committee takes the minutes of the meeting. The minutes of the meeting must be submitted to the Audit Committee and the Board of Directors so that the Board of Directors will be informed of the activities of the Audit Committee in a timely manner, as well as forwarding to

the internal auditors and the auditors to confirm the information and inform the Audit Committee of the matters that the Audit Committee cares or deserves special attention.

Members of the Executive committees are able to express opinions and request to amend the minutes of the meeting to be as accurate as possible. Minutes of meetings approved by the meeting are systematically stored in the form of confidential documents and stored in the form of electronic documents for the convenience of searching for references.

## 7. Reporting

The Audit Committee is responsible for reporting the activities of the Audit Committee or any other duties assigned by the Board of Directors. The Audit Committee must report the performance of its duties to the Board of Directors, while the performance of duties in the past year is reported to shareholders in the annual report. The Audit Committee's report is important to the Board of Directors, shareholders and general investors because the report is an independent and honest opinion of the Audit Committee. It also ensures that the Board of Directors is confident that the management has done its work carefully and takes into account the interests of all shareholders equally.

### 7.1 Reporting to the Board of Director

1. Report on regular activities so that the Board of Directors know the activities of the Board of Directors.
  - Minutes of the Audit Committee meeting which clearly state the opinions of the Audit Committee on various matters.
  - Summary reports of activities performed during the year.
  - Reports on opinions on financial reports, internal audits and internal audit processes.
  - Any other reports that the Board of Directors should be aware of.
2. Report the findings immediately so that the Board of Directors can find solutions in a timely manner to perform the duties of the Audit Committee. If found or suspected of any of the following items or actions, which may have a significant impact on the financial position and operating results of the Company, the Audit Committee shall report to the Company's Board of Directors for improvement within the time that the Audit Committee deems appropriate.
  - Conflicts of Interest
  - Suspicions or assumptions that there may be corruption or irregularities or major deficiencies in the internal control system
  - Suspicion that there may be a violation of the Securities and Exchange Act, SET regulations, or laws related to the Company's business
  - Any other reports that the Board of Directors should be aware of

### 7.2 Reporting to the authorities

If the Company's auditor encounters any suspicious circumstances, the Managing Director or a person responsible for the Company's operations has committed an offense as prescribed in the Securities and Exchange Act Section 89/25 and has informed the facts about the circumstances to the Audit Committee, the Audit Committee shall examine and report the results of the initial audit to the Securities and Exchange Commission or the Stock Exchange of Thailand and the Company's auditor within 30 days from the date of being notified, in case the Audit Committee has reported to the Board of Directors any material impacts on the financial position and operating results, and there has been discussions with the Board of Directors and executives that there must be improvements at the end of the specified time together. If the Audit Committee finds that there has been unreasonable neglect of such remedial action,

any member of the Audit Committee or the Audit Committee must report the findings to the Securities and Exchange Commission or the Stock Exchange of Thailand.

### 7.3 Reporting to shareholders and general investors

The Audit committee shall report activity during the year according to the duties and responsibilities assigned by the Board of Directors. The report is signed by the Chairman of the Audit Committee and disclosed in the Company's annual report. The report contains the following information:

1. Comments on completeness, correctness, and reliability of the preparation process and disclose information in the Company's financial reports
2. Opinions on the adequacy of the Company's internal control system
3. Opinion on the suitability of the auditor
4. Opinions on compliance with securities and stock exchange laws, SET regulations, or laws related to the Company's business.
5. Comments on transactions that may have conflicts of interest
6. Number of Audit Committee Meetings and attendance of each Audit Committee Member
7. Overall opinions or observations received by the Audit Committee in the performance of duties under the Charter
8. Any other reports that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors

### 8. Evaluation

To ensure that the audit committee works effectively and achieves the assigned objectives, the Audit Committee shall provide the Audit Committee assessment by conducting the Audit Committee Self-Assessment or other suitable methods to bring the assessment results to improve the efficiency of the operation and achieve the stated objectives.

This Charter of the Board of Directors of Malee Group Public Company Limited was revised and reviewed on February 22, 2021 to be effective in place of the original one from January 1, 2021 onwards. This charter shall be reviewed every 2 years, unless there is a requirement or new rules that have an impact will be taken into account from time to time.



