

**WE MAKE  
A BETTER  
LIVING**





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Muang Nonthaburi, Nonthaburi 11000

**Telephone** +66 2832 1000

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**Website** [www.homepro.co.th](http://www.homepro.co.th)

**Type of business** Retailer of products and provider of services relating to construction, extension, renovation, and improvement of buildings, houses, and residence as One Stop Shopping

**Registration No.** 0107544000043

**Registered Capital Common Stock** 13,151,198,025 Shares  
(1 Baht per share)

**Paid-up Capital Common Stock** 13,151,198,025 Shares

**Exchange Market** Stock Exchange of Thailand

**Ticker Symbol** HMPRO

In this regards, investors may obtain further information from Form 56-1 (One Report) at [www.sec.or.th](http://www.sec.or.th) or [www.homepro.co.th](http://www.homepro.co.th)





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Home Solar

ประโยชน์  
อย่างยั่งยืน

Spec & Details

	Package
Solar System	ระบบโซลาร์
	ระบบโซลาร์ มาตรฐาน
	ติดตั้งบน 지붕
	Free Space
	ติดตั้งบนหลังคา
	ติดตั้งบนพื้นดิน
	ติดตั้งบนผนัง
	ติดตั้งบนหลังคา
Regular Package	5 kW
Premium Package (with Optimizer)	5 kW
Battery System	ติดตั้งระบบแบตเตอรี่ + โซลาร์ 5 kW
	ติดตั้งระบบแบตเตอรี่ + โซลาร์ 10 kW
	ติดตั้งระบบแบตเตอรี่ + โซลาร์ 15 kW
Backup Box Option	Backup Box 1 set
	Backup Box 3 set

# FIT4YOU

## สั่งได้ตามใจคุณ



### 1. เลือกรูปแบบ

เลือกแบบที่คุณต้องการ



### 2. สำนวณพื้นที่

สำรวทหน้างานพร้อมวัดพื้นที่



### 3. ออกแบบ/เสนอราคา

ออกแบบพร้อมเสนอราคา  
ตามงบประมาณ



### 4. ชำระเงิน

ยืนยันแบบพร้อมชำระค่าบริการ



# Our Products for **better** living



HomePro is committed to sourcing and offering a wide range of products to meet customer needs. Over 50,000 products are available in both stores and online. We regularly introduce new products and continue to develop new offerings under our private brands. Our focus is set on providing the best quality at the most reasonable prices to suit the everchanging lifestyle behaviors of our customers.

## Our Own Brand



Develop and elevate products under our own Private Brands. Capture the needs of target customer groups by offering a wide range of quality products at good prices.

## Home Solar



Introduce “Home Solar” product with full-service installation to capitalize on the shift towards clean energy that helps reduce the negative impact to the environment. The service includes site survey, design and installation, as well as warranty and after-sales service by professional teams.

## ECO Choice



Develop and source environmentally friendly products. These Eco Products contain less chemicals and use recycled or biodegradable materials in their production process. We also support products that promote the health and safety of consumers to capture the changing trend of consumer behaviors towards sustainable consumption.



QLED 8K

NEW ARRIVAL

SAMSUNG

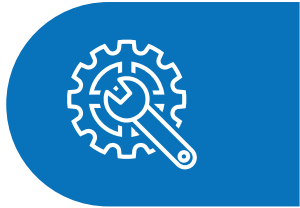
MONARCH LEAGUE OF MONSTERS

BRAVIA





# Our Services for **better** living



HomePro elevates the level of comprehensive home-related services through our teams of experienced professionals. We also promote responsible consumption with our “Trade In” program and enhance the speed of our delivery and installation to complete our services for customers within one day.

## Home Services



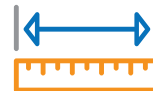
Offer comprehensive home-related services including repairment, home improvement, inspection, cleaning services and 24-hour Emergency Service by experienced professionals that will take care of our customers through to the end of their projects and guarantee the quality of work.

## Trade In



Introduce “Trade In” program to enable customers to bring in their old items; such as electrical appliances, plumbing equipment, and furniture, to redeem for discount when purchasing new items. HomePro will sort the old items that were traded in for recycling and handle the remaining materials properly to promote responsible consumption.

## Same Day Delivery & Installation



Develop and enhance the speed of our delivery by offering new express delivery and installation services on the same day as the purchase date to respond to customer needs nationwide.



# Our Operations for **better** living



HomePro aims to offer seamless shopping experience to customers by emphasizing on the development of product and service sales channels. In addition, the company continues to enhance its operational efficiency, business opportunities and competitive advantage through new store expansions.

## Omni Channel



Develop a seamless experience for customers when shopping online and in stores, including Click & Collect service that allows customers to order products online and pick them up at stores.

## Online Channel



Provide convenience to customers with various sales channels including HomePro Online website at [www.homepro.co.th](http://www.homepro.co.th), HomePro Application, HomePro Living Official Store on Shopee and Lazada, as well as SHOP4YOU on LINE and Facebook.

## Store Expansion



The company strives on new store expansions to support the demand and provide better living for our customers by opening both HomePro and Mega Home as well as Hybrid Stores in various areas.



# Sustainability for **better** living



HomePro is committed to building sustainability throughout its supply chain in accordance with the ESG principles; to reduce negative impact on the Environment, to create shared value for the Society, and to operate business under good Governance, for the better quality of life of the society and the community according to our purpose: “We make a better living”.

## Circular Economy



HomePro promotes Responsible Consumption through its support of Eco Products, ECO Choice products, and Circular products, which are manufactured from old items traded in by customers from the Trade In program. HomePro sorts through all traded in items and recycles the materials to be used in the production of new products. Remaining materials that cannot be recycled are processed properly.

## Climate Change & Net Zero 2050



Our goal is to reduce greenhouse gas emission to zero by the year 2050 by shifting towards renewable energy. We are switching our transport trucks to EV and improving our operational efficiency to reduce the impact on the environment and reduce greenhouse gas emissions, which is the main cause of climate change.

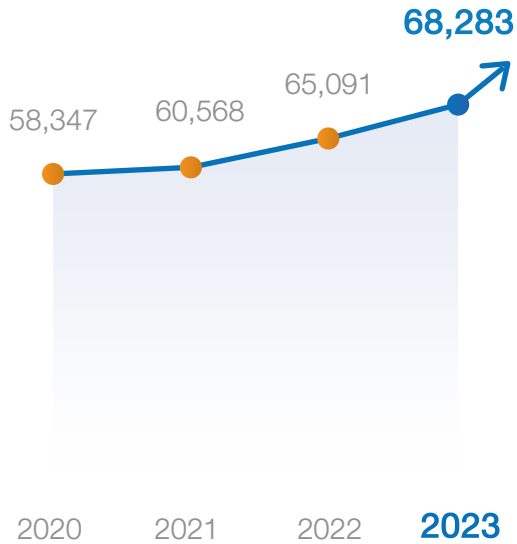
## Young Entrepreneur Program



Generate economic growth by developing technicians through “Tao Kae Noi” (Young Entrepreneur) program. Enabling new technicians to develop their skills to exceptional standard, earn steady income and have better quality of life. The program produces professional technicians who can provide Home Service to meet the demand from customers and help them solve their home problems effectively.

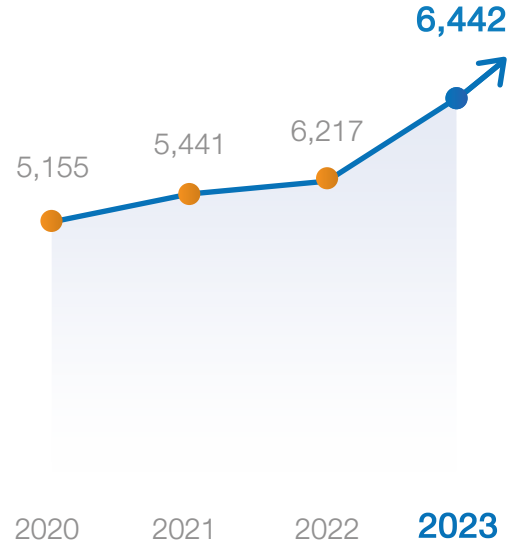
Sales (Million Baht)

4.90% ▲

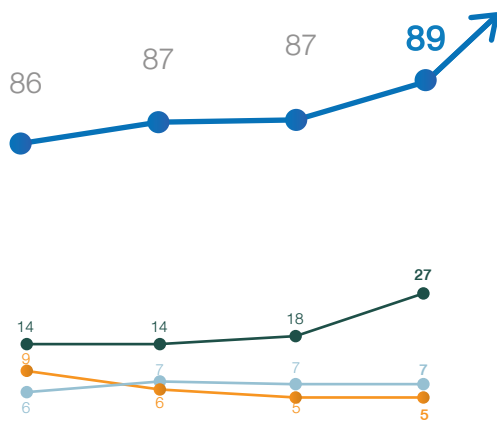


Net profit (Million Baht)

3.61% ▲

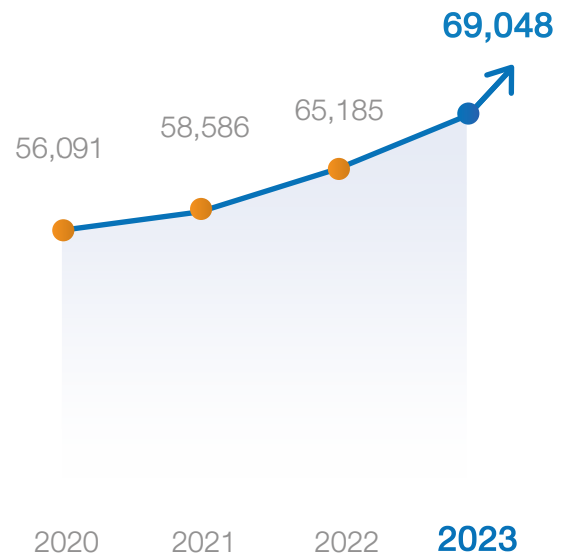


Total Number of Stores



Total Asset (Million Baht)

5.93% ▲



● HomePro Malaysia ● HomePro  
● HomePro S ● Mega Home



94 Stores in Thailand

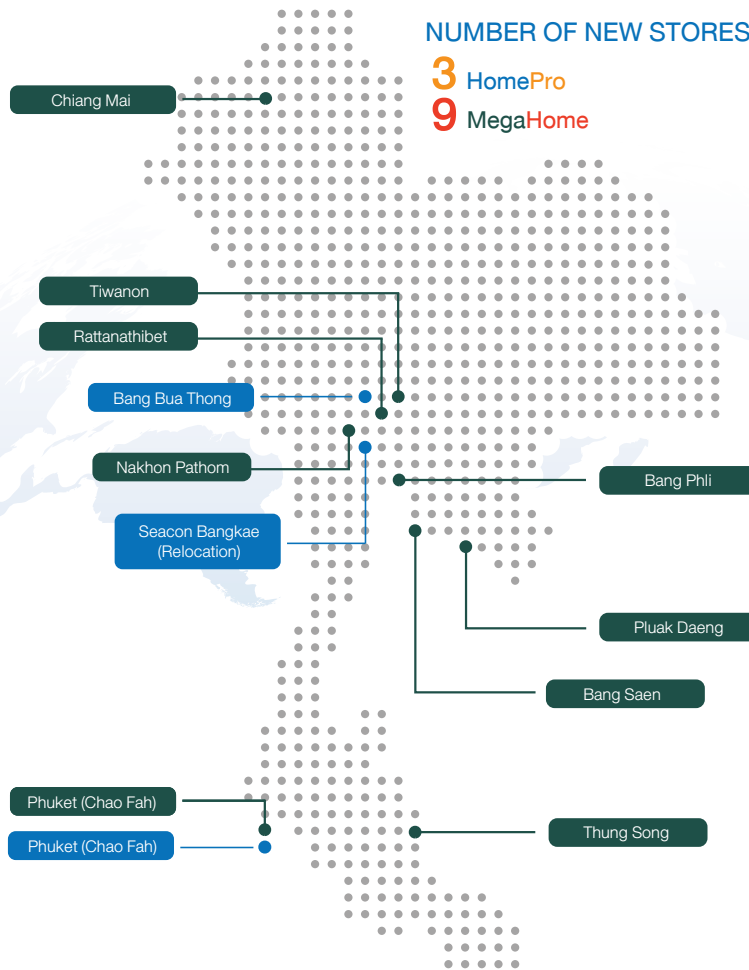
7 Stores in Malaysia



27 Stores

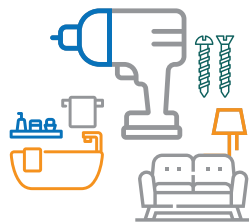
## NUMBER OF NEW STORES

3 HomePro  
9 MegaHome



## Product Range

40,000 –  
80,000 Items



The core of product selection is its determination to bring the best products to customers; therefore, completeness, quality, and worthiness are at the heart of our people.

6.6  
Million Members



Privileges provide to our valued customers. Cardholders will get a discount for purchasing products or services and every purchase made with the card will accumulate points to redeem a cash equivalent for the next purchase. Besides that, the customers also get other privileges.

## Home Service

2,650 Teams



Home improvement service was designed by HomePro from our understanding of customer needs. Our professional technicians, who have knowledge in their jobs, will provide the service and help customer accurately manage budget and time.

## Our Associates

11,777  
Persons



# Message from Chairman



“

The company would like to thank all stakeholders for their continuous support in every aspect of the company's operation. The company is committed to operating and developing the business for the highest benefit of the shareholders, trade partners, customers and over 10,000 employees of the company nationwide.

”

## Dear Stakeholders

The overall Thai economy in 2023 expanded slightly comparing to the previous year. The main driver was the recovery of the tourism industry, which contributed to the income distribution in business and labor sectors. However, there was still pressure from the declining world economy due to Central Bank's decision to raise the interest rate to control inflation, as well as the decline of global demand. These factors affected the manufacturing industry in private sector, resulting in Thailand's negative export in addition to the rise in household debt. Consequently, consumers were more mindful of their spending. In 2023, there was also the election of the new government and the appointment of the new prime minister. The establishment of the new government was delayed, causing the government to not be able to introduce policies to stimulate the economy fully this year. However, there are policies set in place to bolster the purchasing power of consumers in the beginning of 2024.

Even though the business sector has faced pressure from multiple fronts this year, the Company still achieved growth in operating results due to its well-established business foundation. The merger of HomePro and MegaHome created superior business operation efficiency, such as better resource and expense management, as well as more convenient and faster service for customers. In addition, the Company has expanded its sales channels for products and services through HomePro online and Marketplace websites. The Company also develops new products and services continuously to serve every target customer group.

For the year 2023, the Company achieved total revenue of 72,821.77 million baht or up by 4.95% and net profit of 6,441.56 million baht – a 3.61% increase. The Company was also able to open 12 new stores as planned. New stores include 3 HomePro stores and 9 MegaHome stores.



In 2024, the Company plans to continue new store expansion for both HomePro and MegaHome. Various operation plans are set in place to capture business opportunities and enhance competitive advantage. The Company's business operations are based on the ESG principles (Environmental, Social and Governance) in order to grow the business sturdily and sustainably. The Company has set the goal to achieve Net Zero within 2050 by integrating business operations with the ESG principles. For example, implementing proper waste management, utilizing EV trucks in goods transportation, and installing solar roofs on more store buildings. In addition, the Company paid extra attention to instilling Company culture among its employees, in order to build a positive attitude and set the direction of work effort that will lead to the achievement of the common goal. The Company is also vigilant and prepared to handle various risk factors that can occur from the uncertainty of the world economy e.g. climate change and volatile consumer product prices, that may contribute to the rise in operating costs.

The emphasis on business operation in alignment with sustainability has led to the Company being

accredited with various selections and awards, both domestically and internationally. Some of the awards and selections that the Company received this year include Dow Jones Sustainability Indices (DJSI) in Emerging Markets for the 7th consecutive year, MSCI Global Sustainability Index, FTSE4Good Emerging Index, Bloomberg Gender-Equality Index (GEI), ESG100 Index, excellent grade in Corporate Governance Report, sustainable stock in SET ESG Ratings, and extension of Collective Action Against Corruption (CAC) Certification.

Finally, the Company would like to thank all stakeholders for their continuous support in every aspect of the Company's operation. The Company is committed to operating and developing the business for the highest benefit of the shareholders, trade partners, customers and over 10,000 employees of the Company nationwide.



(Mr. Anant Asavabhokhin)

*Chairman of the Board of Directors*

# Message from the Managing Director

“

For new store expansions in 2023, the Company has opened both new HomePro and MegaHome stores with strong operations and business foundation after the merger of HomePro and Megahome businesses. The Company foresees the growth opportunity of retails business based on the recovery of Thai economy, rising employment rate, and the establishment of new projects and new cities.

”



## Dear Stakeholders

The Thai economy grew slightly in 2023 in comparison to the previous year. In the first quarter, the government introduced Shop and Payback campaign to stimulate the economy, resulting in the improvement of domestic consumption by private sector. However, there was the election of members of the house of representatives and the establishment of the new government during the year. The process of the new government formation was delayed, causing the government to not be able to fully introduce economic stimulus measures in the second half of the year. As a consequence, consumer spending slowed down. Nevertheless, the introduction of new economic stimulus measures in 2024 may benefit the retail industry, which will achieve better business performance next year.

This summer, the average temperature of Thailand rose significantly comparing to last year, reflecting on notably high sales of air conditioning appliances such as air conditioners, fans, and steam fans. In addition, the Company incorporated the sustainability principles in its operation and introduced 'Trade In' campaign. In this campaign, customers can bring in their old items in exchange of discounts when purchasing new products; including electrical appliances - such as televisions, air conditioners, refrigerators, and washing machines; plumbing equipment - such as water pump, water purifier, and shower heater; furniture and sanitary wares.

The objective of 'Trade In' campaign is to manage old products with the proper process and recycle the materials that can still be used in the production of new products. The campaign also increases the sales opportunity and align with the changing consumer behaviors, which are shifting more towards responsible consumption.

For new store expansions in 2023, the Company has opened both new HomePro and MegaHome stores with strong operations and business foundation after the merger of HomePro and Megahome businesses. The Company foresees the growth opportunity of retails business based on the recovery of Thai economy, rising employment rate, and the establishment of new projects and new cities. The Company opened 3 new HomePro stores including Seacon Bangkai branch - as a replacement for Lotus Bangkai branch in nearby proximity, Bang Bua Thong branch, and Phuket (Chao Fah) branch. The Company also opened 9 new MegaHome stores including Rattathibet, Bang Phli, Tiwanon, Nakhon Pathom, Chiang Mai, Bang Saen, Pluak Daeng, Thung Song, and Phuket (Chao Fah) branches. As of the end of 2023, there were a total of 89 HomePro stores, 5 HomePro S stores, 27 MegaHome, and 7 HomePro Malaysia Stores.

The Company is committed to building a better quality of life for the community and society by offering products and services that align with the three pillars of sustainability principles: Environmental, Social and Governance pillars (ESG).

The Company remains committed in developing new products and services to serve the target customer group. New products and services were introduced to meet the changing trends and lifestyles of customers, such as solar rooftops (Home Solar) with design and installation services in support of renewable energy to reduce greenhouse gas emissions. After sales services and warranty are also included. The Company prioritizes the assortment of products that are more friendly to the environment to promote responsible consumption, as well as support responsible plastic usage. These environmentally friendly products are called ECO Products, which have been elevated to ECO CHOICE category through the Company's private brand. In addition, the Company continues its 'Young Entrepreneur' program to develop the skills and capabilities of new technicians. New technician teams are added by recruiting from local workforce to support new store expansions. These technicians are able to deliver exceptional services to customers, while receive stable income from the Young Entrepreneur program.

In addition, the Company is determined to reduce negative impact to the environment by increasing the proportion of Renewable Energy usage from solar energy and managing wastes properly in order to achieve Zero Waste. The Company is committed the operating the business under good corporate governance and treating every stakeholder fairly, including taking diligent care of the employees with respect to human rights and diversity, and supporting the good health and safety of employees at work.

In 2023, the Company was a member of United Nations Global Compact (UNGC) for the second consecutive year in support of the vision and determination to operate the business in accordance with the 10 UNGC standards that cover 4 aspects, including human rights, labor standards, environmental protection, and anti-corruption in order to reach the sustainability goal. Furthermore, the Company has set the goal to reduce greenhouse gas emissions from its operations to zero within the year 2050 (Net Zero 2050) by various business activities that help reduce negative impact to the environment such as properly managing wastes – both general wastes and hazardous wastes, utilizing EV trucks in goods transportation, and shifting towards renewable energy technology by installing solar cells on store buildings. As of December 31, 2023, the Company has already installed solar cells on the rooftops of 90 stores.

Lastly, in the name of the Board of Directors, I would like to thank our customers, employees, shareholders, business alliances, and all stakeholders for their continuous trust and support for the Company. I believe that everyone will be the driving force behind the sustainable growth of the Company that will continue to create long lasting value for all stakeholders into the future.



(Weerapun Ungsumalee)

*Representative of the Board of Directors,  
and Managing Director*

# Message from the Executive Committee

## Dear Stakeholders

In 2023, the tourist sector showed a sign of recovery which leads to the increase in private sector consumption. However, Thai economy tended to expand at decelerating rate due to various factors and pressures such as the shrinkage of exports caused by declining demand in manufacturing sector, as well as rising interest rate and household debt. Consequently, the Company had to adapt and revise various aspects of the operational strategy to be consistent with the situation and economic conditions in each period, including follow up and adopt new technology to provide service to customer with maximum benefit. As assigned by the Board of Directors, the Executive Committee closely examine and monitor operating result on a monthly basis, which competitions are analyzed in respect of store expansion, investment, and operation to be in line with the Company's direction before seeking an approval from the Board of Directors with the ultimate aim of enhancing value to all stakeholders whilst achieving sustainable corporate growth.

A total of 12 meetings were held in 2023 and the minutes were regularly forwarded to the Board of Directors for acknowledgement. The number of meetings and attendances are as follows:

Name - Surname	Position	Meeting Attendance (times)
Mr. Khunawut Thumpomkul	Chairman of Executive Committee	12/12
Mr. Naporn Sunthornchitchareon	Executive Committee	11/12
Mr. Achawin Asavabhokhin	Executive Committee	9/9
Mr. Rutt Phaniijphand	Executive Committee	3/3

### Remark:

- Since 1 January 2023 onwards, Mr. Khunawut Thumpomkul has been appointed as the Chairman of Executive Committee, replacing Mr. Manit Udomkunnatum.
- Since 7 April 2023 onwards, Mr. Rutt Phaniijphand has retired by rotation, has no desire to return to be a director.
- Since 8 April 2023 onwards, Mr. Achawin Asavabhokhin has been appointed as Executive Committee, replacing Mr. Rutt Phaniijphand.

## Below are the essences of the work performed in the year 2023.

1. Consider and review the operational performance of the Company and subsidiaries on a monthly basis to align with the set target, as well as screening the Company's strategies and initial decision-making before being proposed for the Board of Directors' approval.
2. Examine and ensure that investments, store expansion, and annual budget allocation are accurate and in line with the Company's strategies, as well as proposing other strategic plans to the Board of Directors.
3. Consider and conduct a feasibility study of various projects, as well as advise the Managing Director and operational management.
4. The executive committee has performed a self-assessment to evaluate their performance in the previous year, in which they had fully performed all their duties in accordance with the roles and responsibilities.
5. Approve other Board-assigned transactions on a case-by-case basis.



(Mr. Khunawut Thumpomkul)  
Chairman of Executive Committee

# Message from Nomination and Remuneration Committee

## Dear Stakeholders

As assigned by the Board of Directors and the charter of the Nomination and Remuneration Committee, the Nomination and Remuneration Committee has duly performed its duties to determine the recruitment procedures and criteria to select the new Director and Managing Director positions, as well as the nomination of potential candidates for the new Director position. The Committee is also in charge of regulating the remuneration procedures and criteria; and other benefits entitled to the Board of Directors and committee members; considering and proposing the annual remuneration policies and other benefits for the Managing Director, in accordance with the scope of duties, responsibilities and performance evaluation criteria based on different indicators; and lastly allocating budgets for salary increase, bonus, welfare and other benefits for associates of the Company and its subsidiaries. The indicators cover both short-term and long-term target such as financial performance, return on equity, and sustainability performance.

Name - Surname	Position	Meeting Attendance (times)
Mr. Rutt Phaniijphand	Chairman of Nomination and Remuneration Committee	2/2
Mr. Chanin Roonsamrarn	Nomination and Remuneration Committee	2/2
Mr. Naporn Soonthornchitcharoen	Nomination and Remuneration Committee	2/2

In 2023, there were 3 meetings involving the Nomination and Remuneration Committee with details as shown in the below table for meeting no. 1/2023 and 2/2023.

Name - Surname	Position	Meeting Attendance (times)
Mr. Naporn Soonthornchitcharoen	Chairman of Nomination and Remuneration Committee	1/1
Mr. Chanin Roonsamrarn	Nomination and Remuneration	1/1
Mr. Khunawut Thumpomkul	Nomination and Remuneration	1/1

After the term of Mr. Rutt Phaniijphand is expired, Mr. Naporn Soonthornchitcharoen was appointed to replace as a Chairman of Nomination and Remuneration Committee effective April 7,2023. Mr. Khunawut Thumpomkul was also appointed as a member of Nomination and Remuneration Committee. The meeting involving the Nomination and Remuneration Committee with details as shown in the below table for meeting no. 3/2023.

As the resignation of Mr. Chanin Roonsamrarn effective April 25,2023, Mr. Pornwut Sarasin was appointed to replace as a member of Chairman of Nomination and Remuneration Committee effective May 1, 2023. Therefore, Nomination and Remuneration Committee consist of the following:

1. Mr. Naporn Sunthornchitcharoen Chairman of Nomination and Remuneration Committee
2. Mr. Pornwut Sarasin Nomination and Remuneration Committee
3. Mr. Khunawut Thumpomkul Nomination and Remuneration Committee

### The 2023 essence can be summarized as follows:

1. Execute the recruitment and selection for the positions of Company Directors and committee members after the predecessors' expiring term in office. The consideration was based upon the appropriate qualifications of the individuals as specified in the Securities and Exchange Commission and the Stock Exchange of Thailand regulations. The candidates must not possess characteristics prohibited by law but, instead, shall present competencies, experiences, knowledge and skills (Board Skill Matrix) such as experience related to retail industry, information technology, finance, marketing or real estate. In 2023, the resigned members the Board of Directors were replaced by three nominated and selected directors as listed below.

- 1.1 Mr. Rathian Srimongkol Independent Director and Audit Committee
- 1.2 Asst. Prof. Dr. Kessara Thanyalakpark Independent Director and Audit Committee
- 1.3 Miss Vareeporn Udomkunnatum Director

Moreover, the Company allowed individual shareholders to nominate qualified candidates for the Director position, from October 16, 2023 until January 19, 2024, in order to propose to the Board of Directors and the Annual General Shareholders Meeting 2024 respectively. However, no nomination was proposed.

2. Formulate the remuneration procedures and criteria for the directors and sub-committee members.
3. Evaluate the Managing Director's performance with regards to the business target in order to determine an appropriate remuneration.
4. Evaluate the Nomination and Remuneration Committee's performance in the previous year, in which the Nomination and Remuneration Committee has performed the duties efficiently according to the roles and responsibilities.
5. Consider appropriate budgets for salary increase, annual bonus, welfare and other benefits for associates working for the Company and its subsidiaries to ensure that they are in line with the Company's operating performance and remain competitive when compared to market rates in the retail business, hence, sufficing the well-being of the associates and families (Living Wage).
6. Provide some advice on Human Resource Management and Personal Development.
7. Consider the revision of the charter of the Nomination and Remuneration Committee. There had been no revisions proposed for the year 2023 since the current version is still complete and appropriate.

In conclusion, the Nomination and Remuneration Committee has duly performed its duties in accordance with good governance principle by adhering to the maximizing benefit of the Company and all stakeholders.



(Mr. Naporn Sunthornchitcharoen)

Chairman of Nomination and Remuneration Committee

• Home Product Center Public Company Limited

# Message from Audit Committee

## Dear Stakeholders

Home Product Center Public Company Limited's Audit Committee includes three independent directors who have competencies, qualifications and independence in accordance with the regulations of the Stock Exchange of Thailand. The Audit Committee is chaired by Mr. Boonsom Lerthirunwong while Mr. Rathian Srimongkol and Asst. Prof. Dr. Kessara Thanyalakpark perform their roles as Audit Committee.