Mrs. Chintana Boonyarat  
Chairman of the Board of Directors  
Malee Group Public Company Limited

## CHARTER

# NOMINATION AND REMUNERATION COMMITTEE

## MALEE GROUP PUBLIC COMPANY LIMITED

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### 1. Objectives

The Board of Directors considers and appoints some members of the Nomination and Remuneration Committees who are qualified to assist in the selection of persons who are suitable for performing duties in the position of Director, Ad-hoc Director, and Managing Director or equivalent position. The Committee also consider the determination of remuneration for Director, Ad-hoc Director, and Managing Director or equivalent position to be transparent consistent with the Company's performance, responsibility, and performance by the appropriate level comparable to the same market and industry of similar size as assigned by the Board of Directors to support the performance of the Nomination and Remuneration Committee which is one of the important mechanisms for supervising the management of the organization and the Group's business. This will be done in accordance with the policies, plans, and goals set by the Board of Directors for the sake of maximum efficiency to build confidence for all stakeholders as well as to create clarity on the scope of duties and responsibilities and other important things related to the Nomination and Remuneration Committee. The Board of Directors therefore approved the preparation of the Nomination and Remuneration Committee Charter. as a guideline for the performance of duties of the said committees in accordance with the law and in accordance with the principles of good corporate governance.

### 2. Composition and appointment of the Nomination and Remuneration Committee

The Board of Directors appoints the Nomination and Remuneration Committee by selecting from a number of directors of the Company and/or qualified persons. In this regard, independent directors are appointed as the chairman of the Nomination and Remuneration Committee.

### 3. Qualifications of Company Directors

1. No gender limit
2. A person with no history of blemish and characteristics prohibited by law and good corporate governance principles
3. A person with knowledge, abilities, and honesty who have business ethics and sufficient time to devote knowledge and skills and perform duties for the Company
4. A person with a vision and can see the overall picture that is in line with the company's business strategy well
5. A person with good human relations, morality and appropriate personality
6. A Person with the skills to communicate effectively
7. A person with business ideas and systematic decision making
8. A person with knowledge and understanding of finance or commercial or in the industry and have experience in business administration

#### 4. Term of office

The Nomination and Remuneration Committee has a term of office year-by-year. Members of the Nomination and Remuneration who has no conflict of interest propose the Board of Directors to consider appointing a new member of the Nomination and Remuneration Committee to replace the old one at the first Board of Directors' meeting after the Annual General Meeting of Shareholders.

The meeting of the Board of Directors may pass a resolution to remove any member of the Nomination and Remuneration Committee before the expiration of their term with a vote of not less than three-fourths of the number of members present at the meeting and having the right to vote.

#### 5. Duties and Responsibilities

The Nomination and Remuneration Committee has a duty to comply with the law, objectives, and regulations of the Company, as well as resolutions of the shareholders' meeting, by performing duties with honesty and carefully protect the interests of shareholders and stakeholders, both short-term and long-term, to ensure that the operation of the Company is in the direction that creates the greatest benefit to shareholders and stakeholders.

1. To consider, nominate, select and screen qualified persons to be the Company's directors and recommend to the Board of Directors to propose the names to the shareholders' meeting for election
2. To consider, nominate, select and screen qualified persons to be nominated for directorships in various sub-committees of the Company. This will be presented to the Board of Directors for further approval.
3. To consider, select and screen qualified persons to be the Managing Director or equivalent position and the Company Secretary to recommend to the Board of Directors for further approval as well as to help in laying out guidelines of Rules for Succession
4. To present policies and guidelines for determining the criteria for considering remuneration of the Managing Director or equivalent position of the Company.
5. To consider and screen the directors' remuneration and other benefits, and propose recommendations to the Board of Directors for approval at the shareholders' meeting, consistent with the duties and responsibilities in line with the Company's performance and market conditions
6. To propose guidelines for issuing warrants for directors and employees to present for approval of the Board of Directors, Shareholders, and the SEC
7. To consider the allocation of warrants to purchase shares of approved directors and employees. to directors and employees in accordance with the objectives of the project

#### 6. Meeting

The Nomination and Remuneration Committee meeting is an important duty. Members of the Nomination and Remuneration Committee member must attend the Board of Directors' meetings regularly to acknowledge and jointly make decisions in recruiting and considering the remuneration according to the assigned duties. At a meeting of the Nomination and Remuneration Committee, there must be at least half of the Nomination and Remuneration Committee members present in order to constitute a quorum. In the event that the Chairman of the Nomination and Remuneration Committee is absent from the meeting or is unable to perform his duties The Nomination and Remuneration Committee members who attend the meeting shall elect one member of the Nomination and Remuneration Committee to preside over the meeting.