During the year 2023, there were 2 directors in Audit Committee who resigned; Mr. Thaveevat Tatiyamaneekul and Mr. Chanin Roonsamrarn, effective on 30th April 2023. In this regard, the meeting of the Board of Directors resolved as selected and nominated by the Nomination and Remuneration Committee for the appointment of Independent Director and Audit Committee to replace the resigned Directors. The appointment of new directors were effective since 1st May 2023 onwards, detail as follows.

1. Mr. Rathian Srimongkol was appointed as Independent Director and Audit Committee to replace Mr. Thaveevat Tatiyamaneekul
2. Asst. Prof. Dr. Kessara Thanyalakpark was appointed as Independent Director and Audit Committee to replace Mr. Chanin Roonsamrarn

In 2023, the duties within the scope of responsibilities are performed as stipulated in the charter of the Audit Committee and the assignment from the Board of Directors. There are 13 meetings in total and the external auditors are invited to attend meetings at the relevant agendas. The Committee's attendances are detailed as follows:

Name - Surname	Position	Meeting Attendance (times)
Mr. Boonsom Lerthirunwong	Chairman of Audit Committee	13/13
Mr. Rathian Srimongkol	Audit Committee	9/9
Mr. Thaveevat Tatiyamaneekul	Audit Committee	4/4
Asst. Prof. Dr. Kessara Thanyalakpark	Audit Committee	8/9
Mr. Chanin Roonsamrarn	Audit Committee	4/4

According to the charter of the Audit Committee and the assignment from the Board of Directors, the duties and responsibilities of the Audit Committee include the accurate and adequate revision of the Company's financial statements, efficient internal control system and effective corporate governance process, compliance with relevant laws and regulations, monitoring of the transactions susceptible to the conflict of interest to ascertain conformity with the rules and regulations concerned with the Company's utmost benefits; and the selection and expression of the opinion for the appointment of the external auditors. The following are the Audit Committee's key performances in summary:

## The 2023's Key Operations

- 1) Validate the Company's quarterly and annual financial statements before being reported to the Stock Exchange of Thailand and the Securities and Exchange Commission in the Company's financial statements review sessions.
- 2) Nominate the external auditors and arrange audit fees to propose to the Board of Directors for the approval from the shareholders' meeting.
- 3) Formulate the audit's execution plan and scope in collaboration with the external audit at 4 meetings without management's participation to ensure the internal audit's completion and appropriateness in conformity with the auditing standards. The audit process should be applied to key operations and risks that can pose impactful threats to the Company's operation.
- 4) Discuss the operation, the scope of duty and the review audit plan at meetings with the Internal Audit Department to ensure complete and appropriate internal audit process in line with the internal audit standards. For the year 2023, the assessment of sufficiency and efficiency was implemented for the internal control system of the Company and its subsidiaries. In addition, the Audit Committee acknowledged the audit report and followed up the progress as per recommendation to accomplish the internal control's effectiveness and efficiency and the Company is able to solve the problem in timely manner.
- 5) Review the Company's operation to comply with the Good Corporate Governance code as set out by the Securities and Exchange Commission.

- 6) Review the performance to be in compliance with laws on Securities and Exchange Commission (SEC), the rules of Stock Exchange of Thailand (SET) or the laws relevant to the business proceeding of the Company.
- 7) As for connected transactions and transactions that could pose to conflicts of interests, the Internal Audit Department shall inspect and report to the Audit Committee annually to ensure that the Company reasonably operates conforming with the typical business condition and disclose completely and accurate information in accordance with the guidelines.
- 8) Evaluate the sufficiency, suitability and effectiveness of the internal control system that covers the organization, the environment, risk management, control of administration, informational and communication system, and the follow-up system to enhance creditability or effectiveness of internal control. Those include Emerging Risk, Cyber Security Risk, Disruptive Technology, new laws and regulations, and Aging Society. An emphasis should be placed on achieving good governance and driving the management of the Company towards the Three Lines of Defense guideline which consist of 1. Operational Risk Ownership (first line) 2. Risk Management and Compliance Oversight (second line) 3. Independent Audit Unit (third line).
- 9) Ensure the appropriate, effective and efficient risk management. Make ascertain that communication with the Risk Management Committee is in place to establish an understanding of key risks, either arising from internal or external sources, on a quarterly basis.
- 10) Ensure that the Audit Committee reviews and completes a yearly self-evaluation by referring to the good guidelines and the stated charter. The assessment has suggested that the Audit Committee accomplished effective performance in accordance with the stated charter.
- 11) Foster the whistleblowing website as a communication channel launched by the Company to file a complaint regarding corruption and wrong doing which could violate the code of conduct, of which reports are directly forwarded to the Audit Committee in conforming with good corporate governance.
- 12) Monitoring in accordance with anticorruption guideline, the Internal Audit Department is tasked with reviewing measures and devising the proactive guidelines to counter corruption activities and improper behaviors companywide. What's more, the practice should be applied to suppliers through initiatives such as supplier evaluation guidelines, code of conduct for suppliers, no-gift policy during the festive celebration etc.

### **The Opinions by the Audit Committee on Performance in 2023**

- 1) The Company's financial statements are reliable, accurate and complete as per the Generally Accepted Accounting Principle and material information have sufficiently been disclosed in a timely manner.
- 2) The Company has operated a sufficient, effective and efficient internal control system to oversee and monitor appraisal which is in line with the good corporate governance.
- 3) The Company's risk management system has been proper, effective and efficient. It has successfully met the established policies, guidelines and evolving climates and situations, both internal and external, that could pose emerging risks.
- 4) The Company has achieved zero non-compliance to the laws on Securities and Stock Exchange, the rules of the Stock Exchange or the laws relevant to the business of the Company.
- 5) Any transactions, whether have been related to or have included conflicts of interest, have appropriately been performed in accordance with the laws and the rules of the Stock Exchange of Thailand for the utmost benefits for the Company. Neither indication nor other observations to imply irregularity has been found.
- 6) The appointed external auditors have been knowledgeable, competent and have had experiences in duties. They have gained trustworthy independence and have had no relation or transaction which may cause conflicts of interest to the Company. Their qualities make certain that the audits were completely and appropriately accomplished in parallel to the accounting standards while ensuring efficiency and transparency.
- 7) The Audit Committee has reviewed the independency, the annual internal audit plan and the responsibilities of the Internal Audit Department. The committee has also conducted the appraisal of the head of the Internal Audit Department. The Audit Committee has viewed that the Company's internal audit has independently, sufficiently, and efficiently fulfilled its duties.

Not only has the Audit Committee independently achieved all of its duties, but also the Audit Committee has followed the designated charter of the Audit Committee through cordial cooperation by all sides concerned.



(Mr. Boonsom Lerdhirunwong)

*Chairman of Audit Committee*

# Message from Risk Management Committee

## Dear Stakeholders

To support the Board of Directors in supervising corporate governance, and to reassure that the set goal aligning with business direction including mitigation of potential impact to the business, the Company place great important of risk management to ensure the Company's appropriate, uninterrupted, efficient, and aligned with the changing environment in each period. Therefore, the risk committee has been appointed to set and review the policies, goals, and manage the framework of risk management of the Company, encourage the risk management culture, including set up the risk management measures to ensure that the risk is in acceptable level.

the Risk Management Committee considers the risks affecting the achievement of goals, and constantly analyses the risk from the change in environment both internally and externally. In the procedure of risk management, Risk Appetite and Risk Tolerance have been set in order to manage those risks that would not cause any significant effect in the Company's operation.

For risk management and assessment report, the Risk Management Committee is responsible for reporting the risk assessment results to the Audit Committee for acknowledgement and consideration prior to propose to the Board of Directors. The Audit Committee have the expertise and working experience in Risk Management in the listed Company in the Stock Exchange of Thailand.

In the process of considering and managing risk, the Board of Directors considers the risk that would cover all types of activities in the business, both on organizational level and department level and striving to become part of the organizational culture. Key Risk Indicators are set to predict the risk in order to control and ensure appropriate risk management strategies to curb risks at the acceptable or lower level under the supervision of the Risk Management Committee. During the year 2023, a total of 4 meetings were convened in which all committees attended every meeting and the key performance essences by the Risk Management Committee can be set out below:

1. Review risk factors and enterprise risk levels by taking into account both internal and external factors along with industry risks such as economic, social factors, climate change, and technological innovation that have potential impact on the consumers' lifestyle and behaviors. The review also analyzes internal factors to determine the risk universe situation that covers the 4 key risks of the Company's operations; namely (1) strategic risks (2) operational risks (3) compliance risks; and (4) financial risks. The evaluation of crucial organizational risks and its impact on the operations in 2023 has been jointly conducted by the Risk Management Committee and the Senior Management for additional 5 risks scenarios to continuously monitor:
  - 1.1. Disruptive Technology Risk is new technologies or innovations which significantly change the business operation and consumer's behavior.
  - 1.2. Climate Change Risk may affect business operation from a change in consumer's behavior, regulations set by the government, including environment.
  - 1.3. Foreign Exchange Rate Risk that is associated with goods purchased in foreign currencies.
  - 1.4. Credit Risk that the Company is unable to pay interest or principal for bondholders.
  - 1.5. Liquidity Risk is the ability to maintain financial status and stability in order to conduct business according to the specified plan.
2. Develop a risk management system to meet international standards with efficiency and effectiveness from identifying risks by considering both external and internal factors within the organization, assessing the impact and likelihood of risks, as well as determining appropriate risk management measures and following up the effectiveness of risk management on a regular basis.



To set up the risk management guidelines, the Risk Management Committee has prioritized risks in order to focus on the potential risks that may affect the Company's operations. and identify appropriate alternatives or plans to implement. The Risk Management Committee will evaluate the mitigation of risk impact, including costs and benefits. The Company has set guidelines in response to Risk Mitigation Options and ensure the remaining risks in deviation are within the range of Risk Tolerance.

3. Reassess the emerging risks that can significantly impact on the Company's goals or operation in the future. The Risk Management Committee has considered the following risk aspects as below:
  - 3.1 Environmental Law risk: Since climate change is intensifying and brings about severe impacts, countries around the world are setting goals to urgently reduce greenhouse gas emissions. which Thailand has expressed its intention to participate in reducing greenhouse gas emissions as well In order to comply with more stringent environmental laws. The Company has to revise and set its sustainability goals in various aspects to be consistent with national goals, such as greenhouse has emission reduction per store, renewable energy usage with solar cell, setting a long-term goal of NET ZERO, including product development throughout the supply chain in order to reduce environmental impact, etc.
  - 3.2 Customer Behavioral Change toward Low-carbon Society: Presently, Low-carbon society is a principle to raise awareness in broader society and is implemented in many countries around the world. Most people pool efforts to reduce the emission of carbon dioxide gas (CO<sub>2</sub>) in daily activities, particularly those emission from manufacturing process of business and industry sectors, including the purchase of products and services more taken into account to the environmental impact by the household sector. Consequently, people in society ought to be aware of a good quality of life in low-carbon environment attached to more environmentally friendly technology implementation and development. The Company therefore has been continuously developing low-carbon products or environmentally friendly products, as well as elevating ECO Products as ECO CHOICE to be an alternative for the low-carbon and environmentally friendly product demanding consumers products.
  - 3.3 Abrupt Climate Change implementing toward Supply Chain and Logistics: This physical risks caused by heavy rain and monsoon more frequently leading to flash floods and damages to operating stores which impacted customers' traffic and supply chain, as well as drought that may affect the production in agricultural sector leading to the economic slowdown and impact the Company's sales of product and services. However, The Company has comprehensive measures and prepared relevant plans in various areas to respond the effects of abrupt weather changes in both store building management and distribution center by studying statistical data on rainfall and flooding which occurred in the areas where its stores are going to be opened during the pre-construction period, data to design and prevent impacts. Moreover, the Company set up the contingency plan in supply chain and distribution management i.e. realigning pickup points and distributing products to unaffected store locations, as well as improve the inventory management system to support availability of products for sale throughout the supply chain both in distribution center and stores to ensure the inventory sufficiency or serving customer's needs.



(Mr. Khunawut Thumpomkul)

*Chairman of Risk Management Committee*

# Board of Directors



**Mr. Anant Asavabhokhin**

- Chairman of the Board of Directors



**Mr. Khunawut Thumpomkul**

- Chairman of Executive Committee
- Nomination and Remuneration Committee
- Director



**Mr. Boonsom Lerdhirunwong**

- Chairman of Audit Committee
- Independent Director



**Mr. Naporn Sunthornchitcharoen**

- Chairman of Nomination and Remuneration Committee
- Executive Committee
- Director



**Mr. Rathian Srimongkol**

- Audit Committee
- Independent Director



**Asst. Prof. Dr. Kessara Thanyalakpark**

- Audit Committee
- Independent Director



**Mr. Pornwut Sarasin**

- Nomination and Remuneration Committee
- Independent Director



**Mr. Achawin Asavabhokin**

- Executive Committee
- Director



**Mrs. Suwanna Buddhapasart**

- Director



**Miss. Vareeporn Udomkunnatum**

- Director



**Mr. Weerapun Ungsumalee**

- Managing Director
- Director

## 1 Mr. Anant Asavabhokhin (73 years old)

### Type of Director

- Non-executive director
- Chairman of the Board of Directors (appointed on 8 April 2022)
- Authorized Signatory Director

Direct shareholding

None

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

M.B.A Thammasat University

M.S. Industrial Engineering, Illinois Institute of technology, Chicago, USA

Bachelor of Engineering Chulalongkorn University

### Training

#### Thai Institute of Directors Association (IOD)

2004 Director Certification Program (DCP) 52/2004

### Main Occupation

Chairman of the Board of Directors Home Product Center Plc. (Retail - Consumer Discretionary)

### The brief working experience during the past 5 years

Period	Position	Company
Director of 1 listed companies		
2022 - Present	Chairman of the Board of Directors	Home Product Center Plc. (Retail - Consumer Discretionary)
2013 - 2017	Chairman of the Board of Directors and Chairman of Executive Committee	Land and Houses Plc. (Real Estate)
2005 - 2017	Chairman of the Board of Directors	Land and Houses Bank Plc. (Financials)
1983 - 2017	Director	Quality Houses Plc. (Real Estate)

### Board Skills Matrix

Consumer Discretionary, Accounting/Finance/Economics, Real Estate

## 2 Mr. Khunawut Thumpomkul (66 years old)

### Type of Director

- Non-executive director
- Chairman of Executive Committee (appointed on 1 January 2023)
- Executive Committee, Nomination and Remuneration Committee (appointed on 8 April 2023)
- Director (appointed on 29 May 2001)
- Authorized Signatory Director

Direct shareholding

1.08%

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

Master of Business Administration (MBA), NIDA  
Bachelor of Economics, Ramkhamhaeng University

### Training

#### Thai Institute of Directors Association (IOD)

2018 IT Governance and Cyber Resilience Program (ITG) 8/2018  
2001 Director Certification Program (DCP) 8/2001

### Main Occupation

Director of Home Product Center Plc. (Retail - Consumer Discretionary)

### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 2 listed companies</b>		
2023 - Present	Chairman of Executive Committee, Nomination and Remuneration Committee and Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2001 - 2023	Managing Director	
2023 - Present	Director	LH Financial Group Plc. (Financials)
<b>Director of 4 non-listed company</b>		
2013 - Present	Chairman	DC Service Center Co., Ltd. (Logistic, Service)
2012 - Present	Chairman	Mega Home Center Co., Ltd. (Home Improvement Retailer; Retailing)
2011 - Present	Chairman	Home Product Center (Malaysia) Sdn. Bhd. (Retail - Consumer Discretionary)
2005 - Present	Chairman	Market Village Co., Ltd. (Real Estates)

### Board Skills Matrix

Consumer Discretionary, Accounting/Finance/Economics, Information Technology, Real Estate, Services, Risk Management

### 3 Mr. Boonsom Lerdhirunwong (70 years old)

#### Type of Director

- Independent director
- Chairman of Audit Committee and Independent Director (appointed on 1 October 2014)

Direct shareholding

None

Spouse and  
minor child shareholding

None

Family relationship with director

None

#### Education

Ph.D. of Civil Engineer, INSA Toulouse, France  
Master of Civil Engineer, Chulalongkorn University  
Bachelor of Civil Engineer, Chulalongkorn University

#### Training

##### Thai Institute of Directors Association (IOD)

2022 Advanced Audit Committee Program (AACP) 45/2022  
2019 Board Matters and Trends (BMT) 7/2019  
Ethical Leaderships Program (ELP) 15/2019  
2016 Anti-Corruption: The Practical Guide (ACPG) 27/2016  
2014 Role of Chairman Program (RCP) 34/2014  
2013 Successful Formulation & Executive of Strategy (SFE) 18/2013  
2012 Director Certification Program (DCP) 162/2012  
Financial Statements for Directors (FSD) 17/2012  
Audit Committee Program (ACP) 41/2012  
Monitoring Fraud Risk Management (MFM) 8/2012  
Monitoring of the Quality of Financial Reporting (MFR) 16/2012  
Monitoring the Internal Audit Function (MIA) 13/2012  
Monitoring the System of Internal Control and Risk (MIR) 13/2012

##### Others

2014 Corporate Governance: Effectiveness and Accountability in the Boardroom, Kellogg School of Management, Northwestern University  
2013 Certificate in Top Executives in the Energy Education Program (Class of 3<sup>rd</sup>)  
2006 Diploma, the Joint State-Private Sector Course National Defense College (Class of 19<sup>th</sup>)

##### IOD Forum

2018 Digital Transformation: A Must for All Companies  
2017 The Role of Chairman in Leading Strategic Risk Oversight Updated COSO Enterprise – Risk Management: Integrating with Strategy and Performance  
2016 Corporate Governance VS Corporate Performance: Duty or Choice?

#### Main Occupation

Chairman of the Board of Directors and Independent Director Quality Houses Plc. (Real Estate)

#### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 2 listed companies</b>		
2014 - Present	Independent Director and Chairman of Audit Committee	Home Product Center Plc. (Retail - Consumer Discretionary)
2015 - Present	Chairman and Independent Director	Quality Houses Plc. (Real Estate)
2012 - 2014	Director and Audit Committee	PTT Plc. (Energy)
<b>Director of 1 non-listed company</b>		
2010 - Present	Director and Chairman of Executive and Director of Building and Infrastructure Committee	The Thai Red Cross Society (Health Care)
2015 - 2021	Rector	Shinawatra University (Education)
2015 - 2018	Chairman	Thailand Institute of Nuclear Technology (Industrials)

#### Board Skills Matrix

Consumer Discretionary, Energy Business, Industrials, Healthcare, Information Technology, Real Estate, Corporate Governance, Risk Management

## 4 Mr. Naporn Sunthornchitcharoen (65 years old)

### Type of Director

- Non-executive director
- Chairman of Nomination and Remuneration committee (appointed on 8 April 2023)
- Nomination and Remuneration committee (appointed on 1 June 2015)
- Director and Executive Committee (appointed on 29 May 2001)
- Authorized Signatory Director

Direct shareholding

None

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

Master of Business Administration (MBA), Thammasart University

Bachelor of Civil Engineering, Chiangmai University

### Training

#### Thai Institute of Directors Association (IOD)

2011 Financial Institutions Governance Program (FGP) 2/2011

2005 Director Certification Program (DCP) 53/2005

2005 Director Certification Program (DCP) 53/2005

#### Other

2006 Diploma, the National Defense College Course

### Main Occupation

Chairman of the Board of Directors Land and Houses Plc. (Real Estate)

### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 5 listed companies</b>		
2023 - Present	Chairman of Nomination and Remuneration committee, Executive Committee and Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2015 - 2023	Nomination and Remuneration committee	
2001 - Present	Executive Committee and Director	Quality Houses Plc. (Real Estate)
2017 - Present	Director	
2017 - Present	Chairman and Chairman of Executive Director	Land and Houses Plc. (Real Estate)
1992 - Present	Director	
2013 - 2017	Managing Director	LH Financial Group Plc. (Financials)
2011 - Present	Director	
2011 - 2019	Nomination and Remuneration Committee	Quality Construction Products Plc.
2011 - 2017	Executive Director	
1994 - Present	Director	
<b>Director of 14 non-listed company</b>		
2013 - Present	Director	Land and Houses Securities Plc. (Financials)
2012 - Present	Director	Land and Houses USA, INC (Real Estate)
2005 - Present	Director and Executive Director	Land and Houses Bank Plc. (Financials)
2005 - 2018	Nomination and Remuneration Committee	
2005 - 2017	Director	Phuket Future Plan Co., Ltd. (Real Estate)
2005 - 2017	Director	Double Tree Co., Ltd. (Real Estate)
2004 - Present	Director	LH Asset Co., Ltd. (Real Estate)
2003 - Present	Director	LH Real Estate Co., Ltd. (Real Estate)
2002 - Present	Director	Land and Houses Property Fund 2 Co., Ltd. (Financials)
2000 - Present	Director	Land and Houses Property Fund 1 Co., Ltd. (Financials)
1995 - Present	Director	Land and Houses North East Co., Ltd. (Real Estate)
1995 - Present	Director	Land and Houses North Co., Ltd. (Real Estate)
1995 - Present	Director	LH Mueng Mai Co., Ltd. (Real Estate)
1993 - Present	Director	Siam Tanee Real Estate Co., Ltd. (Real Estate)
1990 - Present	Director	Siam Tanee Property Co., Ltd. (Real Estate)
1988 - Present	Director	Atlantic Real Estate Co., Ltd. (Real Estate)
1986 - Present	Director	LH Mall and Hotel Co., Ltd. (Real Estate)
2001 - 2016	Director	Muang Mai Guthrie Plc. Co., Ltd. (Materials)

### Board Skills Matrix

Consumer Discretionary, Materials, Accounting/Finance/Economics, Real Estate

## 5 Mr. Rathian Srimongkol (64 years old)

### Type of Director

- Independent director
- Audit Committee and Independent Director (appointed on 1 May 2023)

Direct shareholding

None

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

Master of Business Administration (MBA), Thammasart University

Master of Public Administration, Suan Sunandha Rajabhat University

Doctor of Medicine Program M.D., Faculty of Medicine Siriraj Hospital, Mahidol University

Bachelor of Science Program, Mahidol University

### Training

#### Thai Institute of Directors Association (IOD)

2009 Financial Statements Demystified for Director (FDD)

2008 The Role of Chairman Program

2001 Directors Certification Program (DCP)

#### Others

2023 Orchestrating Winning Performance (OWP) Lausanne, International Institute for Management Development (IMD)  
(26 - 30 June 2023)

2022 Orchestrating Winning Performance (OWP) Lausanne, International Institute for Management Development (IMD)  
(27 June - 1 July 2022)

2010 Certificate, Leader Program (Class 11), Capital Market Academy

2008 Diploma, National Defence College, The Joint State – Private Sector Course Class 51/21, National Defence College of Thailand

2008 Public Director Certification Program (PDI), King Prajadhipok's Institute

2008 Certificate, Economic Leader Forum (ELF), The Thammasat Economics Association

2005 Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 9), King Prajadhipok's Institute

### Main Occupation

Chief Executive Officer – Xspring Capital Public Company Limited

### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 3 listed companies</b>		
2023 - Present	Audit Committee and Independent Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2021 - 2023	Chairman, Chairman of Investment Committee, Chairman of Nominating and Compensation Committee and Authorized Director	XSpring Capital Public Company Limited (Financials)
2012 - Present	Director	Krungthai Card Public Company Limited (Financials)
2012 - 2023	Chief Executive Officer and Director	
2009 - Present	Vice Chairman of the Board, Lead Independent Director, Chairman of the Audit Committee, Member of the Sustainability and Risk Management Committee	Indorama Ventures Public Company Limited (Chemicals Business)
<b>Director of 4 non-listed company</b>		
2021 - Present	Chairman of the Board of Directors	XSpring Digital Company Limited (Digital Asset Business)
2021 - Present	Chairman of the Board of Directors	XSpring AMC Asset Management Company Limited (Financials)
2021 - Present	Chairman of the Executive Committee	Krungthai XSpring Securities Company Limited (Financials)
2021 - Present	Chairman of the Board of Directors	XSpring Asset Management Company Limited (Financials)

### Board Skills Matrix

Industrial, Healthcare, Accounting/Finance/Economics, Information Technology, Real Estate, Services, Corporate Governance, Risk Management



## 6 Asst. Prof. Dr. Kessara Thanyalakpark (49 years old)

### Type of Director

- Independent director
- Audit Committee and Independent Director (appointed on 1 May 2023)

Direct shareholding

None

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

PhD in Economics, Claremont Graduate University, U.S.A.  
MBA Finance and Accounting, University of California, U.S.A.  
MSc Economics, Claremont Graduate University, U.S.A.  
BBA Finance and Accounting, Chulalongkorn University

### Training

#### Thai Institute of Directors Association (IOD)

2005 Directors Certification Program (DCP)  
2005 Director Accreditation Program (DAP)

#### Others

2009 Certificate, Leader Program (Class 11), Capital Market Academy  
2005 FAME , International Center for Financial Asset Management and Engineering, Geneva Switzerland

### Main Occupation

Managing Director of SENA Development Public Company Limited (Real Estate)

### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 3 listed companies</b>		
2023 - Present	Audit Committee and Independent Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2020 - Present	Managing Director	
2014 - Present	Executive Committee and Risk Management Committee	SENA Development Public Company Limited (Real Estate)
2005 - Present	Director	
2022 - Present	Executive Committee and Chief executive officer	
2021 - Present	Director	SENA J Property Public Company Limited (Real Estate)
<b>Director of 59 non-listed company</b>		
2022 - Present	Director	Sena Development H 26 co., ltd.
2022 - Present	Director	Piti Land co., ltd.
2022 - Present	Director	Prangkul Asset co., ltd.
2022 - Present	Director	T&T Asset Management co., ltd.
2022 - Present	Director	Sena Management Service co., ltd.
2022 - Present	Director	J.S.P. Asplus co., ltd.
2022 - Present	Director	Baan Puttharaksa 2015 co., ltd.
2022 - Present	Director	Baan Putthachart 2015 co., ltd.
2022 - Present	Director	Baan ruenrom 2015 co., ltd.
2022 - Present	Director	Sampeng 2 Plaza co., ltd.
2022 - Present	Director	S.j. Healthcare co., ltd.
2022 - Present	Director	Sena j Property 1 co., ltd.
2022 - Present	Director	Sena j Property 2 co., ltd.
2022 - Present	Director	Sena j Property 3 co., ltd.
2022 - Present	Director	Sena j Property 4 co., ltd.
2022 - Present	Director	Sena j Property 5 co., ltd.
2022 - Present	Director	Sena j Property 6 co., ltd.
2022 - Present	Director	J.S.P. Chongtian Co., Ltd.

Period	Position	Company
<b>Director of 59 non-listed company</b>		
2022 - Present	Director	JSP Ocean Co., Ltd.
2022 - Present	Director	Charoennakorn Land Co., Ltd.
2022 - Present	Director	Sena Development H27 Co., Ltd.
2022 - Present	Director	Leo SK Co., Ltd.
2022 - Present	Director	Sin Ban Mongkol Co., Ltd.
2022 - Present	Director	ACR Management Co., Ltd.
2021 - Present	Director	Sena Development H 20 Co., Ltd.
2021 - Present	Director	Sena HHP 18 Co., Ltd
2021 - Present	Director	Sena HHP 19 Co., Ltd
2021 - Present	Director	Sena Development H 23 Co., Ltd.
2021 - Present	Director	Sena HHP 23 Co., Ltd
2021 - Present	Director	Sena Development H 25 Co., Ltd.
2021 - Present	Director	Sena idea Co., Ltd.
2021 - Present	Director	SK Asset Managment Co., Ltd.
2021 - Present	Director	Sena Cloud Co., Ltd.
2021 - Present	Director	Power Cash Co., Ltd.
2021 - Present	Director	SENA HHP 22 Co., Ltd.
2020 - Present	Director	Sena Development H15 Co., Ltd.
2020 - Present	Director	Sena Development H17 Co., Ltd.
2020 - Present	Director	Sena HHP17 Co., Ltd.
2020 - Present	Director	Sena HHP21 Co., Ltd.
2019 - Present	Director	TK Nawakij Co., Ltd.
2019 - Present	Director	Victory Management Service Co., Ltd.
2019 - Present	Director	Elite Residence Co., Ltd.
2019 - Present	Director	Sena Vanij Property Co., Ltd
2019 - Present	Director	Sena HHP 15 Co., Ltd.
2018 - Present	Director	Sena HHP 14 Co., Ltd
2018 - Present	Director	Sena Development A8 Co., Ltd.
2018 - Present	Director	Sena Development A9 Co., Ltd.
2018 - Present	Director	Acute Realty Co., Ltd.
2018 - Present	Director	SENA Techno Solution Co., Ltd.
2018 - Present	Director	Sena HHP 4 Co., Ltd.
2018 - Present	Director	Sena HHP 5 Co., Ltd.
2018 - Present	Director	Sena HHP 6 Co., Ltd.
2018 - Present	Director	Sena HHP 7 Co., Ltd.
2018 - Present	Director	Sena HHP 8 Co., Ltd.
2018 - Present	Director	Sena HHP 9 Co., Ltd.
2018 - Present	Director	Sena HHP 10 Co., Ltd.
2018 - Present	Director	Sena HHP 11 Co., Ltd.
2018 - Present	Director	Sena HHP 12 Co., Ltd.
2018 - Present	Director	Sena HHP 13 Co., Ltd.

### Board Skills Matrix

Accounting/Finance/Economics, Real Estate, Corporate Governance, Risk Management

## 7 Mr. Pornwut Sarasin (64 years old)

### Type of Director

- Independent director
- Nomination and Remuneration Committee (appointed on 1 May 2023)
- Independent Director (appointed on 1 October 2015)

Direct shareholding

0.004%

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

Master of Business Administration (MBA), Pepperdine University, USA  
Bachelor of Business Administration, Boston University, USA

### Training

#### Thai Institute of Directors Association (IOD)

2005 Director Accreditation Program (DAP) 45/2005

### Main Occupation

Chairman of Thai Namthip Ltd. (Consumer Staples)

### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 4 listed companies</b>		
2023 - Present	Nomination and Remuneration Committee	Home Product Center Plc. (Retail - Consumer Discretionary)
2015 - Present	Independent Director	
2017 - Present	Chairman	BG Container Glass Plc. (Materials)
2015 - Present	Director	Crown Seal Plc. (Materials)
2009 - Present	Director	AP (Thailand) Plc. (Real Estate)
1994 - 2023	Director and Chairman of Audit Committee	Charoong Thai Wire & Cable Plc. (Industrials)
<b>Director of 9 non-listed company</b>		
2023 - Present	Chairman	Thai Namthip Co., Ltd. (Food and Drink; Consumer Staples)
2014 - Present	Director	Bangkok Glass Plc. (Materials)
2013 - Present	Chairman	Thai Namthip Co., Ltd. (Food and Drink; Consumer Staples)
2000 - Present	Director	Honda Automobile (Thailand) Co., Ltd. (Auto Industry; Industrial)
1998 - Present	Director	Denso (Thailand) Co., Ltd. (Industrials)
1993 - Present	Director	Thai Asia Pacific Brewery Co., Ltd. (Consumer Staple)
1986 - Present	Director	Thai-MC Co., Ltd. (Materials)
1986 - Present	Director	Isuzu Motors (Thailand) Co., Ltd. (Auto Manufacturing; Industrial)
1986 - Present	Director	Tri Petch Isuzu Co., Ltd. (Car Distributor; Consumer Discretionary)
1986 - Present	Director	Tri Petch Isuzu Leasing Co., Ltd. (Financials)

### Board Skills Matrix

Consumer Discretionary, Consumer Staples, Industrial, Materials, Accounting/Finance/Economics, Real Estate

## 8 Mr. Achawin Asavabhokin (48 years old)

### Type of Director

- Non-executive director
- Executive Committee (appointed on 8 April 2023)
- Director (appointed on 10 April 2014)

Direct shareholding

None

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

Bachelor of Science in Engineering, Majoring in Systems Science and Engineering, University of Pennsylvania, USA

Bachelor of Science in Economics, Concentration in Finance, University of Pennsylvania, USA

### Training

#### Thai Institute of Directors Association (IOD)

2014 Director Certification Program (DCP)

### Main Occupation

Senior Executive Vice President, Chief Marketing Officer

SCB Asset Management Co., Ltd. (Financials)

### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 3 listed companies</b>		
2023 - Present	Executive Committee	Home Product Center Plc. (Retail - Consumer Discretionary)
2014 - Present	Director	Land and Houses Plc. (Real Estate)
2018 - Present	Director	Quality House Plc. (Real Estate)
2017 - Present	Director	Quality House Plc. (Real Estate)
<b>Director of 1 non-listed company</b>		
2023 - Present	Director	XSpring Digital Company Limited (Digital Asset Business)
2021 - 2023	Senior Executive Vice President, Chief Marketing Officer	SCB Asset Management Co., Ltd. (Financials)
2011 - 2018	Executive Vice President - Product & Foreign Fixed Income Group	

### Board Skills Matrix

Consumer Discretionary, Accounting/Finance/Economics, Real Estate

## 9 Mrs. Suwana Buddhaprasart (69 years old)

### Type of Director

- Non-executive director
- Director (appointed on 2 July 2003)
- Authorized Signatory Director

Direct shareholding

None

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

Master of Business Administration (MBA), Chulalongkorn University  
Bachelor of Commerce and Accountancy, Chulalongkorn University

### Training

#### Thai Institute of Directors Association (IOD)

2023 Director Leadership Certification Program (DLCP 9/2023)  
2011 Financial Institutions Governance Program (FGP) 3/2011  
2007 Director Certification Program (DCP) 85/2007  
2004 Director Accreditation Program (DAP) 29/2004

### Main Occupation

Chief Executive Office LH Mall & Hotel Co., Ltd. (Real Estate)

#### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 3 listed companies</b>		
2003 - Present	Director	Home Product Center Plc. (Retail - Consumer Discretionary)
2018 - Present	Director	Mandarin Hotel Plc. (Hotel, Service)
2014 - Present	Executive Director, Corporate Governance Committee, and Risk Management Committee	Quality Houses Plc. (Real Estate)
2000 - Present	Director	LH Financial Group Plc. (Financial Holdings)
<b>Director of 17 non-listed company</b>		
2023 - Present	Advisor (1-year contract)	
2021 - 2023	Executive Director	Land and Houses Fund Management Co., Ltd. (Financial)
2017 - 2023	Director	L&H Property Co., Ltd. (Real Estate)
2016 - Present	Director and Chief Executive Officer	LH Mall & Hotel Co., Ltd. (Mall and Hotel, Service)
2016 - Present	Director	Gusto Village Co., Ltd. (Real Estate)
2016 - Present	Director	Casa Ville (Rayong 2553) Co., Ltd. (Real Estate)
2016 - Present	Director	Casa Ville (Prachuabkhirikhan 2554) Co., Ltd. (Real Estate)
2016 - Present	Director	Casa Ville (Petchburi 2553) Co., Ltd. (Real Estate)
2013 - Present	Director	Property Host Co., Ltd. (Real Estate)
2013 - Present	Director	Casa Ville (Chonburi 2554) Co., Ltd. (Real Estate)
2012 - Present	Director	Center Point Hospitality Co., Ltd. (Real Estate)
2012 - Present	Director	L&H Hotel Management Co., Ltd. (Hotel, Service)
2008 - Present	Director	L&H Management Co., Ltd. (Hotel, Service)
2003 - Present	Director	Casa Ville Co., Ltd. (Real Estate)
2003 - Present	Director	QH Management Co., Ltd (Service)
2000 - Present	Director	QH International Co., Ltd. (Real Estate)
2000 - Present	Director	The Confidence Co., Ltd. (Real Estate)

### Board Skills Matrix

Consumer Discretionary, Accounting/Finance/Economics, Real Estate, Services, Risk Management

## 10 Miss. Vareeporn Udomkunnatum (50 years old)

### Type of Director

- Non-executive director
- Director (appointed on 1 May 2023)

Direct shareholding

0.06%

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

MBA, Columbia University, U.S.A

Bachelor Degree in Business Administration, Major Finance & Marketing Assumption University, Thailand

### Training

#### Thai Institute of Directors Association (IOD)

2014 Directors Certification Program (DCP)

#### Others

2017 FSD (Financial Statement for Directors)

2016 FBG (Family Business Governance)

### Main Occupation

Chief Executive Officer and Director of Elysian Development Co. Ltd (Real Estate)

### The brief working experience during the past 5 years

Period	Position	Company
Director of 1 listed companies		
2023 - Present	Director	Home Product Center Plc. (Retail - Consumer Discretionary)
Director of 5 non-listed company		
2020 - Present	Chief Executive Officer	Rare Beverage Co. Ltd. (Consumer Discretionary)
2022 - Present	Director	Threaded Creatives Co. Ltd.
2016 - Present	Chief Executive Officer	Elysian Hotel Management Co. Ltd (Service)
2012 - Present	Chief Executive Officer	Elysian Development Co. Ltd (Real Estate)
2001 - Present	Director	Active Nation Co. Ltd. (Retail - Consumer Discretionary)

### Board Skills Matrix

Accounting/Finance/Economics, Real Estate, Service

## 11 Mr. Weerapun Ungsumalee (61 years old)

### Type of Director

- Executive Director
- Managing Director (appointed on 1 January 2023)
- Director (appointed on 1 February 2019)
- Authorized Signatory Director

Direct shareholding

0.04%

Spouse and  
minor child shareholding

None

Family relationship with director

None

### Education

Master of Industrial Engineering, Asian Institute of Technology  
Bachelor of Industrial Engineering, King Mongkut's Institute of Technology Ladkrabang

### Training

#### Absolute Alliances

2020 Digital Business Solution Summit 2020

#### Thai Institute of Directors Association

2019 Director Certification Program (DCP) 272/2019

#### Capital Market Academy

2019 Capital Market Leadership Program (CMLP) 29/2019

#### MAI Listed Company Association (mai)

2019 Chief Transformation Officer Program (CTO), Digital Transformation and Cyber Security

### Main Occupation

Managing Director of Home Product Center Plc. (Retail - Consumer Discretionary)

### The brief working experience during the past 5 years

Period	Position	Company
<b>Director of 1 listed companies</b>		
2023 - Present	Managing Director	
2019 - Present	Director	
2016 - 2023	Executive Vice President	Home Product Center Plc. (Retail - Consumer Discretionary)
2007 - 2016	Senior Vice President - Operations Senior Vice President - Information Technology	
<b>Director of 3 non-listed company</b>		
2019 - Present	Director	Home Product Center (Malaysia), Sdn Bhd. (Retail)
2018 - Present	Director and Managing Director	Mega Home Center Co., Ltd. (Retail)
2013 - Present	Director	DC Service Center Co., Ltd. (Logistic, Service)

### Board Skills Matrix

Consumer Discretionary, Information Technology, Services, Risk Management

# Management Team

## 1. Mr. Chaiyuth Karunyasopon (65 years old)

- Starting Date: 1 July 2007
- Executive Vice President - Supply Chain Management
- Managing Director - Distribution Services Center Co., Ltd.

Direct Shareholding

0.02%

Shareholding by spouse and minor child

0.001%

### Highest Level of Education / Training

Bachelor of Finance, Ramkhamhaeng University

### Experience during the past 5 years

- |                |  |
|----------------|--|
| 2019 - Present | Executive Vice President - Home Product Center Plc. (Retail) |
| 2002 - 2019    | Senior Vice President - Home Product Center Plc. (Retail)    |

## 2. Mr. Vathunyu Visuthikosol (59 years old)

- Starting Date: 1 April 1994
- Executive Vice President - International Business and Real Estate
- Managing Director - Market Village Co., Ltd.
- Managing Director - Home Product Center (Malaysia) SDN. BHD.

Direct Shareholding

0.08%

Shareholding by spouse and minor child

None

### Highest Level of Education / Training

MBA, Georgia State University, USA

### Experience during the past 5 years

- |                |  |
|----------------|--|
| 2019 - Present | Executive Vice President - Home Product Center Plc. (Retail) |
| 2002 - 2019    | Senior Vice President - Home Product Center Plc. (Retail)    |

## 3. Ms. Wannee Juntamongkol (59 years old)

- Starting Date: 16 March 2005
- Executive Vice President - Finance and Investment Business (Chief Finance Officer)
- Company Secretary

Direct Shareholding

0.09%

Shareholding by spouse and minor child

None

### Highest Level of Education / Training

MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

Bachelor of Commerce and Accountancy, Chulalongkorn University

2023 - TLCA CFO CPD

- 1) What's the Future of the CFO roles
- 2) RPA in Finance IOD training The Business Case and Ethics of AI

2022 - CFO Refresher class 3/2022, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)

2021 - Program for the Company Secretary by Thai Listed Companies Association

- CFO Refresher class 2/2021, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)

2020 - Top Executive Program in Commerce and Trade class 13 (TEPCoT)

- Advance for Corporate Secretary Program, Institute of Director Association (IOD)

2019 - Attended the following seminars by Thai Listed Companies Association:

- The CFO's role in stakeholder communications
- Automation & RPA (Robot Process Automation) for Accounting
- The Securities and Exchange Commission's policy of capital market development and operational support for listed companies

2017 - Director Accreditation Program class 140/2017

2016 - Capital Market Academy class 22

2015 - Strategic CFO class 1 by Stock Exchange of Thailand (SET)

2008 - Laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) Program for the Company Secretary by Faculty of Law of Chulalongkorn University

2005 - Company Secretary Program, Institute of Director Association (IOD)

### Experience during the past 5 years

- |                |  |
|----------------|--|
| 2021 - Present | Executive Vice President - Home Product Center Plc. (Retail) |
| 2008 - Present | Company Secretary - Home Product Center Plc. (Retail)        |
| 2005 - 2020    | Senior Vice President - Home Product Center Plc. (Retail)    |



#### 4. Mrs. Uraiwan Tantipiriyakij (54 years old)

- Starting Date: 1 August 2001
- Senior Vice President - HomePro Operation

Direct Shareholding

0.004%

Shareholding by spouse  
and minor child

0.005%

##### Highest Level of Education / Training

Master of Finance, Kennesaw State University, USA

##### Experience during the past 5 years

2018 - Present Senior Vice President -  
Home Product Center Plc. (Retail)

2008 - 2018 District Manager -  
Home Product Center Plc. (Retail)

#### 7. Ms. Jarusopha Thumkathikanon (64 years old)

- Starting Date: 16 November 2003
- Senior Vice President - Bedding & Home Living Merchandising

Direct Shareholding

0.08%

Shareholding by spouse  
and minor child

None

##### Highest Level of Education / Training

Bachelor of Economics, The University of the Thai Chamber of Commerce

##### Experience during the past 5 years

2003 - Present Senior Vice President -  
Home Product Center Plc. (Retail)

1989 - 2003 Senior Purchasing Manager -  
Siam Makro Plc.

#### 5. Ms. Sannipa Swangpuen (54 years old)

- Starting Date: 1 February 2014
- Senior Vice President - Supply Chain Management

Direct Shareholding

0.002%

Shareholding by spouse  
and minor child

None

##### Highest Level of Education / Training

Master of Accounting, Griffith University, Australia

##### Experience during the past 5 years

2014 - Present Senior Vice President -  
Home Product Center Plc. (Retail)

1997 - 2013 Senior Manager -  
Ek-Chai Distribution System Co., Ltd. (Retail)

#### 8. Ms. Ittaporn Srisukwattana (52 years old)

- Starting Date: 1 July 2003
- Senior Vice President - Design & Product Development

Direct Shareholding

0.001%

Shareholding by spouse  
and minor child

None

##### Highest Level of Education / Training

MBA, Assumption University

##### Experience during the past 5 years

2015 - Present Senior Vice President -  
Home Product Center Plc. (Retail)

2010 - 2014 Vice President -  
Home Product Center Plc. (Retail)

#### 6. \*Ms. Siriwan Paimsethasin (66 years old)

- Starting Date: 1 March 2002
- Senior Vice President -  
Water Solution & Electric Merchandising

Direct Shareholding

0.004%

Shareholding by spouse  
and minor child

None

##### Highest Level of Education / Training

Diploma in Business Computing, Dhonburi Rajabhat University

##### Experience during the past 5 years

2011 - Present Senior Vice President -  
Home Product Center Plc. (Retail)

2007 - 2011 Vice President -  
Home Product Center Plc. (Retail)

\*Retired since 31 December 2023

#### 9. Mr. Sangsak Sorakit (47 years old)

- Starting Date: 1 July 2023
- Senior Vice President -  
Water Solution & Electric Merchandising

Direct Shareholding

None

Shareholding by spouse  
and minor child

None

##### Highest Level of Education / Training

Master degree of Marketing, Ramkhamhaeng University  
Bachelor degree of Marketing, Ramkhamhaeng University

##### Experience during the past 5 years

2023 - Present Senior Vice President -  
Home Product Center Plc. (Retail)

2004 - 2023 Deputy Director at Ek-Chai Distribution  
System Co., Ltd. (Retail)

### 10. Mrs. Nongrat Chatrattanapong (56 years old)

- Starting Date: 1 July 2023
- Senior Vice President - Global Sourcing & Private Brand Development

Direct Shareholding

None

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

Master of Business Administration Program, Maejo University  
Bachelor of Business Administration (Finance),  
Payap University

#### Experience during the past 5 years

2023 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2011 - 2023 Deputy Director at Siam Makro Plc. (Retail)

### 13. Ms. Apiradee Thavilap (52 years old)

- Starting Date: 1 April 2014
- Senior Vice President - Digital Business & Merchandise Center

Direct Shareholding

0.002%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

MBA, Colorado State University, USA  
Bachelor of Economics, Chulalongkorn University

#### Experience during the past 5 years

2014 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2012 - 2013 Senior Manager - Ek-Chai Distribution System Co., Ltd. (Retail)

### 11. Mr. Tanawat Klangsoontornrangsi (56 years old)

- Starting Date: 1 October 1994
- Senior Vice President - Ceramic & Bathroom Merchandising

Direct Shareholding

0.005%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

Bachelor of Business Administration, Bangkok University

#### Experience during the past 5 years

2018 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2003 - 2018 Vice President - Home Product Center Plc. (Retail)

### 14. Ms. Monaphat Phongpreedachit (55 years old)

- Starting Date: 1 May 2004
- Senior Vice President - Home Service

Direct Shareholding

0.002%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

Senior High School, French Program,  
Matthayomwatnairong School

#### Experience during the past 5 years

2017 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2004 - 2017 Vice President - Home Product Center Plc. (Retail)

### 12. Mrs. Surangkha Chaiprasart (53 years old)

- Starting Date 1 June 2008
- Senior Vice President - Customer Experience

Direct Shareholding

0.003%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

Bachelor of Plant Propagation Technology, King's Mongkut Institute of Technology Ladkrabang

#### Experience during the past 5 years

2017 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2008 - 2017 Vice President - Home Product Center Plc. (Retail)

### 15. Ms. Pornsook Damrongsiri (58 years old)

- Starting Date: 1 January 2013
- Senior Vice President - Digital Transformation

Direct Shareholding

0.002%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

MS-CIS, Colorado State University, USA

#### Experience during the past 5 years

2013 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2007 - 2013 Senior Manager - Ek-Chai Distribution System Co., Ltd. (Retail)

#### 16. Mr. Nitat Aroontippaitoon (58 years old)

- Starting Date: 16 March 1997
- Senior Vice President - Human Resource and Energy Business

Direct Shareholding

0.04%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

MBA, National Institute of Development Administration

#### Experience during the past 5 years

2000 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2005 - 2010 Vice President - Internal Audit

#### 19. Ms. Somjai Maturaporn (63 years old)

- Starting Date: 16 January 2001
- Senior Vice President - Home Electric Merchandising

Direct Shareholding

0.003%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

Bachelor of Nursing Science, Mahidol University

#### Experience during the past 5 years

2019 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2015 - 2019 Vice President - Home Product Center Plc. (Retail)

#### 17. Ms. Sudapa Chamod (50 years old)

- Starting Date: 1 July 2012
- Senior Vice President - Information and Communication Technology
- Chief Technology Officer (CTO)
- Chief Security Officer (CSO)

Direct Shareholding

0.002%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

MBA, Asian Institute of Technology

#### Experience during the past 5 years

2012 - Present Senior Vice President - Home Product Center Plc. (Retail)  
1999 - 2012 Senior Manager - Accenture Solutions Co., Ltd. (System Consultant)

#### 20. Mr. Wichian Jiamwijitkul (59 years old)

- Starting Date: 1 August 2020
- Senior Vice President - Mega Home Business and Product Category Management

Direct Shareholding

0.001%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

Bachelor of Engineering, Chulalongkorn University

#### Experience during the past 5 years

2020 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2015 - 2020 Independent Advisor  
2014 - 2016 Director - SCG Cement & Building Materials Co., Ltd. (Building Materials)

#### \*18. Ms. Petchompoo Theppipdh (59 years old)

- Starting Date: 1 July 2012
- Senior Vice President - Distribution Center

Direct Shareholding

0.001%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

Master of Education, Chulalongkorn University

#### Experience during the past 5 years

2019 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2012 - 2019 Vice President - Home Product Center Plc. (Retail)

\*Retired since 31 December 2023

#### 21. Mr. Vorapot Techathadukul (47 years old)

- Starting Date: 1 August 2008
- Senior Vice President - Merchandise Kitchen & Home Organize

Direct Shareholding

0.001%

Shareholding by spouse and minor child

None

#### Highest Level of Education / Training

Bachelor of History, Kasetsart University

#### Experience during the past 5 years

2020 - Present Senior Vice President - Home Product Center Plc. (Retail)  
2016 - 2020 Vice President - Home Product Center Plc. (Retail)

### 22. Ms. Saowanee Sirariyakul (46 years old)

- Starting Date: 1 September 2020
- Senior Vice President - Marketing

Direct Shareholding

0.001%

Shareholding by spouse  
and minor child

None

#### Highest Level of Education / Training

Master of Innovation Management, Mahidol University

#### Experience during the past 5 years

- 2020 - Present Senior Vice President -  
Home Product Center Plc. (Retail)
- 2010 - 2019 Director - Thai Samsung Electronics Co.,  
Ltd. (Electrical Appliances Manufacturer  
and Distributor)

### 24. Mr. Rakpong Aroonwatdhana (49 years old)

- Starting Date: 16 May 2001
- Senior Vice President - Investor Relations, Strategy,  
and Sustainability

Direct Shareholding

0.001%

Shareholding by spouse  
and minor child

None

#### Highest Level of Education / Training

MBA, Ramkhamhaeng University

Bachelor of Accounting, University of the Thai Chamber of  
Commerce

#### Experience during the past 5 years

- 2021 - Present Senior Vice President -  
Home Product Center Plc. (Retail)
- 2014 - 2021 Vice President - Home Product Center Plc.  
(Retail)

### 23. Mr. Wichan Worasittanon (56 years old)

- Starting Date: 1 August 2006
- Senior Vice President - Accounting and Finance

Direct Shareholding

0.01%

Shareholding by spouse  
and minor child

None

#### Highest Level of Education / Training

Bachelor of Accounting, Thammasat University

- 2023 - Accounting courses by Dharmniti Seminar and  
Training Co., Ltd.  
- หลักสูตร Case การบันทึกบัญชีของ TAS16 ,TAS2  
และ TAS 23 ให้ถูกต้องตามมาตรฐานการบัญชี
- 2022 - Accounting courses by Dharmniti Seminar and  
Training Co., Ltd.

#### Experience during the past 5 years

- 2021 - Present Senior Vice President -  
Home Product Center Plc. (Retail)
- 2006 - 2021 Vice President - Home Product Center Plc.  
(Retail)

### 25. Mr. Teerapong Sampan (50 years old)

- Starting Date: 17 March 2014
- Senior Vice President - Construction Merchandising

Direct Shareholding

0.001%

Shareholding by spouse  
and minor child

None

#### Highest Level of Education / Training

Master of Business management and Marketing, NIDA

Bachelor of BBA and Marketing, Bangkok University

#### Experience during the past 5 years

- 2019 - Present Senior Vice President -  
Home Product Center Plc. (Retail)
- 2014 - 2019 Senior Vice President - Mega Home Center  
Ltd. (Retail)



# Financial Information

(Unit :million Baht)

Item	Consolidated Financial Statements			Separate Financial Statements		
	2021	2022	2023	2021	2022	2023
Total Assets	58,586.35	65,184.74	<b>69,047.89</b>	54,591.44	63,616.96	<b>66,839.83</b>
Total Liabilities	35,695.91	40,938.86	<b>43,489.10</b>	33,033.79	40,903.58	<b>43,080.28</b>
Equity	22,890.43	24,245.88	<b>25,558.78</b>	21,557.65	22,713.38	<b>23,759.55</b>
Revenue from Contracts with Customers	60,567.91	65,090.88	<b>68,283.31</b>	52,829.27	60,042.43	<b>67,042.95</b>
Total Revenues	63,925.79	69,389.43	<b>72,821.77</b>	56,179.25	64,730.36	<b>71,734.23</b>
Net profit	5,440.52	6,217.09	<b>6,441.56</b>	4,985.00	6,021.66	<b>6,174.97</b>
EPS (Baht)	0.41	0.47	<b>0.49</b>	0.38	0.46	<b>0.47</b>
Dividend per share (Baht)*	0.32	0.38	<b>0.40</b>	0.32	0.38	<b>0.40</b>
Paid-up Capital (Million Shares)	13,151.20	13,151.20	<b>13,151.20</b>	13,151.20	13,151.20	<b>13,151.20</b>
Net cash flows from operating activities	7,825.41	9,951.98	<b>9,792.49</b>	6,975.77	8,520.38	<b>9,689.42</b>
Net cash flows used in investing activities	(1,673.08)	(5,509.17)	<b>(5,244.55)</b>	(1,018.24)	(3,911.25)	<b>(5,017.49)</b>
Net cash flows used in financing activities	(4,915.31)	(3,567.59)	<b>(3,535.84)</b>	(4,806.54)	(3,721.13)	<b>(3,959.18)</b>
Net increase (decrease) in cash and cash equivalents	1,263.28	874.33	<b>1,008.38</b>	1,150.99	888.00	<b>712.75</b>

\*Remark: Dividend for 2023 amounted to 0.40 Baht/share paying from the first 6 months operation of 0.18 Baht/share, according to the resolution of the Board of Directors' Meeting No. 8/2023, and from the last 6 months operation of another 0.22 Baht/share, according to the Board of Directors' Meeting No.2/2024 approved to propose to 2024 Annual General Meeting of Shareholders.

## Financial Ratio

Item	As of			
	31 Dec 2021	31 Dec 2022	31 Dec 2023	
<b>Liquidity ratio</b>				
Current Ratio <sup>1</sup>	(time)	0.92	0.88	<b>0.96</b>
Quick Ratio <sup>2</sup>	(time)	0.23	0.24	<b>0.29</b>
Current Ratio - Cash basis <sup>3</sup>	(time)	0.38	0.44	<b>0.41</b>
Account Receivable Turnover <sup>4</sup>	(time)	312.55	240.48	<b>201.36</b>
Account Receivable Day <sup>5</sup>	(day)	1.00	1.00	<b>1.00</b>
Inventory Turnover <sup>6</sup>	(time)	3.92	3.67	<b>3.63</b>
Inventory Day <sup>7</sup>	(day)	93.00	99.00	<b>100.00</b>
Account Payable Turnover <sup>8</sup>	(time)	3.82	3.78	<b>3.86</b>
Account Payable Day <sup>9</sup>	(day)	95.00	96.00	<b>94.00</b>
Cash cycle <sup>10</sup>	(day)	(1.00)	4.00	<b>7.00</b>
<b>Profitability ratio</b>				
Gross Profit Margin <sup>11</sup>	(%)	25.83	26.14	<b>26.60</b>
Operation Profit Margin <sup>12</sup>	(%)	11.63	12.43	<b>12.47</b>

Item	As of			
	31 Dec 2021	31 Dec 2022	31 Dec 2023	
Other Revenue to Total Revenue <sup>13</sup>	(%)	5.25	6.19	<b>6.23</b>
Cash flow to Operation Profit <sup>14</sup>	(%)	111.11	123.05	<b>115.01</b>
Net Profit to Total Revenue <sup>15</sup>	(%)	8.51	8.96	<b>8.85</b>
Return on Equity <sup>16</sup>	(%)	24.48	26.38	<b>25.87</b>
<b>Efficiency ratio</b>				
Return on Asset <sup>17</sup>	(%)	9.49	10.05	<b>9.60</b>
Return on Fixed Asset <sup>18</sup>	(%)	21.64	22.47	<b>21.90</b>
Asset Turnover <sup>19</sup>	(time)	1.11	1.12	<b>1.09</b>
<b>Financial policy ratio</b>				
Debts to Equity Ratio <sup>20</sup>	(time)	1.56	1.69	<b>1.70</b>
Interest Coverage Ratio <sup>21</sup>	(time)	24.66	25.29	<b>21.05</b>
Interest Bearing Debt to EBITDA <sup>22</sup>	(time)	1.30	1.36	<b>1.49</b>
Debt Service Coverage <sup>23</sup>	(time)	2.32	1.80	<b>1.97</b>
Dividend Payout Ratio <sup>24</sup>	(%)	84.42	82.99	<b>85.19</b>

**Remark:** \* Dividend Payout Ratio in 2023 is subject to 2024 Annual General Meeting of Shareholders' approval

- 1 Current Ratio = Total Current Asset / Total Current Liabilities
- 2 Quick Ratio = (Cash and cash equivalents + Account Payable) / Total Current Liabilities
- 3 Current Ratio – Cash basis = Operating Cashflow / Avg. Current Liabilities
- 4 Account Receivable Turnover = Revenue from Contracts with Customers / Avg. Account Receivable
- 5 Account Receivable Day = 365 / Account Receivable Turnover
- 6 Inventory Turnover = Cost of Sales / Avg. Inventory
- 7 Inventory Day = 365 / Inventory Turnover
- 8 Account Payable Turnover = Cost of Sales / Avg. Account Payable
- 9 Account Payable Day = 365 / Account Payable Turnover
- 10 Cash Cycle = Account Receivable Day + Inventory Day – Account Payable Day
- 11 Gross Profit Margin = Gross Profit / Revenue from Contracts with Customers
- 12 Operation Profit Margin = Operation Profit / Revenue from Contracts with Customers
- 13 Other Revenue to Total Revenue = Other Revenue / Total Revenue
- 14 Cash flow to Operation Profit = Operating Cash flow / Operation Profit
- 15 Net Profit to Total Revenue = Net Profit / Total Revenue
- 16 Return on Equity = Net Profit / Avg. Total Equity
- 17 Return on Asset = Net Profit / Avg. Total Asset
- 18 Return on Fixed Asset = (Net Profit + Depreciation) / Avg. Fixed Asset
- 19 Asset Turnover = Total Revenue / Avg. Total Asset
- 20 Debts to Equity Ratio = Total Liabilities / Total Equity
- 21 Interest Coverage Ratio = EBITDA / Interest Expense
- 22 Interest Bearing Debt to EBITDA = Interest Bearing Debt / EBITDA
- 23 Debt Service Coverage = EBITDA / Short-term Interest Bearing Debt + Current Portion of Long-term Interest Bearing Debt
- 24 Dividend Payout Ratio = Dividend Payment / Net Profit from Separate Financial Statements

# Organization Core Value

The Company has set the organizational core value for all HomePro's associates (HomePro Core Value) to serve as the guideline for their conduct and work procedure in order to achieve the vision and missions as planned. The Company aims for the core value to be interpolated into the way of life of every associates as part of their daily lifestyles. The purpose is to develop the capabilities of associates to have more knowledge and expertise, along with promoting great products and services to compliment the better quality of living for customers. New innovations are initiated and adapted to handle all aspects of change, so that the Company can move forward and develop itself steadily and sustainably. At present, the 4 pillars of HomePro Core Value as follows:



### Stay Focus until Success

#### ● Stay Focus until Success

Strive to work with full energy and continue until the goal is achieved.