### 6.1 Agenda

In setting the agenda for the Nomination and Remuneration Committee meeting, the Company provides an opportunity for all Nomination and Remuneration Committee members to propose matters to be considered as an agenda of the meeting as well as being able to express their opinions freely. The secretary of the Nomination and Remuneration Committee will collect such matters and present them to the Chairman of the Nomination and Remuneration Committee for consideration and approval to set as an agenda for the meeting and prepare a notice calling for the next meeting of the Nomination and Remuneration Committee.

The secretary of the Nomination and Remuneration Committee prepares an invitation letter for a meeting of the Nomination and Remuneration Committee. In each meeting, the date, time, venue and agenda of the meeting are clearly set, while supporting documents are sent to the Nomination and Remuneration Committee at least 7 days in advance of the meeting date in order for them to have time to consider various matters or requesting additional information for consideration on matters assigned

### 6.2 Number of meetings

The Nomination and Remuneration Committee must hold a meeting at least once a year, depending on the situation and necessity in order for the operation of the Nomination and Remuneration Committee to achieve its objectives. Each meeting will have a clearly set agenda in advance and there may be special meetings to consider matters of urgency.

### 6.3 Attendees

The Nomination and Remuneration Committee may invite knowledgeable individuals with expertise in related matters to attend the meeting as necessary to provide useful information.

### 6.4 Voting

In casting a resolution at the Nomination and Remuneration Committee meeting, it shall be passed by a majority of votes in which one director has one vote. Directors who have interests will not attend the meeting or waive their right to vote on that matter. If the votes are equal, the chairman of the meeting shall be the arbiter.

### 6.5 Minutes

At the end of the meeting, the secretary of the Nomination and Remuneration Committee is responsible for preparing the minutes of the meeting by proposing to the meeting to certify in the first agenda of the next meeting and then send it to the Chairman of the Nomination and Remuneration Committee for consideration and signature to certify the correctness.

In this regard, the Nomination and Remuneration Committee is able to express opinions and request for amendments to the minutes of the meeting to be as accurate as possible. Minutes of meetings approved by the meeting are systematically stored in the form of confidential documents and stored in the form of electronic documents for the convenience of searching for references.

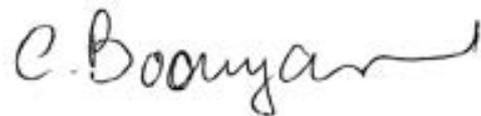
## 7. Reporting

The Nomination and Remuneration Committee has the duty and responsibility to report the activities and opinions of the Nomination and Remuneration Committee to shareholders and general investors, as well as government agencies. This ensures that the Nomination and Remuneration Committee is carefully managed and takes into account the interests of all shareholders equally. The Nomination and Remuneration Committee must report the performance of its duties to the Board of Directors. And the performance of duties in the past year is reported to the shareholders in the annual report.

## 8. Evaluation

To ensure that the Nomination and Remuneration Committee works effectively and achieves the assigned objectives, the Nomination and Remuneration Committee shall provide a self-assessment assessment of the Nomination and Remuneration Committee or other suitable methods to bring the assessment results to improve the operation to be more efficient and achieve the stated objectives.

This Charter of the Board of Directors of Malee Group Public Company Limited was revised and reviewed on February 22, 2021 to be effective in place of the original one from January 1, 2021 onwards. This charter shall be reviewed every 2 years, unless there is a requirement or new rules that have an impact will be taken into account from time to time.