### Embrace Speed & Agility

#### ● Embrace Speed & Agility

Adapt quickly to changes by learning new things and seeking for opportunities to work sustainably with potential partners.



### Make Customer Success

#### ● Make Customer Success

Reach customer needs, offer products and services that align and enable their success.



### Collaborate as One HomePro

#### ● Collaborate as One HomePro

Connect both inside and outside the team with a shared goal in mind.



## Business Purpose

# We Make a Better Living

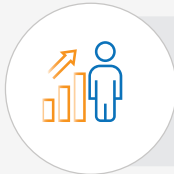
### Vision

To become a leader in Home Solution and Living Experience in Thailand and Southeast Asia.

### Mission



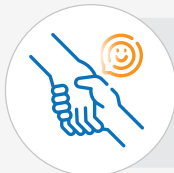
We will offer exceptional products and services that exceed customer's expectation and improve their standard of living through value and sufficiency.



We recognize the importance of developing our associates and enabling them to surpass their potential, enhancing productivity, behaving according to the company culture, having good standard of living, and devoting to the organization.



We will continuously seek for new business opportunities and appropriately add value to our stakeholders.



We cooperate with business partners to develop innovative products and services, and enhance management effectiveness for mutual success.



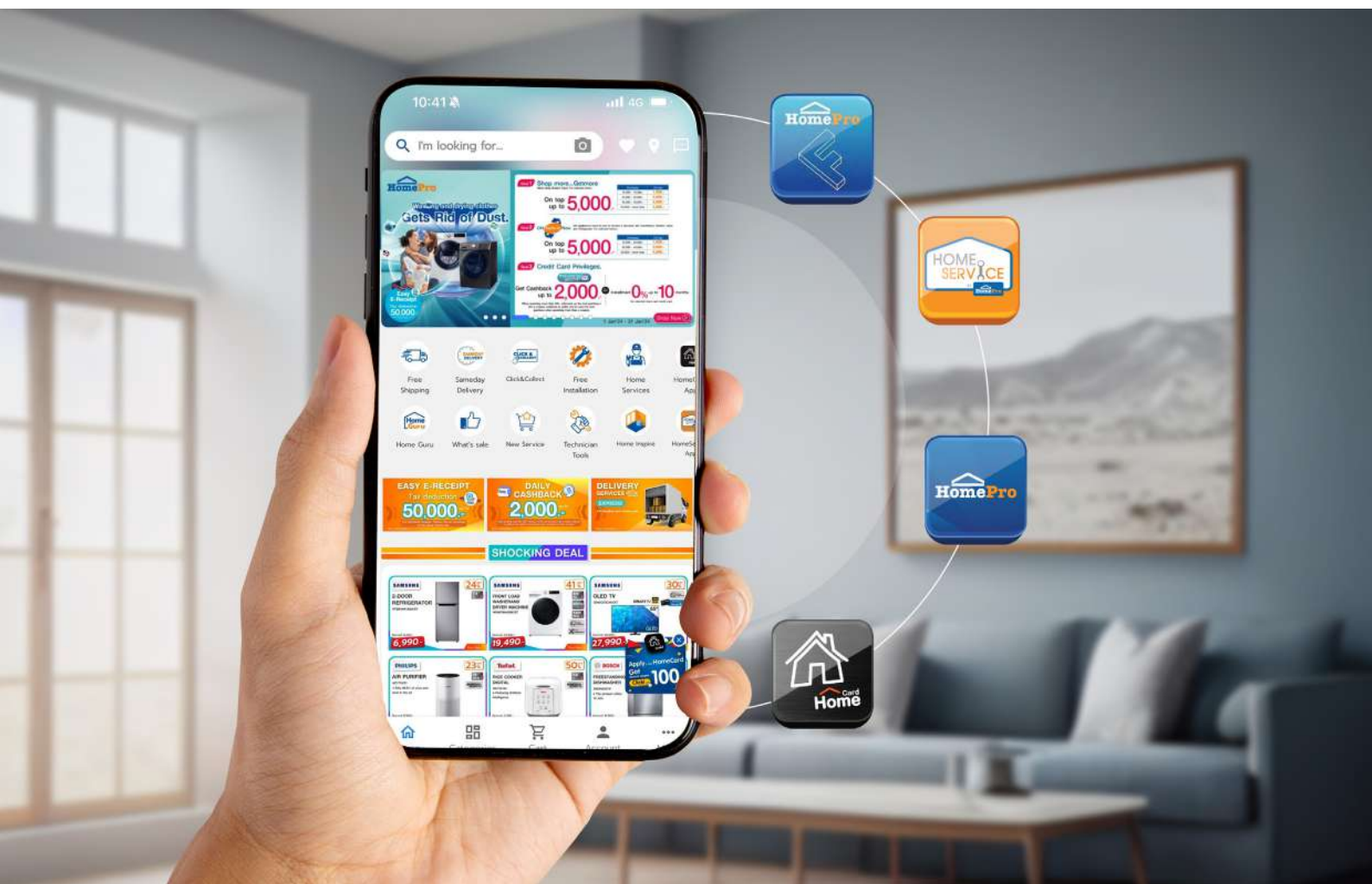
Our management team is dedicated to operate with good governance and social responsibility, and create good relationships with, society, the community and the environment.

## ● Business Objectives

The Company aims to be a leading Company in the Home Solution and Living Experience business in Thailand and Southeast Asia by focusing on the development of the entire value chain system to develop products and services under the One Stop Shopping concept while delivering sustainability to the environment, society and business at the same time. Furthermore, the store expansion in good potential areas was continuously on plan. Also, according to the change of customer's lifestyle and behavior, the Company emphasizes more on developing various products categories to better meet the demand of target customers as well as focuses more on further development of the e-commerce system and the Omni Channel system to boost customer satisfaction. By the end of 2023, there were 94 HomePro stores nationwide.

Besides the HomePro business, the Company also expanded "Mega Home" to accommodate the market for building materials. Mega Home Center offers a comprehensive range of home-related products and building materials, both wholesale and retail. The main target customers of Mega Home are technicians, contractors, and project owners. By the end of 2023, the Company has already opened and operated 27 Mega Home Stores to aim for the leader in construction materials.

With the goal of expanding business in ASEAN, the Company has expanded its business in the name of "HomePro" in foreign countries starting in Malaysia as the first country, at the end of 2023, there were 7 stores in Malaysia. In addition, the Company also expanded to Vietnam, in which the Company registration was set up in 2020. Currently, it is still operated through the E-marketplace.



## ● Major Changes and Development in the Past 3 Years

2021



2021: The Company opened 2 HomePro stores and established the subsidiary Company to operate business in Vietnam.

The Company opened a HomePro store in Bangna Km.1 Bangkok, which is the 87th HomePro store in Thailand, and has expanded the 7th store in Malaysia in Kuala Lumpur, Damansara area. At the end of 2021, there were 87 HomePro stores, 6 HomePro S stores, 14 Mega Home stores and 7 HomePro in Malaysia. In addition, the Company has started business operations in Vietnam through the E-marketplace channel.

2022



2022: The Company opened 2 HomePro stores to replace the former stores, closed 1 HomePro store, and opened 4 Mega Home stores. It also consolidated Mega Home and HomePro business under the same entity.

In order to provide larger space with more convenience to customers, the Company opened a HomePro store in Future Park Rangsit, which was relocated from the former Rangsit store. In addition, the Company opened a Homepro store in Ladkrabang to replace the Homepro S in The Paseo Ladkrabang. On the other hand, the Company closed 1 HomePro store at The Mall Bangkae due to the expiry of its leasing term with the plan to open a replacement store

in the nearby area. Furthermore, the Company opened Mega Home stores in Pattaya, Chachoengsao, Surat Thani, and Khon Kaen. At the end of 2022, there were 87 HomePro stores, 5 HomePro S stores, 18 Mega Home stores and 7 HomePro in Malaysia. Besides, the Company operates business in Vietnam through the E-marketplace channel.

Since July 1, 2022, The Company managed to consolidate Mega Home and HomePro business to operate under the same entity of Home Product Center Public Company Limited, which formerly the two companies had completely separated management. The objective is to increase management efficiency in many aspects such as people management, inventory management, and efficient cost control as well as facilitating customers in terms of enabling products and services cross-purchasing from both Homepro and Mega Home stores with more variety and speed in order to boost business opportunities.

2023



2023: The Company opened 3 HomePro stores in which 1 store was to replace the former store and opened 9 Mega Home stores.

The Company opened HomePro in Seacon Bangkae to replace the former HomePro in Lotus Bangkae, which was located in the nearby area. Besides, the Company opened another two Homepro stores; in Bang Bua Thong and Phuket (Chaofa). Also, the Company opened Mega Home stores in Rattanathibet, Bang Phli, Tiwanon, Nakorn Pathom, Chiang Mai, Bangsaen, Pluak Daeng, Tung Song, including Phuket (Chaofa). At the end of 2023, there were 89 HomePro stores, 5 HomePro S stores, 27 Mega Home stores and 7 HomePro in Malaysia. Additionally, the Company continually operates business in Vietnam through the E-marketplace channel.

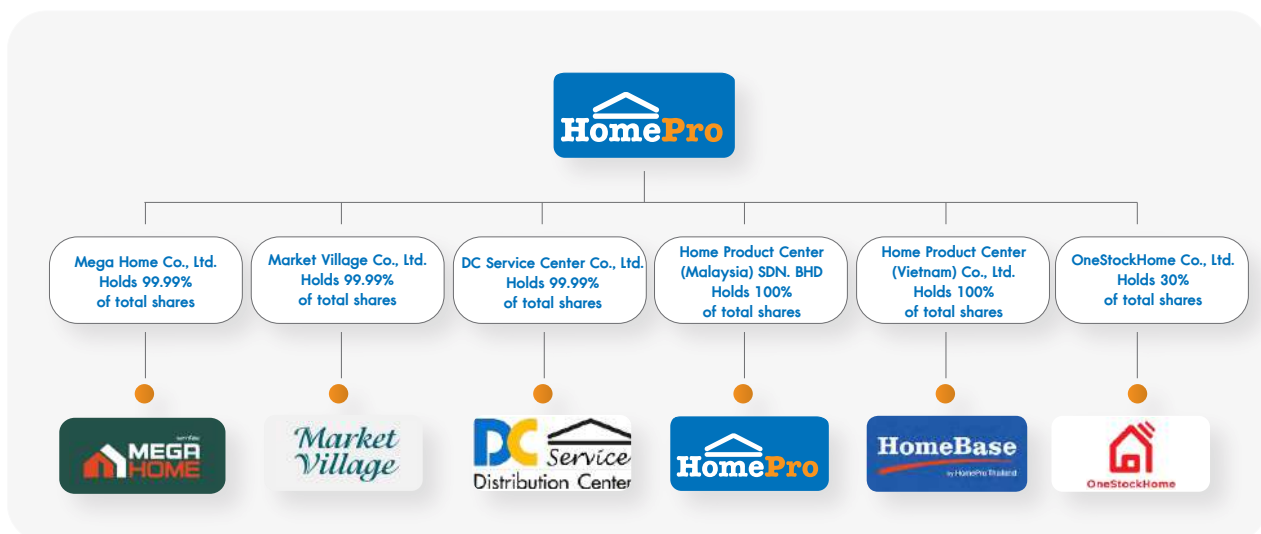
## ● Nature of Business

Home Product Center Company Limited was established on June 27, 1995 as a joint venture between Land and Houses Public Company Limited and Quality Houses Public Company Limited. The Company was transformed into a public Company since May 29, 2001 with the initial registered capital of Baht 150 million and was listed on the Stock Exchange of Thailand since October 30, 2001.



## ● The Structure of Business Group

As of December 31, 2023. The structure of business group and associate Company are as follows:



## ● Nature of Business of the Company

The Company was established with the objective to operate a retail business in home improvement segment by offering products and complete range of services relating to construction, extension, refurbishment, renovation, makeover and improvement of buildings, houses, and residential places through One Stop Shopping Home Center, under the trade name of “HomePro” to serve home-owner customers and the trade name of “Mega Home” to serve technicians and contractors, which is the Company’s trademark. In the present, the nature of business of the Company is as follows:

### 1. Home Improvement Retailing

#### 1.1 Product Category

2 groups of merchandise categories as follows:

##### Hard Line

Tools, Paint, Home Improvement, Bathroom and Sanitary Ware, Kitchen, Home Appliances and Electrical Equipment.

##### Soft Line

Bedding, Home Textiles, Furniture, Lighting, Household Decorative Products, and Household Accessories.

#### 1.2 Services relating to retail business

With the concept of One Stop Shopping, the Company provides home services that cover repairs, and home improvement services through the appointment from several channels; at stores, on Home Service Application, on Line Official platform, in which the following services were provided:

1. Renovation, such as renovating bathrooms, kitchens, living rooms with a 3D computer system (Home Improvement Service).
2. Installation, relocation and fixing (Installation Service)
3. Inspection, cleaning, and maintenance of various electrical appliances (Maintenance Service)
4. Washing, cleaning, and sterilizing services (Cleaning Service)
5. Home improvement and remodeling/ restoration (Home Makeover)

It also covers emergency services (Emergency Service) such as power cut, power outage, broken water pump, water pipe leak, etc. in which the customer can contact via call center 1284, 24 hours a day.

### 2. Space Rental Service for Retail Tenants

The Company provides available space in some HomePro Stores for retail tenants to rent. At the same time, the Company has also developed a store format called “Market Village” which operates as a full-service shopping center. Inside the premises, in addition to the HomePro store, there is a shopping center in which most tenants are supermarkets, restaurants, banks, bookstores, and IT shops etc. As of December 31, 2023, the Company has a total of 5 locations under Market Village format: Suvarnabhumi, Hua-Hin, Phuket-Chalong, Ratchapruk, and Rangsit Klong 4.

#### Nature of Subsidiary Businesses

##### 1. Market Village Co., Ltd.

was incorporated on May 26, 2005 with the objective to manage rental space and to provide facility services to tenants. In the first quarter of 2006, Market Village commenced its first operation with the “Hua-Hin Market Village” project, located on Petchkasem Road, Amphoe Hua-Hin, Prachaubkirikhan. At the end of 2023, The Company operated 5 locations under Market Village format in total. Also, at present, the Company’s asset and operations were managed under Home Product Center Public Company Limited.

##### 2. Home Product Center (Malaysia) SDN. BHD.

was incorporated on July 28, 2011 with the objective to operate a retail business in the home improvement segment in Malaysia. At the end of 2023, the Company operated 7 HomePro Stores in Malaysia.

##### 3. Mega Home Center Co., Ltd.

was incorporated on July 4, 2012 with the objective to operate a retail and wholesale business in building and structural materials, including home improvement products. At the end of 2023, the Company operated 27 stores. It has been consolidated with HomePro business since July 1, 2022 and the current business objective is leasing for space, land, and building rental.

##### 4. DC Service Center Co., Ltd.

was incorporated on September 4, 2013 with the objective to operate a business of warehousing and distribution of goods.

##### 5. Home Product Center Vietnam Company Limited

It was established on November 13, 2020 with the objective to operate a retail business in Vietnam. At the end of 2023, it was operated through the E-marketplace channel.

##### 6. OneStockHome Co., Ltd.

Since May 3, 2022, the Company has taken 30% equity participation of OneStockHome Co., Ltd., which is the online platform for building materials selling, with the objective to increase the opportunity for selling and distribution of Mega Home products.

## ● Revenue Structure

Revenue of the Company and its subsidiaries consist of sales revenue and other income. Overall revenue structure can be classified as follows:

(Unit: Million Baht)

Item	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
1. Revenue from contracts with customers						
- Hard Line	41,864.2	65.5	44,269.3	63.8	45,214.8	62.1
- Soft Line	9,450.0	14.8	9,960.7	14.4	9,621.5	13.2
- Home Service	598.2	0.9	709.3	1.0	806.7	1.1
2. Revenue from Subsidiaries	8,655.5	13.5	10,151.6	14.6	12,640.3	17.4
- Revenue from Thailand	7,664.5	12.0	8,760.6	12.6	11,321.3	15.5
- Revenue from International Business	991.0	1.6	1,391.0	2.0	1,319.1	1.8
<b>Total Revenue from sales</b>	<b>60,567.9</b>	<b>94.7</b>	<b>65,090.9</b>	<b>93.8</b>	<b>68,283.3</b>	<b>93.8</b>
3. Other income <sup>1</sup>	3,357.9	5.3	4,298.5	6.2	4,538.5	6.2
<b>Total</b>	<b>63,925.8</b>	<b>100.0</b>	<b>69,389.4</b>	<b>100.0</b>	<b>72,821.8</b>	<b>100.0</b>

### Remarks:

1. Other income includes revenue from space rental, in-store promotion fee, etc.
2. E-commerce sales mixed was accounted for 6.7% of the total revenue in 2023.
3. E-commerce customers accounted for 4.63% of total customers of the Company in 2023.

## ● Product Information

The Company sources products by:

### 1. Purchase order

The Company makes the purchase of products, separate by product category, from both local and overseas manufacturers and distributors. The Company emphasizes on quality and variety of products.

### 2. Design and Make to order

The Company orders the product of Private Brands from both local and overseas manufacturers. The Company initially selects manufacturers by considering the certification of manufacturing standard, reputation, quality of service under the Company's condition and criteria of manufacturer as well as consistent operation. Moreover, the Company also pays regular visit to audit factories and inspects products and production to ensure overall quality.

Currently, the Company sources products from more than 1,129 manufacturers and distributors. The Company offers a channel for vendors to introduce their new products. Selection process is conducted by evaluating 9 aspects of Vendor's Assessment Level: Sustainable Procurement of Raw Materials, Ability to Produce, Ability to Control Quality, Risk Management, Product Quality Audit and Traceability, Warehouse Management, Quality of Delivery, After Sales Service, and, Sustainability Management under Environmental, Social, and Governance framework (ESG framework). Over the years, manufacturers and the Company effectively collaborated and supported each other in product development, advertising, public relations, sales promotion, business planning, and new store openings.

## ● Research and Development Policy

The Company strives to serve the changing demand of consumers and is ready to adapt to the changes in the economy, the society and the environment through research and development of products and services. The Company also explores new business opportunities to enhance long-term competitiveness with the following highlighted programs in 2023:

The Company has developed the Information and Communication Technology systems, Inventory Management system, and Product Development program which consist of:

### 1. COMPANY DATABASE SYSTEM DEVELOPMENT PROJECT:

To compile company database through various systems in regard to access information related to sales, procurement, including inventory level. The data will be used at several circumstances mainly for efficiency enhancement such as to make the appropriate order forecast based on purchasing and product selling transactions, which will reflect to sufficient goods in respond to customer demands and the proper inventory level. Besides, the analysis and management report can be made through the available information for better perspective in which it will support decision making and strategies adjustment to be more align with purchasing behavior of customers. The Company

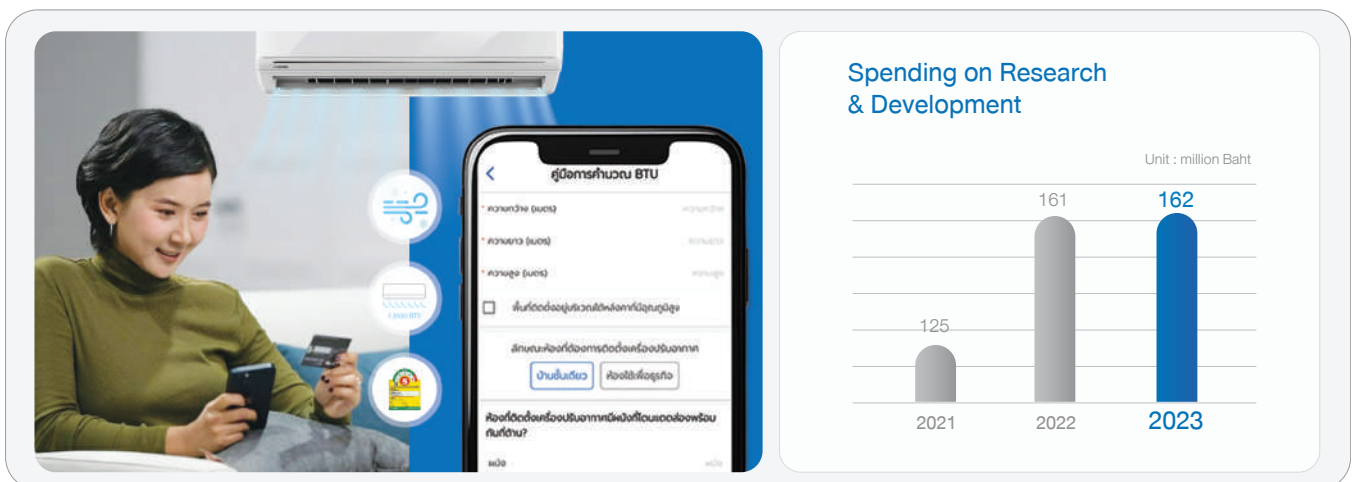
not only developed the database system but also raised the security level regarding information technology. Total spending related to this program was approximately 64.21 million Baht.

### 2. E-COMMERCE PLATFORM SYSTEM DEVELOPMENT PROJECT:

To develop for better efficiency in response to suitable product type along with customer demands such as the recommendation for quantity of ceramic tiles usage or the suggestion with respect to appropriate size of air conditioner to be installed that match with each room based on the calculation. Furthermore, the Company also expanded more variety of distribution channels which consisted of the development of online purchasing platform for B2B clients as well as the development of Company's E-commerce channels to facilitate vendors to introduce various products with greater convenience. Total spending related to this program was approximately 46.19 million Baht.

### 3. PRIVATE BRAND DEVELOPMENT PROGRAM:

the development, design and ordering of various products in order to offer products that align with customer's needs while also prioritizing environmental and social considerations. Total spending related to this program was approximately 51.93 million Baht.



## ● Market and Competitive Condition

Retail business of building materials and home-related products still has high growth potential bolstered by increasing urbanization and government's infrastructure investment projects such as intercity motorway, redeveloping and expanding of high-speed rail, which

consequently leads to continuous urbanization and standard of living improvement. Moreover, there was a positive factor from the recovery of Thai economy. Consequently, the Company has prepared and developed the seamless online and offline shopping experience

(Omni Channel) continuously to be more efficient and promptly, as well as sourced and selected products that match the changes in customer behaviors and their lifestyles such as health and safety, pet-related, energy saving product categories, etc.

To sustain competitiveness, the Company emphasizes One-Stop service through Omni Channel, focusing on offering products and services via both E-commerce platform and physical store as well as social media and other online platforms. The Company also pays attention to system investment such as the Automated Storage and Retrieval System (ASRS), including creating a seamless shopping experience to customers and members through Loyalty Program, in which these are strategies to differentiate the Company from other retailers. Not only focusing on the product itself but also One-Stop service solutions including design, installation, and repair and maintenance. The Company has moreover added a strategy to focus on Home Service, which provides services for inspecting, cleaning, changing sanitary ware, painting, and renovating the house, which have been continuously and increasingly used by customers. Although this service income generates a smaller proportion, it is an important approach of attracting and fulfilling customers' satisfaction, and encouraging the products and services repurchased by customers. In this regard, the Company classifies other business operators who offer similar products as follows:

## 1. Home Center

- Baan & Beyond is a retail business unit offering home related products, operated by Central Retail Corporation Group, which has been merged and rebranded from Homework to Baan & Beyond. At the end of 2023, there were 13 stores in operation.
- Thai Watsadu is a retail business unit offering construction materials, home improvement goods and equipment in the form of warehouse stores, operated by Central Retail Corporation Group. At the end of 2023, there were 81 stores in operation.
- Global House operates a warehouse store business offering construction materials, tools for construction, extension and decoration of home and garden. Managed by the Siam Global House Plc. At the end of 2023, there were 84 stores in operation.
- Do Home operates a warehouse store business offering construction materials, tools and construction equipment. Managed by Do Home Co. Plc. At the end of 2023, there were 36 stores in operation, which consisted of 24 stores under Do Home format and 12 stores under Dohome ToGo.
- Hardware House operates a business offering construction materials, tools and equipment used in construction and home improvements in the form of

a warehouse store. Hardware House is operated by Hardware House Co., Ltd. At the end of 2023, there were a total of 26 stores comprising 7 hardware house stores and 3 hardware house EXTRA stores, and 16 hardware house stores located in SCG HOME. Most of the stores are operating in the central areas and the eastern region

- Home Hub operates a business offering construction materials, tools and equipment used in construction and home improvements in the form of a warehouse store. Home Hub is operated by Home Hub Co., Ltd. At the end of 2023, there were 2 stores, mostly operating in the Northeastern region.

## 2. Specialty Store

Retail businesses that focus on offering specific goods which may indirectly compete with the Company in some product categories as follows:

- Ceramic, Sanitary ware, and Kitchenware stores e.g. Boonthavorn, Grand Home Mart
- Furniture and Home decoration stores e.g. Index Living Mall, IKEA
- Retail stores that sell only construction materials e.g. Cement Thai Home Mart.
- Retail stores that sell small household products e.g. MR.DIY
- Other Specialty Stores

## 3. Operators of Large Retail Business in Hypermarket

These businesses mainly aim at selling consumer goods in food and staples retailing, not home improvement products. While some product categories offered may overlap, their main target customers are different.

## 4. Online Retail Business

There are 2 main categories as follows:

- Online Marketplace Operators, such as Lazada, Shopee, and NocNoc. The platforms allow both corporate and individual to sell a variety of products on the platform. However, there has been only a small overlap between the Company's products and the products offered on those Marketplaces.
- Corporate E-tailer Website, which all other Home Center business operators have their own platform. The Company also has its own platform, www.homepro.co.th, HomePro application, HomePro Living Official shop under Shopee and Lazada, SHOP4YOU service via LINE and Facebook, as well as other social medias.