Mrs. Chintana Boonyarat  
Chairman of the Board of Directors  
Malee Group Public Company Limited

## CHARTER

# EXECUTIVE COMMITTEE

## MALEE GROUP PUBLIC COMPANY LIMITED

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### 1. Objectives

The Board of Directors considers and appoints a number of Executive Committees who are qualified to help manage, supervise, and control the company's business as assigned by the Board of Directors as well as to support the performance of the Executive Committee. This is one of the important mechanisms for supervising the management, organization and business of the Group in accordance with the policies, plans and goals set by the Board of Directors with maximum efficiency to build confidence for all stakeholders as well as to create clarity on the scope of duties and responsibilities and other important things related to the Executive Committee. The Board of Directors therefore approved the preparation of the Executive Committee Charter as a guideline for the performance of duties of the said committees in accordance with the law and the principles of good corporate governance

### 2. Composition and Appointment of the Executive Committee

The Board of Directors appoints the Executive Committee by selecting a number of directors and executives of the company who are qualified. In this regard, the Executive Director who has been appointed to elect one member to be the Chairman of the Executive Committee. The Chairman also holds a position of Chief Executive Officer.

### 3. Qualifications of Company Directors

1. No gender limit
2. A person with no history of blemish and characteristics prohibited by law and good corporate governance principles
3. A person with knowledge, abilities, and honesty who have business ethics and sufficient time to devote knowledge and skills and perform duties for the Company
4. A person with a vision and can see the overall picture that is in line with the company's business strategy well
5. A person with good human relations, morality and appropriate personality
6. A Person with the skills to communicate effectively
7. A person with business ideas and systematic decision making
8. A person with knowledge and understanding of finance or commercial or in the industry and have experience in business administration

### 4. Term of office

Members of the Executive Committee have a term of office year-by-year. The Nomination and Remuneration Committee shall propose to the Board of Directors to consider appointing a new Executive Director in place of the former Executive Director at the first meeting of the Board of Directors after the Annual General Meeting of Shareholders.

The meeting of the Board of Directors may pass a resolution to remove any executive director from office prior to the expiration of his/her term with a vote of not less than three-fourths of the number of committees present at the meeting and having the right to vote.

## **5. Duties and Responsibilities**

The Executive Committee has a duty to comply with the law, objectives, and regulations of the Company as well as resolutions of the shareholders' meeting by performing duties with honesty and carefully protect the interests of shareholders and stakeholders, both short-term and long-term, to ensure that the operation of the Company is in the direction that creates the greatest benefit to shareholders and stakeholders.

1. To consider formulating strategies and business plans including the management structure and various executive powers of the Company to propose to the Board of Directors for approval.
2. To consider setting the rate of compensation and employee salary structure to propose to the Nomination and Remuneration Committee for consideration before proposing to the Board of Directors for approval
3. To examine, follow up, review, and give opinions on the implementation of business policies and management guidelines in various aspects of the Company that have been set for efficiency as assigned by the Board of Directors.
4. To consider and approve the annual budget before presenting to the Board of Directors for approval
5. To consider starting a new business of the Company in order to comply with the Company's policy before presenting to the Board of Directors' meeting for approval
6. To periodically review business operations, both normal and non-normal transactions of each business line.
7. Has the power to do legal acts binding the Company within the scope specified in the Company's policies and procedures regarding the authority to approve the operation
8. To perform any other tasks as assigned by the Board of Directors and agreed by the Executive Committee.

Persons who may have conflicts have a stake or may have conflicts of interest in any other manner with the Company or its subsidiaries except for approval of items that comply with the policy and criteria approved by the Board of Directors. The approval of the said transaction must be proposed to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval in accordance with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission (SEC), or related laws.

## **6. Meeting**

The Executive Committee meetings are considered to be an important duty. Member of the Executive Committee attend board meetings regularly to acknowledge and jointly decide on the Company's business operations. At the meeting of the Executive Committee, not less than one-half of the total number of Executive Directors must be present in order to constitute a quorum. In the event that the Executive Chairman is not present at the meeting or is unable to perform his duties, Member of the Executive Committee present at the meeting shall elect one of the Executive Directors to preside over the meeting.

### 6.1 Agenda

In setting the agenda for the Executive Committee Meeting, the Company gives all Executive Directors an opportunity to propose matters to be considered as an agenda of the meeting as well as being able to express their opinions freely and the secretary of the Executive Committee will collect such matters to present to the chairman of the executive committee for consideration and approval to set as an agenda for the meeting and prepare a letter calling for the next executive committee meeting.

The secretary of the Executive Committee prepares the invitation letter for the Executive Committee meeting. In each meeting, the date, time, venue and agenda of the meeting are clearly set, and supporting documents for the meeting are delivered to the Executive Committee and attendees at least 7 days in advance of the meeting date in order for them to have time to consider various matters or requesting additional information for consideration to consider various matters assigned.