## ● Asset for Business Operation

The Company has asset for business operation as of December 31, 2023 as follow:

Item	Amount (Million Baht)
1. Investment properties	7,307.04
2. Property, buildings and equipment	59,722.20
3. Right-of-use assets	11,571.75
4. Computer software	1,244.99
<b>Total</b>	<b>79,845.98</b>
<u>Less</u> Accumulated depreciation	31,482.06
Accumulated amortization	760.73
Allowance for impairment loss	22.27
<b>Net Fixed Asset</b>	<b>47,580.92</b>

The type of ownership can be divided as follows:

Type of Rights	Approximate Area Size	Contract End Date	Right of Contract Recurring
<b>1. Land Lease</b> Comprise of HomePro store, Distribution Center and Mega Home store	1,081 Rai 3 Ngan 33.39 Square Wa	2025-2059	Yes*
<b>2. Leasehold</b> Comprise of HomePro store, HomePro in Malaysia and HomePro S	190,667.17 Square Metre	2025-2053	Yes*
<b>3. Freehold (The Company is the owner)</b> Comprise of HomePro store, Distribution Center, Mega Home store and land bank for new store	1,080 Rai 1 Ngan 37.7 Square Wa	-	-

**Remark:** \* Terms and condition of contract recurring will be agreed with lessor consequences

# Risk Management

The Company emphasizes risk management as those risks could impact the Company's operation by appointing the Risk Management Committee which main responsibilities are; to set policy, systematically framed risk assessment, and continuously monitors from strategic planning to operations. Also, continuously raising awareness of risk management to every associate in the Company, which is Enterprise Risk Management Framework that follows international standards. Risk governance framework and risk management procedures will be reviewed and overseen by the Audit committee, who are all independent directors, before submitted to the Board of Directors on quarterly basis. The ERM process has been integrated into the materiality analysis for identifying potential impacts on the Company. Details of risk management procedures are as follow:

## Board of Directors and Audit Committee

The Board of Directors has assigned the Audit Committee to review the Company's performance to efficiently and effectively organize and manage risk as appropriate. The Internal Audit Department is responsible for inspecting to ensure that the operational department has an adequate and appropriate internal risk management system and reporting to the Audit Committee. In addition, the Internal Audit Department also provides consultations to auditees and communicates feedbacks for further improvement and ensure appropriate risk management.

## Determining Level of Risk in Business

The Company has clearly set the objectives and acceptable level of risk (Risk Appetite) which are divided into 4 levels; Very high, high, moderate, low. And correlate in order to avoid potential impact on the business operation and for every department to follow the same direction.

## Risk Management Committee

The Risk Management Committee consists of Managing Director which is the Board representative and Chairman of the Risk Management Committee, Executive Vice President and Senior Vice President who are risk owners, being responsible for setting up the policies, defining the structure, responsible for managing the risk, considering and approving the risk management strategies and plan, as well as assessing the risk profile and monitor organization risk.

## Risk Management Processes and Tools

The Company adopted the risk management framework to be used in the operations. The process is divided into 4 steps: identifying business risks or opportunities, risk assessment, setting measures to control and provide solutions, and quarterly reporting risks to the Audit Committee before submitting for acknowledgement by the Board of Directors.

In addition, the Company also adopt various tools in order to conduct Risk analysis and assessment include Risk Maps and Prioritization of identified risks which are

divided into 4 levels; Very high, high, moderate, low. Key Risk Indicator (KRI), Key Management Indicators, and other techniques to identify impacts on operations as 'Value at Risk' (VAR), and the monitoring of critically changing external factors in order to prepare proactive risk management measures targeted at an emerging risk in a timely manner.

## Building Risk Management as Core Value (culture) in the Organization

The Company recognized that the corporate core value (culture) is one of the key successes in risk management. Therefore, the Company has focused and emphasized associates to gain knowledge and understanding on risk management process. The Company also instilled core value in risk management and set the "Tone of the top" to apply in the actual work to prevent and mitigate any impacts that might be found, as well as to enhance capability to develop projects with completeness, including the development of training materials in the digital learning to broadly raise awareness of risk management. The Company determines risk management policy to use as a guideline for directors, executives, and associates to acknowledge and publish the policy on the Company's website.

Additionally, the Company appoints the role and responsibility to all associates to identify and evaluate the risks in their responsible units (Risk Owner) and determine countermeasures to prevent the risks by reviewing and reporting the results to the Risk Management Committee regularly.

In 2023, the Company continues to operate under the stated risk management policy, which aligns with the business direction according to international standards. The Risk Factor are as follows:

## Company-specific risk exposure

The company-specific risk exposure for the year 2023, considering likelihood and magnitude, were identified on page 59-67.

# 1. Strategic Risk

The risks relating to the operational policies of the Company, economy, investment, and competition.

## 1.1 Economic Volatility

In 2023, the overall economy of Thailand slightly grew compared to last year owing to the implementation of the stimulus package (Shop and Payback) by the government to boost private consumption. However, the delay in the formation of a new government unable them to fully launch economic stimulus measures in the second half of the year which caused a slowdown in people's spending. The Company set up risk management measures through the enhancement of operational effectiveness throughout the supply chain, including the quality and value of products and services, product assortment, product selection and service offerings that serve dynamic change in customers' demand as well as managing the operation cost for the Company to maintain sufficient liquidity and business continuity.

The Company foresees opportunities on store expansion continuously, tracks the performance of stores and develops a marketing plan for sales promotion activities with business partners such as credit cards operators, government agencies, vendors, as well as marketing activities to attract more customers to visit and shop at stores. Furthermore, the Company manages its operational efficiency in cost control to lessen the risk of interest rate fluctuation by issuing fixed-rate long-term debentures to repay loans with higher floating interest rate cost. This enables the Company to control its cost of borrowing in a manageable level even during a period of rising trend of interest rate.

## 1.2 Domestic Investment

As of December 31, 2023, the Company operated the stores under "HomePro" and "HomePro S" of 94 stores nationwide. In 2023, there were 3 new stores under HomePro format at Bang Bua Thong, at Phuket (Chaofa), and at Seacon Bangkae in which this store was to replace the former store at Lotus Bangkae, that was located in the nearby area. For "Mega Home" business, the Company opened 9 new stores at Rattanaibet, Bang Phli, Tiwanon, Nakhon Pathom, Chiang Mai, Bangsaen, Pluak Daeng, Thung Song, including Phuket (Chaofa). totally operated 27 stores nationwide.

As the Company has planned to continuously expand its stores and increase in capital investment to expand its channel for selling product, there could be risks relating to the operating results of the new stores, including the rate of return on investment from associate company, that does not meet the target. The Company then managed such risks by analyzing the return on investment before making an investment decision. In addition, the operational plan and annual budget was set up to control operations of

stores, moreover, as for the new stores, the Company will monitor the performances every month for the Company to be aware the situation and be able to plan for the risk management in order to solve problems that might occur in a timely manner.

## 1.3 Foreign Investments

The Company had begun investing internationally. There was a total of 7 stores in Malaysia, one of which, the Damansara Branch, newly opened in 2021. Additionally, in the same year, the Company has expanded to Vietnam, in which the Company has established "Home Product Center Vietnam Company Limited", as a home improvement retailer in Vietnam. As of 2023, it still operates the business through the E-marketplace, studied operational process of doing business in Vietnam, and explored the product preference and behavior of Vietnamese customers.

The Company managed risks relating to foreign investments by studying and analyzing on the market, laws, taxes, regulations on promoting foreign investment, economic and political factors, the governmental policy, and other external factors in order to determine the risk and risk exposure, which would support in the development of investment strategies. Additionally, the Company established a system and internal unit to monitor performance and expand the Company's capabilities and potential development of its personnel.

## 1.4 Competition

Retail business of building materials and home-related products still has high growth potential, bolstered by increasing urbanization and government's infrastructure investment projects such as intercity motorway and redeveloping and expanding of high-speed rails, which consequently leads to continuous urbanization and standard of living improvement.

Many retailers of building materials and home-related products are still trying to expand their stores to cover a broader market. However, the home-related business has different customer segmentation that can be categorized as homeowners who are end-users with purchasing power which are mainly served by home improvement retailer under HomePro stores. Another customer segment is technician customers or contractors which are served by MegaHome stores.

The Company managed risks through diversification by focusing on product differentiation and complete range of services of 'Home Service' business, which provides services for inspecting, maintenance, cleaning, installation, and home renovation, which have been continuously and increasingly used by customers. Although this income has small proportion as compared to retail sales of goods, but it is a business strategy creating satisfaction for customers,

and attracting customers to come back and buy products and use services. Moreover, the company has offered more convenience for customers to use Home Service through several channels including mobile application, website, call center, and GPS “Tracking Service” for tracking delivery status and installation quality, including customer satisfaction survey. Moreover, Same day delivery and installation has been implemented in Bangkok and upcountry region, providing convenience and fasten the last-mile delivery and installation services to customers, as well as emergency services throughout 24 hours by professional technician teams. In addition, the Company aims to enhance the efficiency of internal management, expand economy of scale and improve competencies of associates in order to gain the competitive edge.

In 2023, the Company introduced ‘Trade In’ campaign, one of the new ECO system services, which customers could bring in old products in participating categories such as electrical appliances i.e. television, air conditioning, refrigerator, washing machine, water solution i.e. plumbing, water filter, water heater, kitchen and bathroom, mattresses, furniture etc., and exchange for new products with discount. The objective of the campaign is to support appropriate old product management as workable parts could be recycled and made for new products, and to increase business opportunities in selling products by serving a change in customers’ behaviors towards responsible consumption.

Technological advancements lead retailers to adapt and change their strategies along with the changing environment through online shopping channel expansion. To manage such risks, the Company has developed the online platform to be up-to-date, easy to use, and more accessible to consumers, including close monitoring measures to ensure that customers are satisfied with excellent shopping experience and services. The Company implemented a seamless online system (Seamless Omni Channel) in pursuit of effective operation systems interconnecting between both physical store and online platforms to deliver good experience to shoppers. Furthermore, the business consolidation between HomePro and MegaHome under one single platform which enables better inventory management and efficient cost control as well as facilitating customers in terms of enabling products and services cross purchasing from both HomePro and MegaHome stores with more variety and speed. In this regard, the Company has expanded

its distribution channels to marketplace platform such as Shopee and Lazada in order to serve various groups of customers.

## 1.5 Risk of Shareholder’s Right and Investment

Land and Houses Public Company Limited is the largest major shareholder and the only one that holds shares over 25%. As of September 13, 2023, it held 3,975,878,432 of the Company’s shares, accounting for 30.23% of paid-up capital leading to its potential controlling power to control votes in the shareholders’ meeting except a resolution prescribed by laws or the Articles of Association that it shall be passed by the votes not less than three-fourths of the total number of votes of shareholders who attend and are entitled to the voting right at the Meeting.

Nevertheless, the Company was required to operate in accordance with the Code of Conduct and good corporate governance as well as legal requirements to protect the rights of shareholders and stakeholders and control the Company’s operations to be transparent and verifiable.

## 2. Operational Risk

The risk relating to the operation system, the readiness of Information and Communication Technologies (ICT) system, and personnel.

### 2.1 Personnel Loss

“Personnel” was considered as a key driver of business operations of the Company ranging from the processes of recruitment, and understanding the nature of business, scope of work and responsibilities of associates in all levels. For all associates in the operational level, prior to start working and completing such development program, they would be provided the basic training of retail business, knowledge of product details and information system usage, and working procedures as well as other additional personal development program. For associates in management level, the proper training of management, leadership, and competencies development programs will be provided.

In a highly competitive business environment, the Company could have the risk of loss of skilled personnel to the competitors or other retail businesses. Therefore, the Company attempted to reduce such risk by developing

abilities and skills of associates to be at higher level along with promoting all level for the mutual benefits as well as using technology and modern management system in operation to increase efficiency and reduce labor. Furthermore, the Company paid attention to associates and provided them career advancement at all level, good welfares, and arranged various projects to build their happiness and job stability as well as created good engagement between associates and the Company such as:

- Fostering a good working atmosphere and creating culture focusing on innovation
- “Suk Jai Klai Baan” (Happy Home Town) project to offer opportunities for associates to relocate to work at stores in or nearby their hometown
- Employee Joint Investment Program (EJIP)
- Scholarships for bachelor’s degree and master’s degree
- Succession Planning
- Talent Management
- Management trainee programs
- Knowledge Development via Digital Training
- DNA-Management Trainee (Project to create a new generation of executives at the head office)
- HomePro nursery to take care of associates’ children during their school holiday
- The Company provides necessary tools and equipment to support associates while they work at home

In addition, to supervise and monitor the manpower of every department to be sufficient and aligned with future business expansion, Human Resource Management at both organization and store level have developed Personnel Development Plan to increase capacity and capability to suit the task in order to enhance the associates to be happy and ready to dedicate and create innovative work for the organization consistently.

## 2.2 Product Loss

The product loss is one of the top risks for retail business in which it would be mainly due to frauds by the thefts mixed together with customers and associates, the loss during transportation process, and the failure of internal management system affecting the cost control management and Company’s expense.

To manage such risk, the Company has Loss Prevention department to plan and prevent the loss of Company’s asset by coordinate with related inter-department to determine operating procedure and mitigate the loss at the minimum acceptable level.

## 2.3 Inventory Management

As of December 31, 2023, 2022, and 2021, the Company had the net inventory of Baht 13,965.27 million, 13,630.08 million, Baht 12,572.20 million, respectively. The increase in inventory in 2023 was the result of Mega Home store expansion, which carries more inventory than HomePro. Inventory turnover was 100 days on average, 99 days on average, and 93 days on average, respectively.

Nevertheless, the Company aims to increase its inventory turnover such as expand distribution channel via online system, service improvement of sales associates, promotional activities, schematic management and interior design of stores, regularly adding new product items in order to increase numbers of customers, sales volumes, and efficiency of inventory management at an optimal level.

The Company has a distribution center located on the Company’s proprietary land at Wang Noi, Ayutthaya. It is the strategic location connected to main roads such as Phaholyothin Road which connected to Bangkok on the inbound side and connected to the Eastern region on the outbound, Asian Highway to North East, and Outer Ring Road to the East and the West, which can deliver products on time and reduce the risk of out of stock (Supply Chain Disruption). In addition, there is a plan to expand area of distribution center to efficiently manage stock and can supply for future store expansion; including investment in the Automated Storage and Retrieval System (ASRS) that provides accuracy and speed in inventory storage and retrieval, security to products, and support domestic and international expansion.

## 2.4 Procurement

The risk relating to product volumes and prices was the major risk for retail business. Therefore, the Company sourced and purchased products domestically and internationally, but most of them were from domestic manufacturers and agents. The Company would plan to purchase products in advance in order to have product available to sell at all time, along with managing the risk from exchange rate fluctuation, and had the specific team conduct the product survey and select the certified manufacturers that could develop the product quality and constantly have the product replacement.

Moreover, the Company had the policy regarding sourcing and purchasing products from many selected manufacturers and agents to reduce the risk that might occur when relying on only single supplier and balance volume and price bargaining power in the long term. Furthermore, the Company has consistently conducted Human Rights Risk

Assessment in conformity to labor laws and Supplier Audit in conformity to environmental laws.

## 2.5 Anti-Corruption

The Company adheres to moral and ethics in its operation and refuses to tolerate any act that may lead to fraud and corruption, even if the act is beneficial to the Company. For HomePro, corruption refers to any kind of bribery including calling for bribe, offering or promising to offer bribe, extortion, offering benefits in terms of money, property or other inappropriate offers to a government official, private party or related authorized person, both directly and indirectly, in order to refrain or maintain the business or other benefits that are not appropriate for the business. For instance, misappropriating assets, distorting financial and non-financial reports, seeking, demanding or accepting gifts from business associates.

The Company has measures to prevent corruption and reduce the risk of corruption within the organization. The measures start with the anticorruption policy and no gift policy. Both policies have been informed to all stakeholders of the company. The evaluation of corruption risk, the design and execution of internal control, and the creation of moral and values among associates are with “Integrity” culture, which is crucial to the Company’s goal to prevent corruption, including provide channel for whistleblowing of any suspected corruption. In addition, the Company has joined and been certified by Collective Action Coalition Against Corruption (CAC), and also encourages suppliers to counter corruption by joining CAC as well. Further details under page 181-182.

## 3. Financial Risk

The Company carefully implemented financial policy in order to maintain its ability to operate business and obtain optimal return under acceptable risks, with the consideration of sourcing for the proper sources from funds for the business operation through risk management in various aspects.

### 3.1 Accounts Receivable

The Company divided its customers into 2 groups: retail customers, and contractors and project owners. Retail customers were the ones whose sales basically based on cash. Meanwhile, contractors or project owners and tenants were the ones whose sales were in large volumes and based on the credit term. The main customers were retail customers who account the major proportion of sales. For sales in credit term, the Company would consider only contractors and project owners with good financial positions by assessing their operating results and

financial positions; otherwise, contractors must place the guarantee for debt repayment.

As of December 31, 2023, 2022, and 2021, the Company had account receivables of Baht 303.72 million, Baht 374.49 million, and Baht 166.85 million, respectively. They were mainly trade receivables from sales of projects. Moreover, the management had assessed the term of repayment and financial positions of each individual debtor; hence, the allowance for doubtful accounts would be properly reserved and adequate.

For other receivables, as of December 31, 2023, most of them were from sales promotions from vendors, and space leasing and related services, amounting to Baht 1,801.63 million, and reserved of Baht 10.54 million for the allowance for doubtful accounts.

### 3.2 Loan Covenant / Bond Issuance

The change in interest rate also had an impact on business operations relying on external funds. During 2023, the interest rate and inflation were on the rising trend in which the Company monitored the change of interest rate closely and issued fixed-rated debentures in order to reduce the risk of higher financial cost from increasing interest rate.

Moreover, the management had the financial management mechanism by analyzing and considering the investment cost through various funding instruments such as operating cash flows, loans from banks, and bond issuance. These would help the Company balance the cost of investment for each asset type’s investment structure and comply with the Company’s policy, along with proper liquidity management.

As of December 31, 2023, the Company had long-term debt amounting to Baht 137.94 million and outstanding bonds amounting to Baht 15,624.48 million due from 2024 to 2026. The Company had committed to the bondholders in order to maintain the financial interest-bearing debt to equity (D/E) ratio not exceeding 2.50 times. As of December 31, 2023, the Company’s D/E ratio was 0.96 times.

### 3.3 Exchange Rate

The Company and subsidiaries may face exchange rate risk from purchasing products from foreign countries as well as the expansion of international investment. For international expansion, the impact is caused by currency conversion of the Financial Statement and the investment itself that needs to be made in foreign currency.

However, for the purchasing of foreign products, the Company has already hedged against exchange rate risk by making an FX Forward agreement for foreign currencies in advance and use the agreement as the tool to manage the risk.

## 4. Regulatory Risk

The consideration of domestic and international legal restriction of business.

### 4.1 Town and Country Planning Act

The Town and Country Planning Act has the objectives to be the guidance on the national development and to support the city expansion in the future. If there shall be modification of the town planning in the future, the Company will not be affected from this Act, as the Company had put its investment to cover areas in major cities of almost all provinces. In addition, the investment of the Company's new stores, the Company will perform regulatory check to ensure that such investment comply with the regulations and conditions of the Town and Country Planning Act.

### 4.2 The Trade Competition Act

In the year 2019, the Office of Trade Competition Commission has announced, by virtue of the Trade Competition Act 2560 B.E., By establishing guidelines for considering unfair trade practices between wholesalers, retailers, and manufacturers or distributors as follows:

1. Unfair price settings. By setting the purchase price or lowering the price of the product from the manufacturer or supplier below the normal purchase price or forcing the manufacturer or distributor to reduce the price of the delivered product without valid reason.
2. Call for unfair trade practices. Wholesale and retail operators force manufacturers or distributors to pay benefits and include money, assets, or some services, which the manufacturer or distributor does not need to pay such as; unreasonable pay higher than the determined price when considering the benefits that the manufacturer or supplier shall receive in return such as:

(A) Entrance free / Listing fee unfairly charged by wholesalers and retailers in addition to those specified in the contract or as agreed or charge fees from products that the manufacturer or supplier has changed the package (Minor Change) after it was on shelf. In which the quality and quantity of the products does not vary unfairly charge.

(B) Special product display fees, such as head shelf fees, special product placement fees to attract customers in which the wholesale and retail business operators' charges unreasonably high commissions.

(C) Additional fees or requests for discounts on special occasions such as opening a new branch, branch renovations, branch anniversaries celebration - in which the manufacturer or distributor has to pay an unfairly excessive high amount and also must be responsible for covering irrelevant branches.

(D) Other unfair economic benefits such as promotional expenses when the product is purchased according to the target (Rebate) the discount of lost product after receiving the product from the manufacturer or supplier.

3. All unfair product returned by wholesalers and retailers, or some products which was bought from the manufacturer or distributor without any valid reasons or consent or agreement in advance by actions of unfair returning products including the act deemed to returning product such as changing a contract from a sales contract to a consignment contract, or requesting to exchange products from one item to another or engaging in another trade practice therefore would be an act of returning the product for the case of unfair products such as:

(A) Returning products in the event that a wholesaler, retailer purchases from a large number of manufacturers or distributors in order to benefit from trade discounts. However, after a certain period of time that the product is not sold out, the return of the product is then requested, which is not part of the prior sales agreement.

(B) Returning the products in the event that the wholesaler, retailers want to renovate the store or warehouse and then unfairly asking to return.

(C) Returning products in the event that the wholesaler, retailer business operator does not accept the cost of damage caused by returning it to the manufacturer or distributor.

4. Using the unfair consignment contract in which the wholesale and retail business operators force the manufacturer or distributors to accept the consignment contract which is a disadvantage to the manufacturer or distributors, or forcing a particular manufacturer or distributor to sign consignment

contract instead of conducting a normal sales contract for wholesale and retail business to receive returns from consignment contracts similar to purchase and sale contract which in general, the compensation of consignment contracts and sale contracts are not equal.

5. Unfair coercion to purchase in which the wholesale and retail business force the manufacturer or distributor to buy the product or pay the service fee as specified for the benefit of wholesalers and retailers, which unreasonably increases the burden of costs or costs to the manufacturer.
6. Assigning the associates of manufacturer or supplier unfair work without prior consent of agreement.
7. Unfairly refusing to accept products that have been ordered or specially manufactured for the private brand or the brand of the wholesaler, retailer (House Brand), after making an agreement in which wholesaler, retailer has ordered the manufacturer or distributor to produce the product according to their specification and standards and when the manufacturer or distributor delivers the ordered product, the wholesale and retail business operators refuse to accept all or part of product without any reason or without any fault of the manufacturer or distributor. Unless in the event of which the manufacturer or the seller agrees to be refused to receive certain product and the wholesaler and retailer operator has to take responsibility of any damage occurred in the products that has been rejected.
8. Other unfair trade practices in which the wholesalers and retailers conduct unfair trade practices in a manner that may cause damage, such as delayed payment of goods and removing the product from the shelves without reasonable cause and etc.

In 2021, the Trade Competition Commission announced the notification of guidelines for consideration of Fair Trade Practices related to Credit Terms in the case of Small and Medium-sized Enterprises (SMEs) being Sellers of Goods or Services. The stated intention of the notification is to regulate business operators who are the business partner with SMEs to be aware of fair trade practices, and to maintain free and fair business competition. Especially for SMEs that may be taken advantage of due to lower bargaining power, discrimination, deprivation in a manner which could be considered an unfair trade practice. It is required to have a clear written agreement, in other words, the business ethics or code of conduct that

must be aware of fairness, equality, transparency and integrity in business operation without the discrimination of business partners.

By conducting a business with a partner, the company adheres to live by the standards of freedom and justice without compulsion, discrimination, exclusion, given a clear standard along with a written agreement in advanced and proceeding the business as of reasonable explanation. The company has also banned the gift exchanging on any occasions to prevent the demand of unfair economic benefits.

#### **4.3 Industrial Product Standards Act 1968 B.E.**

Regarding the free trade flow in the ASEAN community, it would increase imported products so that the government needed to set the measure to control and prevent danger to consumers from such imported products. One of the measures was the Decree setting the standard of imported products. For some products that formerly could be imported without passing through the permission process of products standards, these in the future must be passed through such permission, so that would affect the Company in terms of inconvenience regarding the higher restrictions on imported products. The Company recognizes the importance of product standards. The Company provides training and sets clear standards for responsible associates and suppliers in order to ensure that they have the necessary knowledge and understanding of each product, and perform their tasks effectively. Moreover, there are officers who are solely responsible for inspecting local and imported products in order to make sure that the quality meets the standard obliged by the law. Moreover, the Company emphasized on quality of product and service in order to promote the selling of product with good standard and safety for customer. These could enhance customer trust for shopping with the Company.

#### **4.4 The Direct Sales and Direct Marketing Act 2002 B.E.**

It is the law defined in the online selling of the importance of requirement regarding the notifying the rights to consumer for the sales of product, the termination of the purchase contract or return of products which has no effect to the company because the company has fully complied to the law.

#### **4.5 Personal Data Protection Act 2019 B.E.**

It is the law that sets the rule or regulatory measures regarding the protection of personal information. Regardless of whether the personal information of customers, partners and associates must not be violated. To ensure the legal compliance operation of the company,



the company has appointed the personal data protection committee of the organization to have a duty to oversee and prepare various plans by analyzing and improving work process through set policies and practices. This shall be in accordance with the law including strict control to keep personal data of customers, business partners and associates to be safe and transparent in order to comply with the enforcement of the Personal Data Protection Act B.E. 2019.

The company has established various measures to determine the purpose, conditions, notification of consent requests, data collection, and data usage and disclose of personal information to be as required by the law. In addition, the company uses security systems that are of high standards in both technology and processes to prevent data hacking of confidential information according to the law and developing personnel at all levels to ensure that the company standardized data security by installing Firewall and intrusion detection software, Data encryption Technology, Scan Virus Software for effective virus protection, determining users' access right according to the Level of Authorization and operation process that is in line with the requirement. Further details can be found in the Personal Data Protection Policy on the company's website. <https://www.homepro.co.th/privacy-policy> and the information notice on personal data processing <https://www.homepro.co.th/privacy-notice>

## 5. Emerging Risk

### 5.1 Environmental Law risk

At present, since climate change is intensifying and brings about severe impacts, the United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC) has put more effort to accelerate active reduction of GHG emissions. Consequently, Thailand has expressed its intention to contribute to reduce GHG emissions with counties and leverage the targets to reach carbon neutrality by 2050 and net zero greenhouse gas emissions by 2065. In this regard, UNFCCC mentioned European Union Carbon Border Adjustment (EU CBAM), deforestation and biodiversity, including clean energy usage encouragement to reduce greenhouse gas emissions. This would lead to a trend in regulation changes in domestic and international to support greenhouse gas emissions reduction goal of each country.

### Impacts

Since the Company mainly sources products from local suppliers in Thailand, lesser part imported from overseas. The Company's business does not emphasize the exports to oversea markets, especially in European countries, which currently have a trade barrier from strict regulations on carbon footprints of EU CBAM. Therefore, the Company does not have any significant impact on sales or market share from this issue. However, as Thailand leverages its goal to accelerate the greenhouse gas emission reduction, leading the Company to adjust and add its sustainability goals in various aspects to be consistent with national goals, such as greenhouse has emission reduction per store, renewable energy usage with solar cell, setting a long-term goal of NET ZERO, including product development throughout the supply chain in order to reduce environmental impact, etc.

### Mitigation Plan

1. Set a long-term goal of net zero greenhouse gas emissions (NET ZERO) by 2050 by setting greenhouse gas reduction targets that are consistent with scientific targets. (Science-based Targets: SBT) and preparing supportive plans in various areas such as reducing greenhouse gas emissions per store by 50% within 2030 through the increasing portion of clean energy usage from solar rooftop installations or EV trucks usage for transportation, etc. These plans would reduce the amount of greenhouse gases generated from operations which is consistent with the Company's goal to reach net zero greenhouse gas emissions (NET ZERO) by 2050.
2. Develop products and production processes throughout the supply chain. This bring the reduction in greenhouse gas emissions through product life cycle analysis to extend its life and recyclable according to the concept of circular economy, by promoting resources utilization for maximum efficiency from the production, consumption, waste management with reuse, recycle and upcycle which will lead to the sustainability of the entire system through various projects such as 'Trade In' which customers could bring in old products to exchange for new products with discount, with closed loop supply chain contributing toward circular economy. The objective of the campaign is to support

appropriate old product management as workable parts could be recycled and made for new products, as well as opening repairment center to prolong the life cycle of product to better serve a change in customers' behaviors towards responsible consumption.

## 5.2 Customer Behavioral Change toward Low-carbon Society

Presently, Low-carbon society is a principle to raise awareness in broader society and is implemented in many countries around the world. Most people pool efforts to reduce the emission of carbon dioxide gas (CO<sub>2</sub>) in daily activities, particularly those emission from manufacturing process of business and industry sectors, including the purchase of products and services more taken into account to the environmental impact by the household sector. Consequently, people in society ought to be aware of a good quality of life in low-carbon environment attached to more environmentally friendly technology implementation and development.

Another important factor for the business's survival is the adaptive capacity along with changing world trends. Despite higher competition in the business sector, however, that risk would be a catalyst for the movement towards a low-carbon and environmentally friendly economy. The company foresees the opportunity to offer products and services that meet customer's needs and take part in social responsibility.

### Impacts

According to more customer behavioral change concerning to environmental impact from the products they purchase, the competitors in the market have to adapt themselves and develop such products in order to take market share away, which may impact on the Company's revenue to decrease if there is no action plan to continuously develop the low-carbon and environmentally friendly products.

### Mitigation Plan

The Company is fully aware of the importance of business adaptability and agility. The Company has prepared guidelines to remain resilient on the emerging customer behavior that caused by low-carbon society trend. For the purpose of customer retention and sales increase of such

products, the Company has been continuously developing ECO products and pushing it on shelves since 2016. The ECO products consist of Environmentally Friendly, Energy Saving, Water Saving, Sustainable Forest, Green House Gas Reduction, and Health and Safety products. Additionally, the Company also elevates ECO Products as ECO CHOICE to be an alternative for the low-carbon and environmentally friendly product demanding consumers, promotes responsible plastic consumption, as well as delivers services that offer convenience and serve the needs of customers through the integration of online and offline channels seamlessly under Omni Channel platform.

## 5.3 Abrupt Climate Change towards Supply Chain and Logistics

At present, businesses are struggling with the impacts of climate change at different levels, according to each business type. It is a challenge for all sectors both private and public sectors to adjust and manage these issues which affected by abrupt and severe climate changes from physical risks such as flash floods from heavy rain, drought that may affect the production in agricultural sector, loss of environmental balance, rising global temperature in long hot season, or a rise of sea level which can cause flooding in coastal area.

### Impacts

The Company operates mainly in Thailand, partly in Malaysia, which are all affected from climate changes. Those factors can cause heavy rain and monsoon more frequently leading to flash floods and damages to operating stores which impacted customers' traffic and supply chain in terms of product distribution to stores, import, delivery, and technician teams travelling to customers' house. In addition, there is a risk of customers' purchasing power affected from disaster issue, whether floods from heavy rains, or drought that caused declining production in agricultural sector. These factors would cause the slowdown in overall economy and negative impact sales on the Company's product and services. On the other hand, it is an opportunity to sell products and services for residential renovations after the disaster. However, it may affect an increase in construction costs when considering the prevention of loss from natural disasters.

## Mitigation Plan

The Company has comprehensive measures and prepared relevant plans in various areas to respond the effects of abrupt weather changes as the follows:

- 1) Store building management and distribution center:  
The Company has studied statistical data on rainfall and flooding which occurred in the areas where its stores are going to be opened during the pre-construction period. The Company uses those data to design and prevent impacts that may occur to the store such as constructing store building height that is above average impacted from flood, or strengthening building structure to support strong wind from monsoon. Whereas the distribution center which has a large number of products stored, the company has built a water-retaining wall to prevent impact from flood. Moreover, during the monsoon season, the Company monitors the volume of water in the dams and rivers that may affect flooding in areas where stores locate and distribution center, and prepare the mitigation and contingency plans.

- 2) Supply chain and distribution management: To mitigate the impacts from any disasters from abrupt climate change such as flooding from heavy rains, the Company prepares contingency plan to mitigate impacts that may disrupt the supply chain management and distribution. With the advantage of having a store network spread throughout the country, the Company is able to realign pickup points and distribute products to unaffected store locations in order to operate business continuously. Moreover, the Company also integrate technology systems to immediately change distribution routes to avoid vulnerable areas that get impacted. In order to alleviate the product shortage issue, the Company has inventory management system to support availability of products for sale throughout the supply chain both in distribution center and stores to ensure the inventory sufficiency or serving customer's needs.





# SUSTAINABILITY DEVELOPMENT REPORT 2023

## ESG FOR SUSTAINABLE LIVING



# Message from Strategy and Sustainable Development Committee



“

HomePro is committed to operate sustainable business according to E: Environmental, S: Social, G: Governance principles. We are determined to reduce negative impact on the environment, create shared value for society, and operate the business under good corporate governance for the highest benefit of all stakeholders throughout the supply chain. We will continue to innovate products and services to meet the needs of our customers and build a better quality of life for the community and society, to achieve our purpose:

**We make a better living**

”

## Dear all stakeholders,

2023 was another challenging year for the economy, society, and the environment. Every party must adapt and adjust their business strategies in order to grow sustainably. The Company is committed to building up the business with the focus on reducing negative impact to the environment, taking care of society, and operating under good corporate governance. The goal is to create better quality of living for the society and the community, in alignment with the Company's purpose - "We make a better living" - and cement the top position as the leader in Home Solution and Living Experience in Thailand and Southeast Asia. The Company reported the impact on stakeholders in several issues to determine the sustainability strategy with its business strategy to create a balanced business operation principle, which covers all dimensions as follows:

## Environmental

Support responsible consumption through ECO Products and ECO CHOICE products. Promote Circular Economy by utilizing resources efficiently through Reusing, Recycling and Re-material production. We also introduced "Trade In" campaign in 2023 in alignment with the Company's effort to achieve Zero Waste. The Trade In campaign invites customers to bring their old items such as mattresses, water purifier, television, sanitary ware, and many more in exchange for discounts on new product purchases at HomePro and MegaHome stores. Old items traded in by the customers are sent by the Company to specialized Company of waste separations that will sort recyclable materials to be used in the production of new products as closed-loop supply chain contributing toward and circular economy. For materials that cannot be recycled, the Company will manage them with proper waste management process in alignment with the law and regulations.

Climate Change is still an important issue that every sector must work together to cope with. The Company has announced its commitment to achieving Net Zero greenhouse gas emissions by the year 2050. To achieve this goal, the Company has begun to shift towards renewable energy from solar roofs on store buildings and distribution centers. In 2023, the Company has produced and used renewable energy from more than 90 solar roof projects. Building Control Monitoring System for Energy (BCMS) has been installed in 67 stores to automatically control the use of energy within the buildings. The Company's green logistic and distribution activities have been developed to be more friendly to the environment (Green Logistic) by utilizing modern technology that enhances efficiency and reduces greenhouse gas emissions. Currently, the Company has already replaced traditional combustion transport trucks with 13 new electric trucks. The plan is to utilize electric trucks to cover all transportation routes in Thailand. In addition, the Company has converted its warehouse system into the Automated Storage and Retrieval System (ASRS), which transfers goods within the warehouse by using electricity generated from solar energy.

## Social

Elevate sustainability level of the entire supply chain by collaborating with business alliance to innovate products and services, as well as developing a variety of distribution channels that are more modern and more convenient to better serve the needs of customers. Prioritize the creation of a better quality of life for the community through various projects and activities. Take part in creating economic growth by creating jobs and bringing income to the community with the focus on the hiring of local talents, business partners, technicians and developing their skills as part of the "Young Entrepreneur", which now consists of more than 2,000 teams. Young Entrepreneurs are professionals who can provide a wide range of home solution as if they are resident technicians for customers. They also receive a stable income. The Company also supports local businesses by providing the venue for the community to set up OTOP shops in our stores. In addition, the Company places importance on employee development and treats employees fairly according to human rights principles.

## Governance

The Company operates its business under good corporate governance adhering to ethics, transparency, and anti-corruption. Our commitment is extended throughout the Company's supply chain by promoting trade partners to join the fight against corruption in collaboration with Collective Action Against Corruption (CAC). The Company organized training to educate trade partners on anti-corruption and invited partners to join in announcing their commitment to be part of the fight against corruption from the Thai sector side. Moreover, the Company has put in place a fair process of trade partner selection by incorporating criteria from multiple dimensions including manufacturing capacity, professionalism, compliance with the law and regulations, and ESG factors.

With the commitment and dedication to build sustainable business throughout the supply chain, create a better quality of life for the community and society, and reducing negative impact on the environment, the Company has been selected to be a member of Dow Jones Sustainability Indices (DJSI) for Emerging Markets for the 7<sup>th</sup> consecutive year in 2023. The Company has also received awards and accreditations from various international institutes including MSCI Global Sustainability Index, FTSE4Good Index, Bloomberg Gender Equality Index (GEI), and Low Risk evaluation from ESG Risk Rating by Sustainalytics, as well as national awards such as excellent grade in Corporate Governance Report for the 9<sup>th</sup> consecutive year, ESG100 Index, AA grade from SET ESG Ratings, and extension on the membership of Collective Action Against Corruption (CAC) Certification.

As a representative of the board of directors, I would like to thank the management team, employees, business alliances and all stakeholders for their support in building sustainability throughout the Company's supply chain. HomePro will continue to operate its business to build a better quality of life for the community and society, create shared value for all stakeholders, and grow together sustainably.



(Khunawut Thumpomkul)

*Representative of the Board of Directors*

# Award of Pride

## INTERNATIONAL

### Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

HomePro has been listed as a member of Dow Jones Sustainability Index (DJSI) in emerging market for the seventh consecutive year in 2023. The DJSI is an index that assesses the effectiveness of business operation according to sustainable development for global leading companies, as rated by S&P Global.

### MSCI ESG RATINGS



CCC B BB BBB A AA AAA

Listed in both “MSCI Global Sustainability Indexes” and “MSCI ESG Rating Indexes” with an “AA” rating from ESG Research of Morgan Stanley Capital International (MSCI).



### FTSE4Good

Being listed in FTSE4Good Index, an award that recognizes organizations for their environmental, social and good corporate governance responsibility, together with promote investor confidence across countries. The award is given by FTSE Russell.



received an ESG Risk Rating ranking in the Low Risk category and Regional Top-Rated from the assessment by Sustainalytics.



Being listed in the Bloomberg Gender Equality Index (GEI). The index measures gender equality in various aspects such as employment, skill development, compensation, and prevention against sexual harassment etc.,

## DOMESTIC



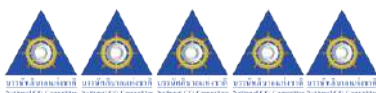
Selected to be included in SET ESG Ratings, AA level of The Stock Exchange of Thailand of the year 2023.



Selected for ASEAN CORPORATE GOVERNANCE Scorecard Award, ASEAN Asset Class PLCs (Thailand) category.



Selected as 1 of 100 listed companies recognized for outstanding progress in Environmental, Social, and Governance (ESG) performance from ThaiPat Institute.



Rated a governance level of “Excellence: 5 stars” from the Thai Institute of Directors Association (IOD)



Certified member of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC).



Received Sustainability Disclosure Recognition 2023 from ThaiPat institute, which given to the Company that transparently disclosing information on sustainability performance, which cover Environmental, Social, or Governance issues.



# Sustainability Development Report

Home Products Center Public Company Limited (HMPRO) annually prepares a Sustainable Development Report to communicate strategies, sustainability, operational processes, and performance results on key business issues to all stakeholders. The Company also produces a Sustainable Development Report in accordance with the 56-1 (One Report) format and aligns with the reporting guidelines of the Global Reporting Initiative (GRI) Standards 2021.

In 2023, the Corporate Strategy and Sustainable Development Committee, along with the Risk Management Committee collaborated to review and assess the Material issues in sustainable development and business-related risks based on the integrated international approaches between the Sustainable Development Assessment criteria by S&P Global (Dow Jones Sustainability Assessment Criteria), Committee of Sponsoring Organizations of the Treadway Commission (COSO), the United Nations Sustainable Development Goals (UN SDGs), Sustainability Accounting Standard Board (SASB) Disclosure Matrix, TaskForce on Climate-related Financial Disclosure (TCFD) Framework TCFD Supporter, International Financial Reporting Standards by International Sustainability Standards Board (IFRS by ISSB) and the opinions of stakeholders. This aims to propel working and strategic planning and organizational indicators to the appropriateness in management across issues and the satisfaction of stakeholders and further report to

the Board of Directors for considerations and opinions at least 4 times a year.

The 2023 Sustainability Report's content centers on the sustainability topics on which all stakeholders stress the importance. The matters are also related to the Company's operational visions which are to be the Leader in the Home Solution and Living Experience in Thailand and Southeast Asia, and to align with the business purpose of the Company, "We make a better living". The details of operation strategies in sustainability that promote the Company's vision are in this report, covering environmental, social, and governance dimensions.

For the scope of report, Home Product Center Public Company Limited has reported in accordance with the Global Reporting Initiative (GRI) Standards 2021 for the period from 1 January 2023 to 31 December 2023. The scope of this report covers the businesses of HomePro and its subsidiaries within Thailand.

## Inquiries

Strategy and Sustainable Development department  
of Home Product Center Plc. (Head Office)  
31 Prachachuen-Nonthaburi Road, Tumbon Bangkhen,  
Amphoe Muang Nonthaburi, Nonthaburi, 11000

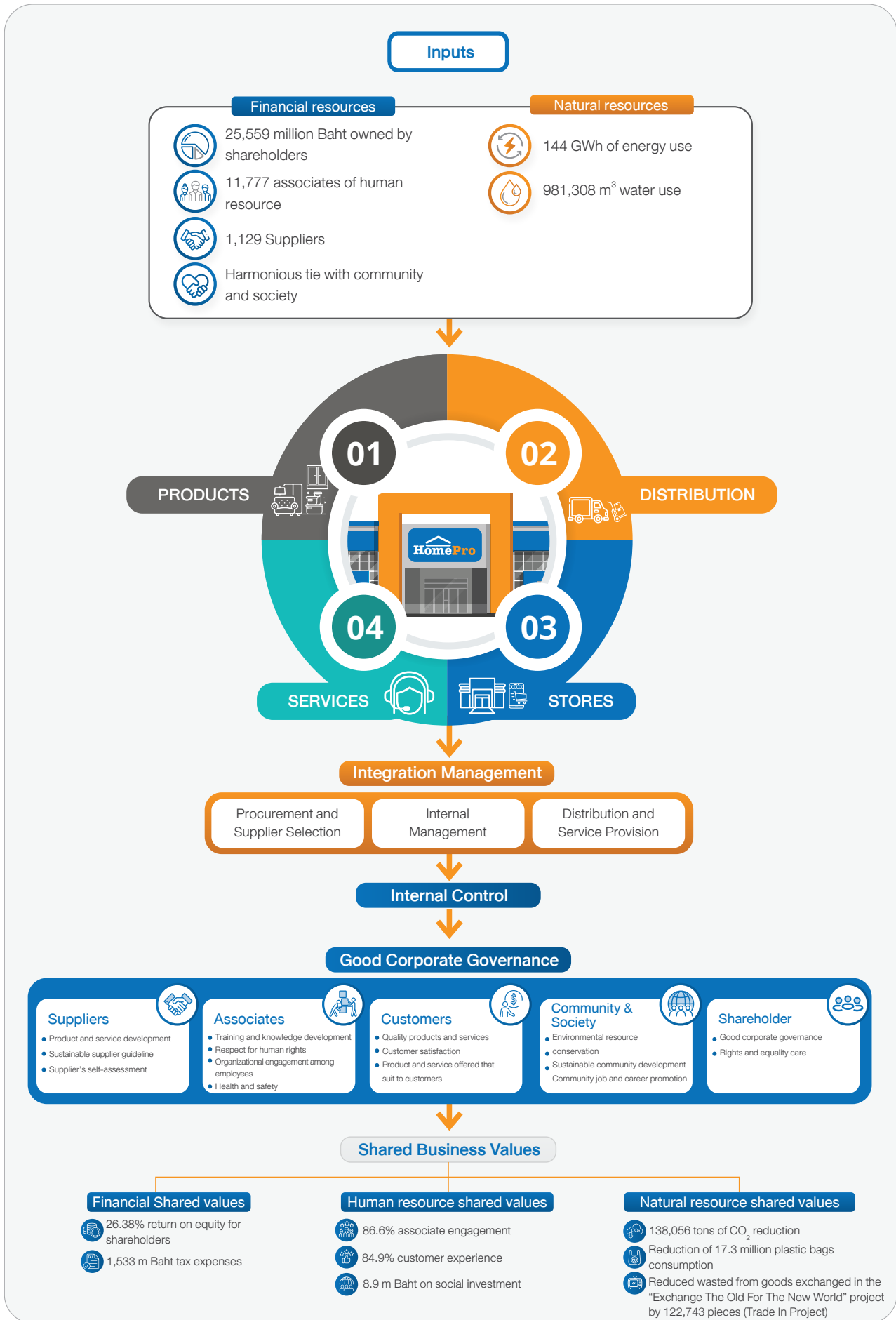
**Tel.** 02-832-1000 (1702)

**Fax.** 02-832-1066

**email:** [sd@homepro.co.th](mailto:sd@homepro.co.th)

**Website:** [www.homepro.co.th](http://www.homepro.co.th)

# HomePro's value chain



## ● Stakeholder Engagement

The Company examined and determined the key stakeholders by incorporating stakeholders' interests and concerns into the business framework and sustainable development issues. Furthermore, the Company provided stakeholders with communication channels to give comments and recommendations, both in formal and informal forms, and promote the shared value to all stakeholders. The purpose is to properly serve their needs and meet their expectations. The details of stakeholder engagement were arranged in order of importance as follows:

Stakeholders	Expectation	Approaches	Communication Channel
 <b>Customer</b>	<ul style="list-style-type: none"> <li>• Products and services that are socially and environmentally responsible</li> <li>• Fair prices</li> <li>• Product quality and safety</li> <li>• After-sales services</li> <li>• Data privacy protection (PDPA)</li> </ul>	<ul style="list-style-type: none"> <li>• Offer Eco products</li> <li>• Promote responsible plastic Consumption</li> <li>• Responsible Marketing</li> <li>• Sales of products complying with standards as advertised</li> <li>• Equality of services</li> <li>• Pre- and after-sales services</li> <li>• Listening and responding to all complaints</li> <li>• Development of customer information management system to maintain personal information and overall security</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Comment box in all branches</li> <li>• Call Center 1284</li> <li>• Customer service Center</li> <li>• Complaint through Website: <a href="http://www.homepro.co.th">www.homepro.co.th</a></li> <li>• Happy or Not Project</li> </ul>
 <b>Associate</b>	<ul style="list-style-type: none"> <li>• Treat employees based on the principles of human rights, non-discrimination, acceptance of diversity, and equality</li> <li>• Fair compensations</li> <li>• Comply to labor ethics</li> <li>• Life and Property Security</li> <li>• Knowledge Development</li> <li>• Opportunity for Career Advancement</li> <li>• Work-life-balance</li> </ul>	<ul style="list-style-type: none"> <li>• Activities promoting associate engagement</li> <li>• Work stability and career opportunities</li> <li>• Fair compensations including competitive welfares in comparable market</li> <li>• Pleasant and safe working environment</li> <li>• Training programs directly relevant to the role of responsibility and develop in accordance with career advancement opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Information providing to associates</li> <li>• Satisfaction survey</li> <li>• Team meetings</li> <li>• Hotline center/Complaint center, the human resource department</li> <li>• Direct complaint to the management</li> <li>• Email: <a href="mailto:md@homepro.co.th">md@homepro.co.th</a></li> <li>• HR Clinic and hotline for associate consultation</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Fair trades</li> <li>• Business growth through partnership</li> <li>• Cooperate for product innovation</li> <li>• Equality in business operations</li> </ul>	<ul style="list-style-type: none"> <li>• Equitable treatment</li> <li>• Well-defined purchasing process</li> <li>• Knowledge sharing and improvement of product and services</li> <li>• Complying to trading regulations and conditions</li> <li>• Free and fair competition focusing on manufacturing standards</li> <li>• Conduct business with ethics</li> <li>• Promote sustainability management to suppliers through the joint projects and activities.</li> <li>• Support the participate of anti-corruption coalition</li> <li>• Promote the sharing of economy knowledge (Sharing Economy)</li> <li>• Promote labor utilization with respect for Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>• Policies and ethics for business conducting and regulations of business partnership</li> <li>• Site Visits and assessments</li> <li>• Training programs for Suppliers</li> <li>• Contact via the management</li> <li>• Website: <a href="http://www.homepro.co.th">www.homepro.co.th</a></li> <li>• Vendor Relationship Management (VRM) system</li> <li>• Internal audit or audit committee</li> </ul>

## Stakeholders



### Creditor

- Debt repayments as scheduled
- Comply with covenants and conditions of the loan agreement

## Expectation

## Approaches

- Debt repayment as scheduled and comply to conditions and covenants
- Follow the specified conditions.
- Maintaining the debt-to-equity ratio as required in conditions. of bond and bank loans covenants.

## Communication Channel

- Contact via the management  
Website: [www.homepro.co.th](http://www.homepro.co.th)
- Contact to the Finance Department at 02 832 1430



### Shareholder/ Investor

- Improvement in business performance
- Good corporate governance
- Data transparency
- Equal rights treatment

- Dissemination of reports, and transparent information disclosure.
- Conduct business operations in accordance with the corporate governance
- Consistent deliver long-term return
- Maximize shareholder value

- Annual reports
- Annual General Meeting of Shareholders
- Contact via the Investor Relation at 02 2831 1000  
Email: [ir@homepro.co.th](mailto:ir@homepro.co.th)  
Website: [https://hmpro-th.listedcompany.com/ir\\_contact.html](https://hmpro-th.listedcompany.com/ir_contact.html)
- Disseminate information from Investor Relation activities such as Analyst Meeting and Opportunity Day



### Community

- Operation business with responsibilities
- Community development to be self-sustainability.
- Economic improvement of community
- Fair handling of complaints

- Maintaining the ecosystem surrounding the store areas
- Listening to all opinions and comments from community
- Career supports in the local community
- Organizing cultural activities together

- Meeting with the community before starting the construction
- Contact via branch managers and mall managers after the Construction
- Website: [www.homepro.co.th](http://www.homepro.co.th)
- Contact through managements together



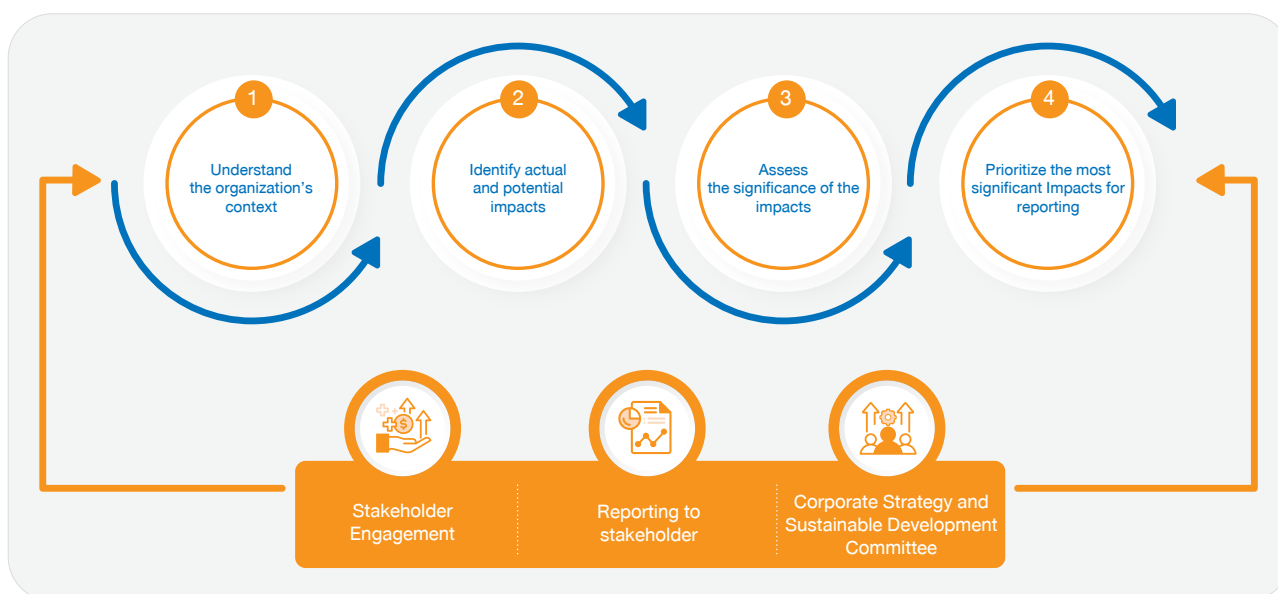
### Government and Organization

- Compliance to the laws and regulations
- Participation in public activities
- Good and ethical governance

- Full support and compliance to the laws and regulations
- Coordination and participation in activities of public sectors
- Operating transparently, fairly, auditable and comply to the laws and regulations

- Contact via the management and Government Relations Department
- Website: [www.homepro.co.th](http://www.homepro.co.th)

## ● Important Sustainability Assessment Processes and Procedures



The Company considers issues relevant to its business operations both internally and externally, including those aligned with the expectations of all stakeholders, for use in assessing key Company issues. This is done through an Important Sustainability Assessment Processes and Procedures according to the Global Reporting Initiative Standards (GRI Standards) framework, consisting of 4 main steps as follows:

### » Step 1

#### Understand the organization's context

Assess business operations to identify stakeholders throughout the value chain, linking sustainability issues with stakeholder expectations. This includes environmental, social, and governance dimensions, as well as studying standards and frameworks for sustainability reporting to determine their impact on each stakeholder group.

### » Step 2

#### Identify actual and potential impacts

The Company identifies and analyzes the impacts, both positive and negative, of each issue, covering economic, social, and environmental aspects. This assessment is conducted from the Company's perspective, following the Enterprise Risk Management (ERM) Process and risk management criteria, which evaluate the likelihood of impact on stakeholders (likelihood). The purpose is to evaluate and prioritize sustainability issues to create a significance ranking table. The Company identifies key issues annually and obtains approval from the Board of Directors.

### » Step 3

#### Assess the significance of the impacts

Compile and summarize the results of assessing significant issues, aligning them with the reporting categories of GRI Standards. Determine reporting boundaries for each issue and present the prioritized issues to the Company's strategy and sustainable development committee for review of completeness and approval of related content for inclusion in the annual report and dissemination on the Company's website. Additionally, relevant departments and senior management review the accuracy and completeness of significant issues to ensure comprehensive coverage of economic, social, and environmental dimensions.

### » Step 4

#### Prioritize the most significant Impacts for reporting

The Company applies the Double Materiality assessment approach to prioritize sustainability issues, linking stakeholders throughout the process of business operations and identifying significant issues. It evaluates positive and negative impacts and potential trends, covering financial materiality and impact materiality aspects. This helps prioritize short-term and long-term impacts and establish corrective action plans, recovery, and mitigation of impacts. The Company also prioritizes significant sustainability issues for presentation to the Company's strategy and sustainable development committee for review, and compile sustainable development reports for communication with all stakeholders.