### 6.2 Number of meetings

The Executive Committee must hold at least 10 meetings per year, depending on the circumstances and the necessity to review and comment on the monthly performance reports and income statements reported by management, and for the operation of the Executive Committee to achieve the set objectives. Each meeting will have a clearly set agenda in advance and there may be special meetings to consider matters of urgency.

### 6.3 Attendees

The Board of Directors may invite the Company's internal auditors and related executives attend the meeting as necessary to provide useful information and to know the policy directly

### 6.4 Voting

In voting at the Executive Committee meeting, the resolution of the majority of votes shall be adopted in which one director has one vote. Directors who have interests will not attend the meeting or waive their right to vote on that matter. If the votes are equal, the chairman of the meeting shall be the arbiter.

### 6.5 Minutes

At the end of the meeting, the secretary of the Executive Committee is responsible for preparing the minutes of the meeting by proposing to the meeting to certify in the first agenda of the next meeting and then send it to the Executive Chairman for consideration and signature to certify the correctness. The Executive Directors are able to express opinions and request to amend the minutes of the meeting to be as accurate as possible. Minutes of meetings approved by the meeting are systematically stored in the form of confidential documents and stored in the form of electronic documents for the convenience of searching for references.

## 7. Reporting

The Executive Board has the duty and responsibility to report the Board's activities and opinions to shareholders and general investors, as well as government agencies. This ensures that the Board of Directors has been carefully managed and takes into account the interests of all shareholders equally. The Executive Committee must report the performance of its duties to the Board of Directors. And the performance of duties in the past year is reported to shareholders in the annual report.

## 8. Evaluation

To ensure that the Executive Committee works effectively and the objectives assigned to it are achieved, the Board of Directors shall provide a self-assessment by the Board of Directors or other suitable methods to bring the assessment results to improve the operation to be more efficient and achieve the stated objectives.

This Charter of the Board of Directors of Malee Group Public Company Limited was revised and reviewed on February 22, 2021 to be effective in place of the original one from January 1, 2021 onwards. This charter shall be reviewed every 2 years, unless there is a requirement or new rules that have an impact will be taken into account from time to time.



Mrs. Chintana Boonyarat  
Chairman of the Board of Directors  
Malee Group Public Company Limited

## CHARTER

# RISK MANAGEMENT COMMITTEE

## MALEE GROUP PUBLIC COMPANY LIMITED

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### 1. Objectives

The Board of Directors has appointed the Risk Management Committee to formulate a risk management policy to cover the entire organization as well as supervise the establishment of a risk management system or process to appropriately reduce the impact on the Company's business, able to maintain the interests of the group of companies and shareholders as a whole by defining the elements, scope of power, duties and responsibilities so that the Risk Management Committee can perform its duties effectively as assigned by the Board of Directors.

### 2. Composition and appointment of the Risk Management Committee

The Board of Directors appoints the Risk Management Committee by selecting from a number of directors and executives of the Company and/or qualified. In this regard, the Risk Management Committee has been appointed to elect one member to be the Chairman of the Risk Management Committee.

### 3. Qualifications of the Risk Management Committee

1. No gender limit
2. A person with no history of blemish and characteristics prohibited by law and good corporate governance principles
3. A person with knowledge, abilities, and honesty who have business ethics and sufficient time to devote knowledge and skills and perform duties for the Company
4. A person with a vision and can see the overall picture that is in line with the company's business strategy well
5. A person with good human relations, morality and appropriate personality
6. A Person with the skills to communicate effectively
7. A person with business ideas and systematic decision making
8. A person with knowledge and understanding of finance or commercial or in the industry and have experience in business administration

### 4. Term of office

The term of the Risk Management Committee is year-by-year. The Nomination and Remuneration Committee shall propose to the Board of Directors to consider appointing a new risk management committee to replace the former risk management committee at the first meeting of the Board of Directors after the Annual General Meeting of shareholders.

The Board of Directors' meeting may pass a resolution to remove any member of the Risk Management Committee prior to the expiration of the term with a vote of not less than three-fourths of the number of committees present at the meeting and having the right to vote

### 5. Duties and Responsibilities

The Executive Committee has a duty to comply with the law, objectives, and regulations of the Company, as well as resolutions of the shareholders' meeting by performing duties with honesty and

carefully protect the interests of shareholders and stakeholders, both short-term and long-term, and to ensure that the operation of the Company is in the direction that creates the greatest benefit to shareholders and stakeholders.