## ● Materiality Assessment's Result



### E

#### Environmental

1. Environmental-friendly products
4. Climate change management
5. Electricity Consumption
6. Green Transport and Supply Chain
7. Circular economy and waste management
11. Sustainable packaging management
12. Water Resource Management

### S

#### Social

2. Convenient Services Fulfilling All Customer Needs
3. Employee care, employee training and development
8. Creating Opportunities and Careers with Business Partner
9. Social and Community Development
16. Talent Attraction

### G

#### Governance

10. Operating process for supplier sustainability
13. Anti-corruption
14. Personal Data Security
15. Risk Management
17. Good Corporate Governance

## ● Strategies and Guidelines for Driving Sustainable Business

The Company thrives to create better living standards for communities and the society through the development of products and services to be able to fulfill the purpose of “we make a better living” while at the same time reinforcing the leadership in “Home Solution and Living Experience” in Thailand and South East Asia. The Company integrates sustainability strategies into business strategies to act as a guideline in operating sustainably, covering every aspect of Environment, Social, and Governance (ESG) as the following:

### We make a better living

Determined to create a better quality of life for the community and society



## ● Goals and Operation Results

Environmental	2021	2022	2023	Goal	Target Year
Sales Mix of ECO Products (%)	43.2%	46.9%	47.6%	50%	2025
Sales Mix of Products that Promote Responsible Plastic Consumptions (%)	65.1%	63.4%	60%	100%	2025
Sales of ECO Choice Products (Unit)	1,763,565	1,556,576	1,581,003	-	-
Elder Care Products (Unit)	730,106	743,293	786,391	-	-
Energy Consumption Reduction per area from Base Year (2014)	-42%	-39%	-41%	-40%	2025
Renewable Energy Production or Use in Company's Buildings	24.2%	25.6%	27.5%	100%	2030
Amount of Electricity Generated from Solar Energy (kWh/year)	42,359,424	52,382,640	73,642,243	30,000,000	Maintain Production
Greenhouse Gas Emission Reduction from Base Year (%) (Scope 1 and Scope 2)	-39%	-36%	-41%	-50%	2030
Amount of Waste Sent to Landfill (Ton)	237	323	335	0	2030
Amount of Recycled Waste (Ton)	1,525	1,893	1,926	-	-
Water Consumption per Store (m <sup>3</sup> )	9,657	10,325	10,782	-	-
Percentage of wastewater treated according to standard criteria	100%	100%	100%	100%	2023
Circular Economy Trade In (pieces)	1,210	474	122,743	-	-
Sales Mix of Circular Products (%)	-	-	0.0001%	20%	2030

Social	2021	2022	2023	Goal	Target Year
Customer Experience Survey (%)	80.7%	84.5%	84.9%	85.0%	2025
Number of Young Entrepreneur (Teams) (Service Outside Store)	1,922	2,159	2,650	1,800	2025
Number of Room Consultant Team (Person) (Service In-store)	149	149	144	-	-
Emergency Home Service (Job Count)	873	1,612	5,128	-	-
Number of Lady Service Teams (Team)	309	388	413	-	-
Employee Engagement (%)	86.5%	86.6%	87.0%	88.0%	2025
Associates Development (% Associates Knowledge)	92.9%	91.6%	91.4%	96.0%	2025
Accident rate per store	0.31	0.16	0.18	0	2025
Lost Time Injury Frequency Rate: LTIFR	0.67	0.31	0.33	0	2025
Lost Time Injury Severity Rate: LTISR	131.27	3.34	3.76	0	2025
Lost time Injury Rate: LTIR	0.13	0.06	0.07	0	2025
Occupational Illness Frequency Rate: OIFR	0.0000233	0.0000567	0.0000385	0	2025







Social	2021	2022	2023	Goal	Target Year
<b>Bilateral Scholarship Program</b>					
- High Vocational Certificate Level	246	275	204	-	-
- Bachelor's Degree Level	-	8	3	-	-
Happy Hometown Project (Associates Count)	1,523	1,592	1,659	-	-
Elderly Employment Program (Associates Count)	55	50	50	-	-
Employment of Persons with Disabilities (Associates Count)	89	94	113	-	-
Average Yearly Employee Turnover (%)	17.33%	20.37%	19.44%	-	-
Digital Learning Access (Login Count)	49,000	58,464	209,768	-	-
Number of Restrooms Built for Public (Unit)	60	10	56	-	-
Religion Support Activities (Baht)	2,841,168	1,100,000	3,245,517	-	-
Blood Donation Program (Person)	81	317	1020	-	-
Commercial Initiatives	50.6%	0.6%	0.1%	-	-
Charitable Donations	41.1%	17.0%	48.7%	-	-
Community Investment	8.3%	82.4%	34.2%	-	-

Governance	2021	2022	2023	Goal	Target Year
ESG Evaluation Response Rate by Vendors	87%	79%	78%	100%	2025
Acknowledgement of suppliers on the Supplier Sustainable Code of Conduct	100%	100%	100%	100%	2025
Increase in the quantity of Local Procurement	90.8%	93.8%	94.6%	90.0%	2025

## ● Scope of Materiality Topic

sustainable strategy	Material Topics	Stakeholder						GRI Sustainable Development Goals	SDGs Global Reporting Initiative		
		Associate	Customer	Suppliers	Community	Creditor	Shareholder / Investor			Government and Organization	
Environmental	Environmental-Friendly Products		●	●				●	GRI 301 GRI 416 GRI 417 GRI 418		
	Circular Economy and Waste Management	●	●	●	●			●	●	GRI 301 GRI 306	
	Sustainable Packaging Management	●	●	●				●	●	GRI 301 GRI 306	
	Climate Change Management	●			●			●	●	GRI 302 GRI 303 GRI 304 GRI 305 GRI 306	
	Electricity Consumption	●		●	●			●	●	GRI 302 GRI 303 GRI 304 GRI 305 GRI 306	
	Water Resource Management	●		●	●			●	●	GRI 302 GRI 303 GRI 304 GRI 305 GRI 306	
	Green Transport and Supply Chain	●	●	●	●			●	●	GRI 302 GRI 303 GRI 304 GRI 305 GRI 306	
Social	Customer Care and Convenient Services Fulfilling All Customer Needs	●	●	●	●			●	●	GRI 301 GRI 416 GRI 417 GRI 418	
	Associates Care	●		●					●	GRI 401 GRI 402 GRI 403 GRI 404 GRI 405 GRI 406 GRI 407 GRI 408 GRI 411	
	Creating Opportunities and Careers with Business Partner	●	●	●	●			●	●	GRI 203 GRI 413	
	Social and Community Development	●	●	●	●			●	●	GRI 203 GRI 413	

sustainable strategy	Material Topics	Stakeholder						GRI Sustainable Development Goals	SDGs Global Reporting Initiative
		Associate	Customer	Suppliers	Community	Creditor	Shareholder / Investor		
<b>Governance</b>	Supplier Sustainable Code of Conduct	●		●				●	GRI 204 GRI 205 GRI 206 
	Operating Process for Supplier Sustainability	●		●				●	GRI 204 GRI 205 GRI 206 
	Anti-corruption	●	●	●		●	●	●	GRI 204 GRI 205 GRI 206 
	Good Corporate Governance	●		●		●	●	●	GRI 204 GRI 205 GRI 206 



# ESG

## 1. Environmental Care

“

The Company aims to conduct businesses sustainably. Expressing responsibilities by continuing to reduce the negative impacts toward the environment, whether in the aspect of climate change or the shortages of energy & resources. Therefore, the Company has been preparing to progress towards low-carbon economy by setting target of achieving Net Zero by the year 2050 and at the same time planned for strategies to tackle climate change throughout our supply chain to become a part of the mitigation of negative environmental impacts. The Company has two main strategies: 1. Reduction of Greenhouse Gas Emission, including but not limited to carbon dioxide (Decarbonization) by drawing power from solar energy, implementing environmentally friendly logistics, The Company also encouraging responsible consumptions according to the BCG Model (Bio-Circular-Green) through the development of environmentally friendly products such as ECO Products, ECO Choices including the managements of packaging and sustainable logistics, at the supporting the idea of Circular Economy by increasing the effectiveness of waste management throughout both internal and external operations. 2. Carbon Removal processes such as the preservation and restoration of ecosystems to reduce greenhouse gases and to prevent the further losses of biodiversity.

”



ECO Product  
Sales Mix

47.6%



ECO Choice  
Product

1.6

Million Units



Circular Economy  
Old Products for  
New Products

122,743

Pieces



Renewable Energy  
from Solar Panels

73.6

GWh



Reduce energy  
consumption per area

41%

- 1.1 Environmental-Friendly Products
- 1.2 Circular Economy and Waste Management
- 1.3 Sustainable packaging management
- 1.4 Climate Change Management
- 1.5 Electricity Consumption
- 1.6 Water Resource Management
- 1.7 Green Transport and Supply Chain
- 1.8 Environmental Management of Subsidiaries
- 1.9 Campaigns to associate for the Efficient Use of Resources



HomePro

TRUCK



พลังงานสะอาด เพื่อโลกใหม่



## Goals

- 1 To raise the sales mix of Eco Product to 50% of sales revenue by 2025.
- 2 To set a target to promote responsible plastic consumption to reach 100% by 2025.



## Strategies

- 1 To develop products and services that fulfill customer need.
- 2 To offer the standard of environmentally friendly products and services.
- 3 To raise the safety standard of products and services.

## Management

Under the current unsettling global circumstances such as Climate Change, the shift towards aging society, shortages of resources, waves of global pandemic, the rising trend of environmental conservations and the increasing pressure from the government to progress toward Low-Carbon Economy; the Company places the at most importance to the aforementioned topics therefore cooperates with our business partners to jointly develop ECO Products and ECO Choice products from the sourcing processes through the usage of the manufactured products to ensure that the merchandises are effective, up to standards, of many varieties and harmless toward the environment. Moreover, the Company also encourages Responsible Consumptions to answer the demands and to ensure the good living standards of the consumers, despite the changes in the future according to the Company's Sustainable Development and Environmental policies.

## ● ECO Product

The key objectives of the eco product selection rest on the determination to deliver the best offer to customers through cooperation with suppliers. The merchandising and operation departments of the Company will source for environmentally friendly merchandises and promotes eco products that save energy, cherish natural resources, ensure safety, and is certified with the international standard in order to mitigate the environmental impacts caused by climate change and to encourage our customers to consume responsibly. The ECO products consist of 6 categories as follows:

### ECO Product

### Definition

#### 1. Energy Saving



Energy saving products or products that efficiently consume energy are the products that contain the Energy Saving Label 5. The given products have passed the energy saving effectiveness test from the Electricity Generating Authority of Thailand (EGAT). The group also contains other labels and standards that are related to energy saving.

#### 2. Health and Safety



Products that are manufactured accordingly to the safety standards, which are harmless toward the consumers as well as promoting good health.

#### 3. Sustainable Forest



Products that are manufactured from sustainable forests that follow the globally accepted Sustainable Forest Management standards.

#### 4. Environmentally Friendly



Products that are environmentally friendly throughout their lifecycles by taking into account of the mitigation of the negative environmental impacts as well as potential pollutions; including Circular Products which are manufactured from excess materials through sophisticated environmentally friendly management processes to encourage Responsible Consumptions.

#### 5. Water Saving



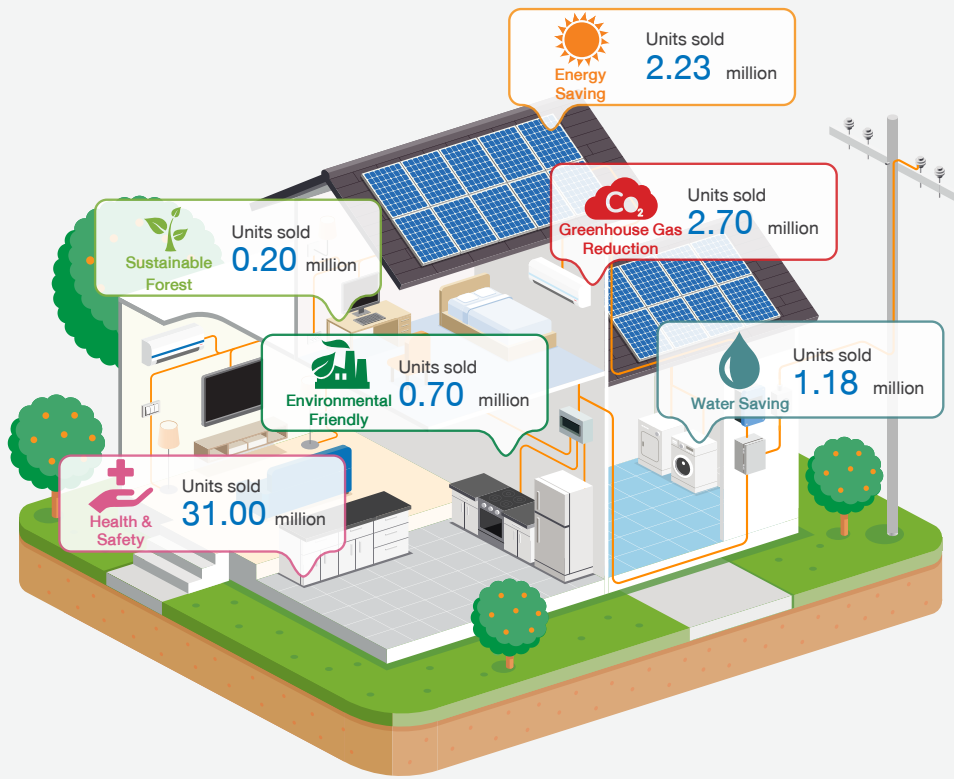
Products that have passed the inspections and being guaranteed of the effectiveness of reducing water consumption.

#### 6. Greenhouse Gas Reduction



Products that are manufactured under the Greenhouse Gas Emission Reduction Standard throughout the products' lifecycles. The range also includes the products that are certified of the Carbon Footprint evaluation for Circular Economy Products.

In 2023, sales unit of **ECO Products** are as following



**Energy Saving Product**

- Energy consumption reduced by **129,533,160 kWh**
- CO<sub>2</sub> emission reduced by **77,539 TonCO<sub>2</sub>e**
- Energy expenses reduced by **539 Million Baht**
- Equivalent to planting **272,065 Trees**

**Water Saving Product**

- Water consumption reduced by **20,480,949 m<sup>3</sup>**
- CO<sub>2</sub> emission reduced by **11,082 TonCO<sub>2</sub>e**
- Water expenses reduced by **215 Million Baht**
- Equivalent to planting **38,885 Trees**

**Performance**





## Home Solar : Cost-effective and Sustainable

Nowadays, consumers are paying more attention to the environment. Renewable energy has become a major trend for modern homeowners due to the fact that traditional energy from fossil fuels; either coal or natural gas are worsening global warming. Therefore, renewable energy is by far the most effective and environmentally friendly form of energy. The Company encourages Responsible Consumption by supporting our customers in their conversions toward renewable energy through Home Solar by offering Solar Rooftop installation services that generate electricity, powering the electrical appliances through sunlight. Our expert technicians provide end to end services from rooftops surveying to find the most suitable installation positions via drones, matching the electricity generation output with daily usage and installations of solar panels. The Company uses quality equipment for the installations. Moreover, the Company also completes of necessary documents required by the related authorities on the homeowners' behalf. The system comes equipped with SCADA Smart Control which enables the real time feedback and analysis of the electricity generation. The Company also offers aftersales services as well as guarantees throughout the products lifecycles. Therefore, Home Solar from HomePro is preserving the environment while being cost-effective and sustainable.



## Smart Curtain (Curtain with Energy Label No. 5)



The Company in cooperation with the Electricity Generating Authority of Thailand (EGAT) and Thailand Textile Institute (THTI) have developed more than 44 types of private brand curtains, including but not limited to BLACKOUT curtains and DIM-OUT curtains. The curtains are labeled as “Number 5 Curtains” or so called “Energy Saving Curtains” under the brand “Home Living Style (HLS).” The curtains have the property of preventing heat from sunlight to reduce the temperature within households and to reduce the consumption of electricity. The Number 5 Curtains have passed various tests from Thailand Textile Institute with the finding that the curtains could reduce heat equal to or more than 17%, certified with SMART FABRIC UV standard in filtering out more than 90% of UVA and UVB rays. The curtains also receive the Number 5 label from the Electricity Generating Authority of Thailand. In 2023, the Company had sold more 99,050 units of the Number 5 Curtains.

## ● ECO CHOICE Product



The Company jointly invent, develops and source products that are environmentally friendly or the product group that promote health and safety of the consumers, which is an alternative to consumers. The ECO Choice products are divided into 3 groups as follows:

### 1. Product That Reduce Chemical and Organic Products

It is a product group that contains natural ingredients (Organic) and products that are free from harmful chemicals or reduce chemical in the production process such as cleaning and sanitization products. The Company developed cleaning and sanitizing product group under the brand PORRIN, focusing on safety, and can be use in everyday life for all age group such as dishwashing liquid, laundry detergent, fabric softener that contain more than 70% natural ingredients and paraben-free. This results in a product that is hypoallergenic for the users. There is also a product group such as multipurpose paper, facial tissue with ingredients that is 100% virgin pulp and contain natural extracts for skincare, which did not contain harmful substances such as luminol or bleach, which makes it safe to use and gentle on the skin. PORRIN products are also environmentally friendly and biodegradable.



## 2. Recycled or Biodegradable Products

It is a group of products made of recycled materials or a group of products that are biodegradable, which promote the efficient use of materials. The Company develops the following product lines:

- Storage equipment that reduces plastic usage under the STACKO brand, which is a product that uses recycled plastic granules from seashells as an ingredient for the production, which can help to reduce plastic consumption by more than 20% with suitable designs for different purposes. In addition, the ventilation holes have been added to prevent dampness and designed to be stackable to save space in the house.
- Storage equipment from recycled plastic under the STACKO brand, which uses Post-consumer Recycled (PCR) plastic pellets, (plastics that had been through usage in the past). The Company obtains the raw materials from products which had been traded in through the Trade In program. Through the recycling processes, PCR plastic pellets are remanufactured to reduce the amount of virgin plastic pellets being produced while maintaining the strengths and other properties during usages.
- Biodegradable plant pots as an alternative of planting trees in an environmentally-friendly manner. The

flowerpots are made from components of coconut fibers and rubbers which are light, durable, and easy to use. The flowerpots do not have to be removed prior to planting trees straight into the ground due to the fact that they are composable and will transformed into fertilizer for the trees as time passed. The flowerpots are flexible, water absorbent, ventilated, and can also help to adjust the soil to be suitable for trees to expand their roots enabling them to grow faster.

In addition, the Company promotes Circular Economy and recognizes the importance of recycling used materials in the production process of new items to promote the optimal utilization of resources. The Company has developed ECO Choice products of cushions, curtains, and carpets under the brand HOME LIVING STYLE. These products are certified by OEKO-TEX Standard 100, the international standard for textiles, for being friendly to the environment and safe to consumers. In the production process of the cushions, curtains and carpets, the Company uses plastic pellets that were recycled from PET plastic bottles. The pellets are converted into fiber and used as stuffing for the cushions. The converted fiber is also used in the production of carpets and curtains to reduce waste from plastic bottles and promote responsible plastic consumption.



### 3. Health & Safety Product

It is a product group that supports consumers to be healthy and safety, which helps prevent accidents within households. The Company develops the following product groups:

#### 3.1 Healthy Product

It is a product group that support consumers to be healthy. The Company has developed a Health Pillow product under the brand Home Living Style, which support the health of the users as it is designed according to the fundamentals of Ergonomics that improve sleep quality and increase in deep sleep, reduce nerve compression and alleviate neck or shoulder pain.

#### 3.2 Safety Product

Product group that can help prevent accidents in households and products for the elderly The Company has developed products that enhance safety and reduce accidents under the Company's Private Brand , such as toilet, portable toilet, rails, shower chairs, and mirror. The Company offers products for the elderly, starting from 3D design by the Universal Design Standard qualified experts to provide safety features suitable for the different usages of the elderly and the disabled. These products have been certified by the Construction Institute of Thailand (CIT) and received label that represents the certification which indicates the suitability. The condition of the products

for elderly and disabled are in accordance with the Thai Industrial Standard which is certified by the CIT.

In addition, the Company offers services in the support of the elderly product groups by providing consultations and custom design of rooms specially for the elderly by experts, installation service, and product consultation for bathroom, bedroom, kitchen, and living room. The Company designs model rooms that reflect the daily lives of elders by incorporating products that support the safety of elders and people with disabilities. The model rooms are displayed as demonstration in stores. Similarly, launched in the partnership with the Faculty of Architecture, Chulalongkorn University, the Universal Design Center is built at the institute to demonstrate sample bedroom, bathroom and kitchen with a myriad of facilities for the senior, expertized consultation and room design for the elderlies.



Sales of products for the elderly  
in 2023

Quantity  
786,392 pieces

### ● Activities to Promote Energy Saving

The Company encourages customers to choose energy efficient products to help reduce the emission of carbon dioxide gas (CO<sub>2</sub>), which is the major cause of global warming. The Company signed an MOU with Electricity Generating Authority of Thailand (EGAT) to promote Label No. 5 Energy Saving label products by giving special discounts to customers who purchase Label No. 5 Energy Saving label products through the following activities in HomePro, Mega Home, and other retailers who joined the program with EGAT as follows:

1. "Old Air Conditioners for New Air Conditioners" campaign by providing 1,000 Baht discounts when purchasing a Number 5 Label air conditioner with the total of 375 units via stores within the area of Bangkok and Greater Bangkok to encourage the

correct disposal of old air conditioners as well as the refrigerants. The campaign was in the collaboration with the Electricity Generating Authority of Thailand (EGAT), Electrical and Electronics Institute (EEI), Greenhouse Gas Management Organization (Public Organization), Chulalongkorn University, Silpakorn University, and Khon Kaen University.

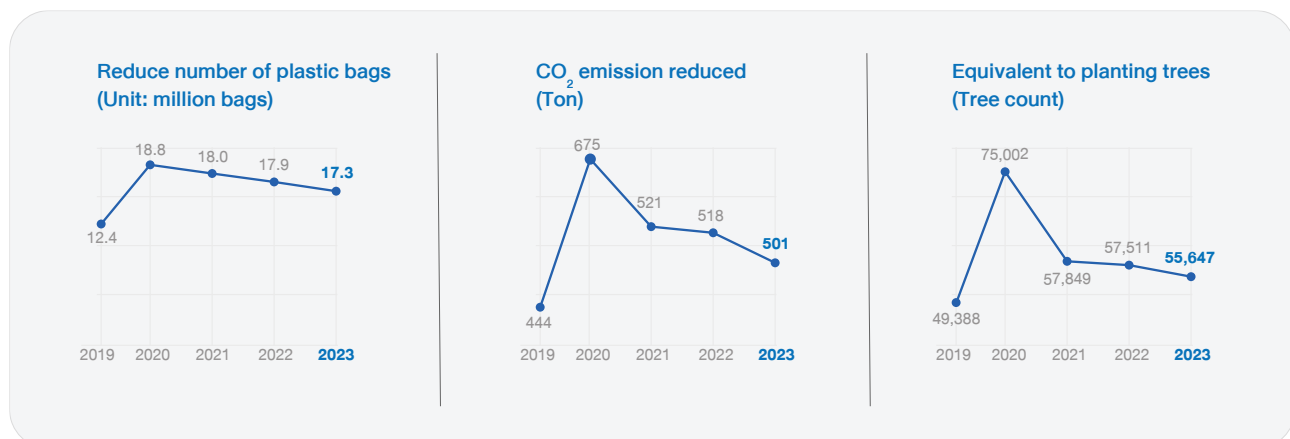
2. The 3rd phase of "Clean your air, Care your life" under the measures "Unite the power of Thai people to reduce energy usage divided by 2" by giving 300 Baht discounts on air conditioner cleaning with a total of 10,000 slots to customers who registered for air conditioning cleaning, in order to increase efficiency and help reduce energy use.

## ● Responsible Plastic Consumption



Presently, the world is waking up to plastic waste issue due to its significant impact on the environment and living organisms. The Company is aware of the impact, thus, laying out policy to promote responsible and sustainable plastic consumption, thereby the Company sets the target to stop selling Single-Use Plastic 100% by the year 2025. and selected durable plastic, recyclable plastic, bio-degradable plastic, and products manufactured from recycled plastic. Moreover, the Company collaborates with suppliers to reduce the usage of plastic in the manufacturing process i.e. replacing plastic with biomaterials such as boxes, plastic baskets that composed of plastic from renewable ocean shell, paper straws and biodegradable plastic bag Including the manufacture of products that contain components of recycled materials obtained during the logistic processes, such as garbage bags containing recycled LLDPE stretch film, and shopping bag made from recycled plastic straps.

Additionally, the Company continues to seek opportunities to create activities throughout the value chain in order to reduce, reuse and recycle to be able to ensure that the amount of plastic wastes that exits the value chain is as least as possible. The Company holds “No Bag” event in order to reduce the usage of plastic packaging by encouraging customers to carry in their own reusable bags. The Company stops giving out plastic bags from the 1<sup>st</sup> of July 2019 onward. Customers could purchase a plastic bag for 1 Baht each. The money will then be donated to the underprivileged in education.



## ● Product Source Identification and Product Safety Standard

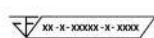
Strongly emphasizing the safety standard of products, the procurement department inspects products closely and constantly with distributors and manufacturers to ensure that merchandises meet with safety standard of Office of the Consumer Protection Board (OCPB) and other related departments. It is so because the Company is aware that products' safety and quality are essential to customer's hygiene. Practically, trainings on safety standard and accurate product labels according to the OCPB for customer to be aware of the product information remain the Company's main priority. In 2023, there is no products or services that did not meet safety and hygiene standards from neither the complaints of customers nor from related government agencies regarding safety standards.

The Company sells products with regulatory compliance and do not commit infringement of intellectual property, copyright, and patent. The Company also receives safety standard certification for all products as required by local law.

### The following are the list that required by local law for safety and environmentally-friendly:



Thai Industrial Standard (TIS)



Food and Drug Administration (FDA)

### For list that is not required to comply with local law but it is label of quality certified or guaranteed as follows:



International Electro Technical Commission (IEC) - Electrotechnology



Number 5 Label



High-efficiency Label



EU Energy Label



SCG Eco Value Label



Water Saving Label



Ingress Protection Ratings (IP25,44,54,65,66,IPX4), (European Committee for Electro Technical Standardization: CENELEC)



Conformite Europeenne (European Conformity)



The International Association for Research and Testing in the Field of Textile Ecology (EKO)-Tex standard 100 - Curtain and Bedding



Smart fabric UV - Curtain



Seal of Approval - Allergy UK – Bedding, air purifier, and washing machine



French VOC label



Thailand Textile Institute (THTI) Certified Smart fabric and UV Protection



CIT Label of products for elders and people with disabilities such as grab bars and sanitary ware



European Centre for Allergy Research Foundation (ECARF)



Forest Stewardship Council Label



Green label



Singapore Green Label Scheme: SGLS



RoHS Label



Green Industry Label



Label of Carbon Footprint of Products



Carbon Reduction Label



Carbon Neutral Label



Carbon Footprint Reduction Label



Carbon Footprint of Circular Economy Products (CE-CFP) Label

In case of damaged product, it can be returned within 14 days. In 2023, the Company received 57 complaints related to product satisfaction issues. The Company has already rectified the case of every complaint but in 2023, there was no Product Recall case.

# 1.2 Circular Economy and Waste Management



## Goal

- 1 Zero Waste to Landfill by the year 2030



## Strategies

- 1 Cultivate awareness on waste separation and management to promote waste management within the Company.
- 2 Collaborate with business partners to make waste management sustainable and according to the principles of Circular Economy.
- 3 Promote business activities that are beneficial to consumers and the environment.

## Management

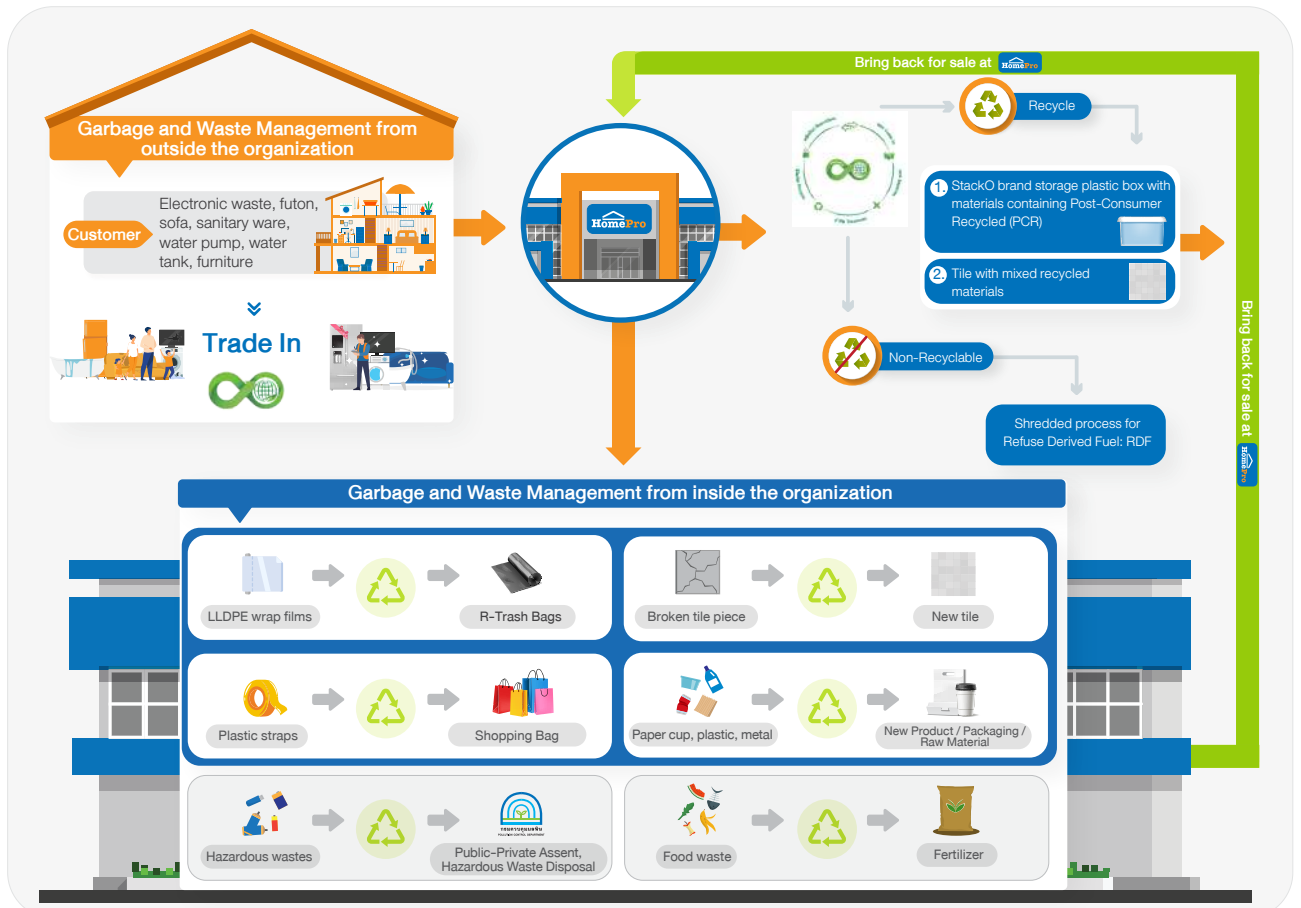
Climate change is becoming more severe due to human activities whether it is the release of greenhouse gases into the atmosphere or from over consumption of resources and improper waste management, the Company is aware of such problems. Therefore, the Company conducts garbage and waste auditing in order to identify opportunities to efficiently and sustainably improve waste management process. The waste management program has been applied in order to reduce waste generations both internally and externally throughout supply chain including waste from the manufacturing process, waste from the daily usage, and the waste for remanufacturing process. Internally, the creation of environmental policy, including the application of the principles of Circular Economy to best suit the Company's business model to reduce the amount of waste being sent to landfill.