1. To assist the Board of Directors in risk management by providing a strategy and measures to control risks.
2. To review the various risks related to the Company's business set the scope acceptable risk and control risks effectively.
3. To arrange for a systematic and continuous assessment and analysis of damage that may occur. This ensures that risk surveys cover all stages of business operations.
4. To collaborate with management in reviewing strategies, governance, operating patterns and procedures. The communication across the organization and employees have followed those measures in accordance with international standards.
5. To review the management's report on the steps taken for supervision and control of risks of the Company.
6. To perform any other acts as the Board of Directors Assign and Risk Management Committee agree upon.

## **6. Meeting**

The Risk Management Committee meeting is an important duty. Members of the Risk Management Committee must attend the meetings regularly to acknowledge and jointly decide on the Company's business operations. At a meeting of the Risk Management Committee, there must be at least one-half of the total number of Risk Management Committee members to constitute a quorum. In the event that the Risk Management Committee Chairman is not present at the meeting or is unable to perform his duties, the risk management committee present at the meeting shall elect one risk management committee to chair the meeting.

### **6.1 Agenda**

In setting the agenda for the Risk Management Committee meeting, the Company provides opportunities for all Risk Management Committee members to propose matters to be considered as an agenda of the meeting as well as being able to express their opinions freely and the Secretary of the Risk Management Committee will collect such matters and present them to the Risk Management Committee Chairman for consideration and approval to set the meeting agenda and prepare a notice calling for the next meeting of the Risk Management Committee.

The secretary of the Risk Management Committee prepares an invitation letter for the Risk Management Committee meeting. In each meeting, the date, time, venue and agenda of the meeting are clearly set, and supporting documents are sent to the Risk Management Committee and attendees at least 7 days in advance of the meeting date in order for them to have time to consider various matters or requesting additional information for consideration to consider various matters assigned

### **6.2 Number of meetings**

The Risk Management Committee must hold meetings at least 4 times a year, depending on the situation and the necessity to review and comment on the risk reports reported by the management, and to enable the operation of the Risk Management Committee to achieve the set objectives. Each meeting will have a clearly set agenda in advance and there may be special meetings to consider matters of urgency.

### 6.3 Attendees

The Risk Management Committee may invite auditors, internal auditors, and related executives attend the meeting as necessary to provide useful information and to be directly aware of the policy

### 6.4 Voting

In casting a resolution at a meeting of the Risk Management Committee, the resolution of the Board of Directors must be made by a majority of votes in which one director has one vote. Directors who have interests will not attend the meeting or waive their right to vote on that matter. If the votes are equal, the chairman of the meeting shall be the arbiter.

### 6.5 Minutes

At the end of the meeting, the secretary of the Risk Management Committee is responsible for preparing the minutes of the meeting by proposing to the meeting to certify in the first agenda of the next meeting and then send it to the Chairman of the Risk Management Committee for consideration and signature to certify the correctness.

In this regard, the Risk Management Committee is able to express opinions and request amendments to the minutes of the meeting to be as accurate as possible. Minutes of meetings approved by the meeting are systematically stored in the form of confidential documents and stored in the form of electronic documents for the convenience of searching for references.

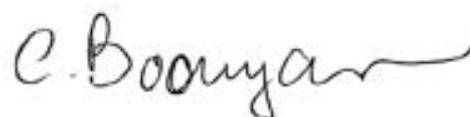
## 7. Reporting

The Risk Management Committee is responsible for reporting the activities and opinions of the Risk Management Committee to shareholders and general investors as well as government agencies This ensures that the Risk Management Committee is carefully managed and takes into account the interests of all shareholders equally. The Risk Management Committee must report the results of its performance to the Board of Directors, while the performance of duties in the past year is reported to shareholders in the annual report.

## 8. Evaluation

To ensure that the risk management committee works effectively and achieves the assigned objectives, The Risk Management Committee shall provide the Risk Management Committee Self-Assessment Assessment or other suitable methods to bring the assessment results to improve the operation to be more efficient and achieve the stated objectives.

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Mrs. Chintana Boonyarat  
Chairman of the Board of Directors  
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