For the external wastes and wastes / appliances collected back from the customers, the Company has aftersales services to take care of every stage of product life and to collaborate with business partners to develop Circular Products that contain ingredients from wastes as well as to jointly manage wastes internally and externally. The Company has separated and managed each type of waste accordingly and has developed products and packaging from recycled materials obtained throughout the Company's operations.

Lifetime Eco-System and Customer to reduce waste generation



Garbage and Waste Management Program



## ● Management of Garbage and Waste from Outside the Organization



The Company has operated according to the principles of Circular Economy by developing and managing products, covering the entire life cycle of the products in order to extend the life of the products so that they can be used for longer durations and as worthwhile as possible; ensuring no negative impact toward the environment. The Company has invented services that can take care of every stage of an individual product, which include Extended Warranty service, establishment of Repair Centers to repair damaged products, until the establishment of the Trade In program to manage damaged products that cannot be repaired correctly and in an environmentally friendly manner.

### 1. Extended Warranty

Customers can choose to purchase additional services such as Extended Warranty. This will increase the product's warranty for 2 additional years after the purchase so that a product could be used with confident.

### 2. Repair Center

If a product is broken down, the Company has established a Repair Center. Equipped with quality technicians that meet standards certified by leading manufacturers to reduce repair time compared to sending the broken down product to the manufacturer to fix. Customers can bring the damaged products to any HomePro branch to use this service without any additional charge within the warranty period. If it exceeds the warranty period or outside the terms and conditions of the warranty, the Company can carry out repairs with costs at standard rates.

### 3. Trade In





Waste Electrical and Electronic Equipment (WEEE) is considered as hazardous waste that can pollute nearby areas if improperly disposed of. However, if customers trade in their damaged products that cannot be repaired via the Trade In program, the Company will properly manage the broken electrical appliances accordingly and in the most sustainable way, by taking into account of the possible impacts toward the environment, society, and community, through cooperation with Asia Green Rescrap Co., Ltd. (AGES), a certified waste management company. Wastes are collected by AGES for recycling process. AGES has obtained factory licenses no. 105 and 106\* and has received the standard certification ISO14001:2015 in sorting waste electrical and electronic equipment parts to properly place them into the management processes. After being separated, the components that can be recycled / upcycled will be manufactured as products in the next stages as a collaboration between HomePro and Siam Cement Group Chemicals and to be sold under the product group of "Circular Product" which has more than 8 items such as STACKO plastic storage boxes, which contain up to 30% of Post-consumer Recycled (PCR) plastic ingredients; which is an appropriate amount to reduce the unnecessary production of new plastic pellets while maintaining the

strength and durability. PCR plastic is plastic that is recycled after it had been used, which is different from Post-industrial Recycled (PIR); plastic that has not yet been used, making PIR the type of plastic that is most commonly recycled. Although the use of PCR plastic in production is much more complicated than PIR plastic, the Company still commits to avoid unnecessary disposal so that parts continue to circulate in the system.

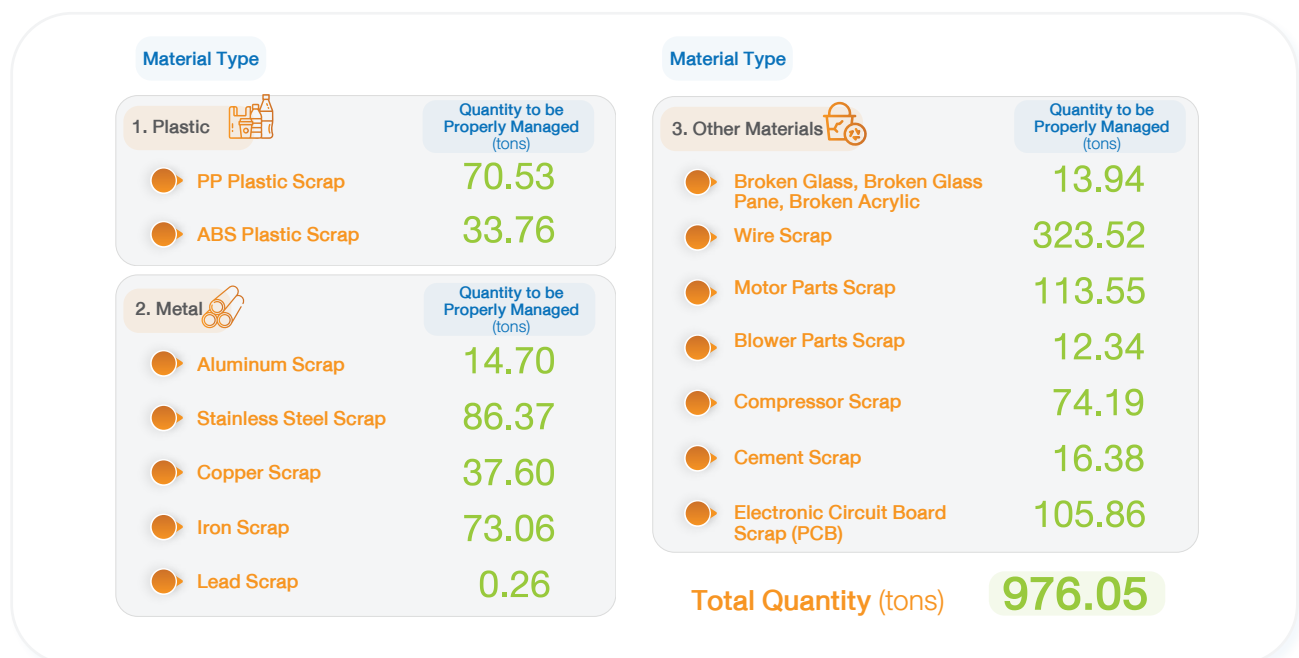
The Company has set the target to increase the proportion of circular product sales mix to 20% within 2030.



STACKO plastic storage box containing Post-consumer Recycled (PCR) plastic ingredients

In 2023, there were a total of 122,743 old products that customers brought to participate in the Trade In program including but not limited to televisions, refrigerators, freezers, air conditioners, washing machines, dryers, small appliances, water pumps, and kitchen equipment, etc. A total of 976 tons has been properly managed, which can reduce the problem of incorrect waste disposal that negatively affects living organisms and the environment.

### Types and quantities of materials properly managed in 2023



In addition to the scraps of electrical appliances, the Trade In program also covers other products such as mattresses, sofas, sanitary wares and others. The Company still adhere to the principles of Circular Economy and takes into account of the impacts toward the environment, society, and community. If it is necessary to dispose of materials that cannot be recycled, the Company will take those materials to be digested into solid waste fuel (Refuse Derived Fuel: RDF) to avoid sending leftover materials to landfills or any unbeneficial combustions.

**Note:** Factory No. 105 are factories that engaged in businesses related to separation or landfill, waste or unused materials with characteristics and properties as specified in Ministerial regulations No. 2 (B.E. 2535) issued in accordance with the Factory Act B.E. 2535 and Factory No. 106, a factory engaged in the business of taking unused industrial products or waste from factories to produce them as raw materials or new products through industrial production processes.

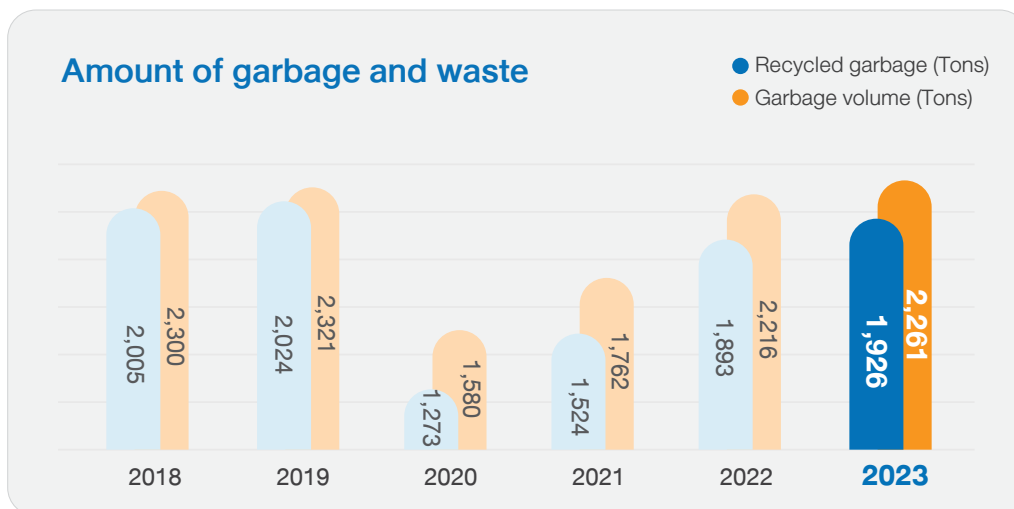
## ● Garbage and Waste Management from Operations Within the Organization

The Company applies the Circular Economy model to manage its waste by promoting maximum resource efficiency through manufacture, consumption, and proper waste management procedures including Reuse, Recycle, and Upcycle that will lead to a sustainable system. Moreover, the Company provided training to associates and promoted waste reduction, and waste sorting activities and campaign to ensure that associates understand and recognize the importance of efficient and effective waste management

The Company's waste disposal sorting process in the headquarter and selling areas were divided into 3 categories including (1) recycled waste, (2) wet waste, and (3) chemical waste. To manage recycled wastes such as paper, plastic, and glasses, the Company will categorize recycled waste and offer an auction with waste recycle operators every 6 months according to the change of waste prices. For wet wastes, the Company separates before transferring it to the supplier for a proper disposal. For chemical wastes, such as light bulbs or chemical solutions, the Company separates and returns

to contracted supplier for a proper disposal in which the wastes are not incinerated.

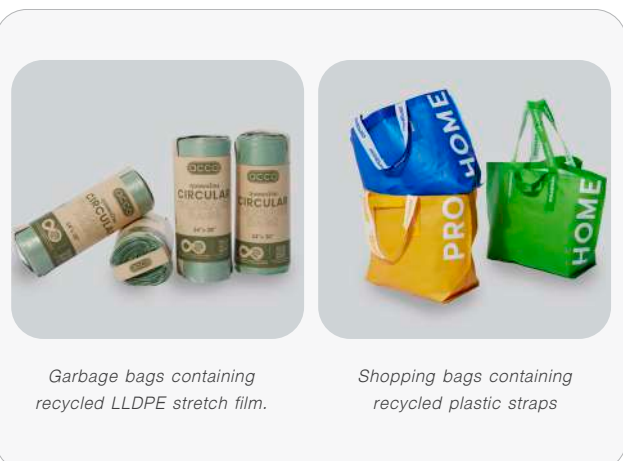
In addition, the Company collaborates with its partner, Siam Kraft Industry Company Limited, under the SCG Packaging group to promote circular economy. The Company has collected and recycled wastepaper and LLDPE stretch film from the operating processes. A total of 1,456 tons has been sent to partners who have expertise in developing products and packaging from recycled materials, to be put through the manufacturing processes into products or packaging from recycled materials including complete recycling (Close-loop Recycle) and putting them for sale in the Company's branches. Not only that the processes help reduce the amount of waste. Not only that the processes help reduce the amount of waste, they also resulted in the Company investing in waste management technologies and developing innovations with business partners. This entire project created economic sharing between the Company and business partners and help both parties grow sustainably together.



**Remark:** In 2023, the pandemic COVID-19 situation was unraveled. The economy recovery made consumers return to purchase products in-person, leading to the increasing of both recycled and landfilled disposals.

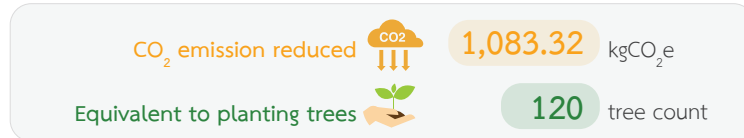
### Developing Products and Packaging from Recycled Materials to minimize waste

The company collaborates with Siam Cement Group (SCG) to manage waste generated from business operations in the most sustainable manner. By avoiding unnecessary disposal and replacing it with recycling / upcycling to remanufacture products that can again be sold to consumers, whether it is a garbage bag that contains materials of LLDPE stretch film that the Company used during the process of transportation of goods, shopping bags produced with a mixture of plastic straps obtained from the transportation of electrical appliances, and cardboard boxes from manufacturers. Not only that, the Company also has a service to collect packaging waste from customers' homes, whether it be cardboard boxes or plastic straps when the product is delivered by the Delivery Service. In 2023, the amount of LLDPE stretch film sent for recycling was at 72.6 tons.



## Environmentally Friendly Public Relations Medias

The Company as a leader in the Home Solution and Living Experience business in Thailand and Southeast Asia has communicated to publicize activities, campaigns, or marketing promotions to keep customers informed continuously. Therefore, it is necessary to install medias at the point of sale around branches so that customers can clearly see the information, especially advertising medias such as Standee and Hanging Banner, which are mass produced advertising and public relations medias of the Company. The Company is aware of environmental problems and is committed to reducing the use of plastic. Therefore, materials have been changed in the production of Standee and Hanging Banner from Feature boards, which is produced from polypropylene plastic (Polypropylene) to recycled paper, which is environmentally friendly, strong, and can be reused. This is considered as a way to support the reduction of plastic use, reduction of the usage of raw materials / natural resources for production and help instill awareness among employees in promoting the use of recycled materials as well. In 2023, the Company was able to use 100% of the Standee and Hanging Banner advertising media made from recycled paper, reducing the use of feature board plastic, amounting to 0.44 tons.



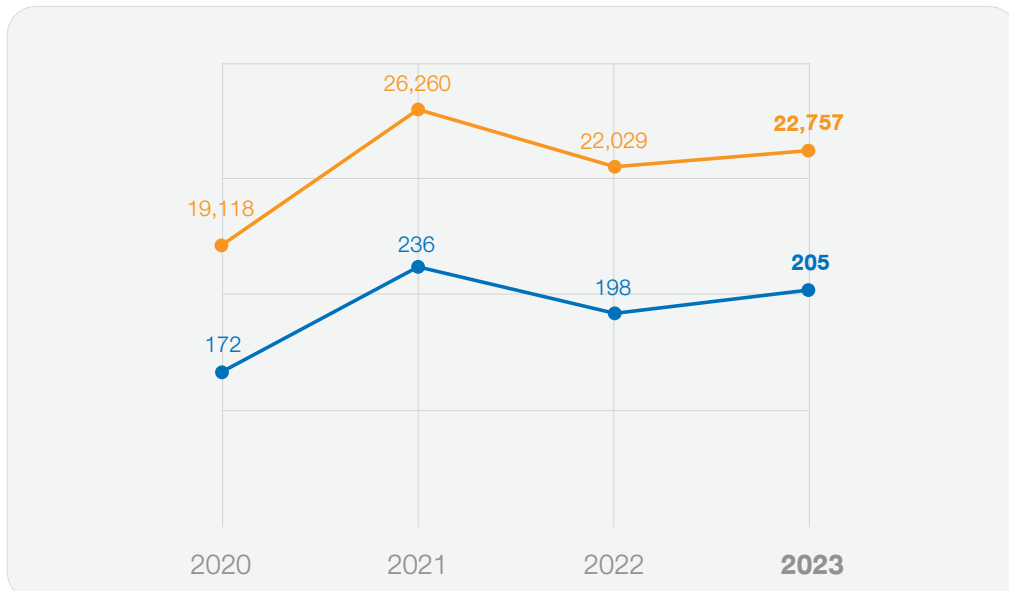
## Public-Private Assent, Hazardous Waste Disposal

The Company participated in the Public-Private Partnership Project since 2017 for promoting the separation of hazardous waste and electronic waste, under the guideline of “Public-Private Assent, Hazardous Waste Disposal”, which is a collaboration between Pollution Control Department, Ministry of Natural Resources and Environment and private sector. This project was intended to promote awareness about safe disposal of hazardous waste. The Company has set up 5 hazardous waste disposal points (or Drop off) for 5 types of waste including mobile phone battery, mobile phones, battery, fluorescent bulb, and contaminated container such as spray bottle. These disposal points are meant for proper waste collection of Bangkok Metropolitan Administration.

## Care the Bear: Change the Climate Change by Eco Event

In addition, the Company has teamed up with the Stock Exchange of Thailand in the project ‘Care the Bear: Change the Climate Change by Eco Event’ to counter the global warming through activities and eco events regarding carbon footprint reduction, in accordance with the 13<sup>th</sup> principle of the United Nations Sustainable Development Goals regarding Climate Change. The Company prioritizes on health and safety of all shareholders and stakeholders. Therefore, the Annual General Meeting had been held online (E-AGM) and was broadcasted on the Company’s website. Those would reduce the energy consumption that contributed from transportation. In addition, the Company no longer distribute printing materials but sending AGM notice of meeting via electronic mean instead to reduce the use of paper, contributes to the reduction of carbon footprint emission.

- Reduction of Carbon Footprint Emission (tCO<sub>2</sub>e/year)
- Equivalent to Planting (Tree)



# 1.3 Sustainable packaging management



## Goals

- 1 Efficient and sustainable packaging management from the Company's operations, both in the packaging of the product and packaging from transporting goods.
- 2 Increase the proportion of packaging used according to the 3R principles, including reducing (Reduce), reusing (Reuse) and reusing materials that have gone through the recycling process (Recycle).



## Strategies

- 1 Set up plan for packaging management at every stage of the product life cycle.
- 2 Promote and show commitment of using environmentally friendly packaging from inside out.
- 3 Apply the concepts of reducing (Reduce), reusing (Reuse) and reusing materials that have gone through the recycling process (Recycle) to manage packaging sustainably.

## Management

The Company places the at most importance on the management of packaging that may have potential impacts toward the environment. To demonstrate our commitment to operate our businesses sustainably, and to participate in reducing negative impacts on the environment, the Company has created guidelines for sustainable packaging management (Packaging Commitment) and has adjusted processes to reduce packaging use according to the concept of Circular Economy and to promote the Bio-Circular-Green Economy or BCG Model, a new economic model of Thailand to support efficient packaging management, creating responsible consumption and sustainable use of resources for customers, society, communities, and related stakeholders. The packaging management covers both the management and development of product packaging, including the packaging of goods that are being transported, by canceling the process of packing products into parcel boxes that require multiple pieces of packaging and usage of redundant packaging (Double Pack), changing to shipping products without packaging through the Company's transportation vehicles.

## ● Product Packaging Management

The Company has laid out packaging management strategies for products manufactured under the Company's brand, including products ordered from business partners at every stage of the Product Life Cycle as well as promoting the use of durable packaging which can be reused or recycled (Reuse & Recyclable Packaging), choosing packaging that comes from recycling (Recycled Packaging) and packaging that reduces chemicals in production (Reduce Packaging) as guidelines for internal use and to demonstrate the commitment to all the stakeholders.

In 2023, the Company designed and developed Private Brand's packaging, which can be divided into 3 groups as follows:

1

### Reduced Chemical Packaging (Packaging that reduces the use of chemicals or paper in the manufacturing process)

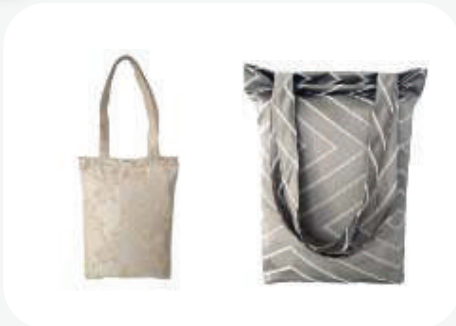
The Company has designed and develop packaging by considering the factor of Reduce Packaging, which has following features.

- Reduce Paper Packaging: Paper is used only in essential components and the size of product label is smaller.
- Reduce Chemical Packaging: Soy-based inks are used to print packaging designs to avoid heavy metals from the printing inks to ensure that products are environmentally friendly, safe for customers, and recyclable.
- Reduce single-use plastics packaging.



2

### Reusable Packaging



The Company developed product packaging with the goal of reducing the single use plastic packaging, so they were designed for reuse. For example, replacing plastic materials with fabric for the making of packaging for curtain products.

3

### Recycled Packaging

The Company meticulously selected materials for the manufacturing of packaging. A variety of recycled materials such as recycled paper are used in the packaging production.



In 2023 There were a total of

**1,758** SKU

of sustainably managed packaging.

## ● Packaging management in the goods delivery process

Currently, the Company has developed Seamless Omni Channel as a way to purchase our products and services to support the changing behavior of consumers. The Company is aware that increasing number of customers are purchasing products through online channels as they are more convenience, in which the customers are already accustomed to, as well as providing faster and easier access to products and services. This resulted in not only did the surge in online shopping drove up the use of packaging in the delivery process, but also increased the amount of waste from packaging. The Company was well aware of this issue and place a sustainable packaging commitment in place to manage and handle packages used in the delivery of small products, by virtue of stopped packing small-sized products in shipping boxes, which often involved the use of multiple or redundant packaging. The Company convert this process to non-packaging delivery, by simply put products in plastic boxes, baskets or trays designed to facilitate easy delivery; and convenience for transporting the items in a vehicle. After the items are delivered, those plastic boxes, baskets or trays would be reused.



In 2023, the Company's small delivery trucks made 9,536 trips to deliver small-sized products with no shipping box (non-packaging) to customers, which were equivalent to reducing 284 tons of paper used in shipping box production.

### Details of Private Brand's packaging statistic in 2023

Plastic Packaging Material	2018	2019	2020	2021	2022	2023
Total weight (tons) of all plastic packaging	149.3	146.4	127.8	102.0	101.9	94.9
Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	5.9%	6.3%	6.3%	7.5%	6.9%	6.5%
Coverage (as a % of private brand cost of goods sold)*	19.6%	20.0%	19.5%	19.5%	20.8%	20.9%

Other Packaging Material	Coverage (% of cost of goods sold*)	Total weight (metric tons)	Recycled Material (% of total weight)
Wood/Paper fiber packaging	20.9%	8,041.0	95.2%
Metal (e.g. aluminum or steel) packaging	20.9%	14.9	—
Glass packaging	20.9%	29.6	—

Remarks: Coverage as a % of private brand cost of goods sold.

# 1.4 Climate Change Management



## Goals

- 1 Reduce the emission of greenhouse gases per store by 50% from the base year by the year 2030 (Scope 1 and Scope 2).
- 2 Achieving Net Zero by the year 2050 (Scope 1, Scope 2 and Scope 3).



## Strategies

- 1 Enhance the efficiency of environmental managements with 2 strategies which are
  - The reduction of carbon dioxide and other greenhouse gases emissions (Decarbonization)
  - Carbon Removal processes.

## Management

In 2023, the 28<sup>th</sup> Conference of the Parties; United Nations Framework Convention on Climate Change (COP28) emphasized on maintaining the goal of preventing the rise of global surface temperatures to be no more than 1.5 degrees Celsius and reducing emissions of greenhouse gases as previously agreed during COP26; relative to the Paris Agreement. The agreement expresses concerns over the potential impacts of the global climate change crisis, whether it may be potential natural disasters, shortages of food, resources and energy.

The Company has established a committee and working group to manage topics related to climate change and to set policies, goals, guidelines while monitoring and measuring the effectiveness of related operations, as well as reporting performance results to both internal and external stakeholders. The Company has 2 main strategies:

1. Reducing emissions of carbon dioxide and other greenhouse gases (Decarbonization) including the implementation of Carbon Footprint of Organization (CFO) to assess greenhouse gas emissions from the organization's activities in order to further plan and implement greenhouse gas reduction protocols.
2. Carbon Removal processes which include an assessment of climate risks and opportunities according to the reporting framework of Task Force on Climate-Related Financial Disclosure (TCFD) as well as the related managements on biodiversity. Moreover, the Company addresses the impacts of climate change to stakeholders through various channels such as the Sustainable Development Report: website [https://hmpro-th.listedcompany.com/sd\\_report.html](https://hmpro-th.listedcompany.com/sd_report.html)

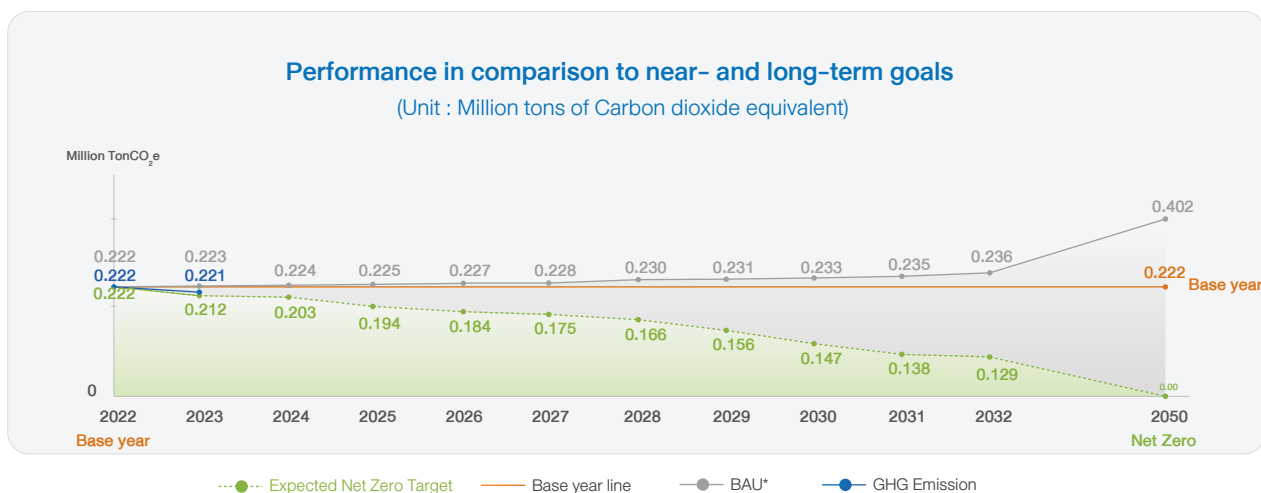


## ● Net Zero greenhouse gas emissions (Net Zero)

To express the determination on becoming a part of the global target achievements on the mitigation of potential negative impacts that may arise from climate change. The Company has set a target of reducing the amount of greenhouse gas emissions per branch by 50% from the base year (%) (Scope 1 and Scope 2) by 2030 with the goal of achieving Net Zero by 2050. In addition, the Company became a member of Thailand Carbon Neutral Network (TCNN), as well as the United Nations Global Compact (UNGC) and has set scientific goals ( Science Based Target: SBT) in achieving Net Zero all the way through the preparation of a Scenario Analysis according to the guidelines from the Task Force on Climate-Related Financial Disclosure (TCFD). The Company created a plan that covers all aspects such as physical, technological, marketing, policy, regulation, and corporate reputation risks, including the implementation of Carbon Footprint for Organization (CFO).

From the operation of preparing the carbon footprint of the organization (CFO) according to the guidelines of the Thailand Greenhouse Gas Management Organization (TGO) for scopes

1, 2 and 3, the calculations of the considered the scopes of both greenhouse gas emissions of the Company and affiliated, it was concluded that the net amount of greenhouse gas emissions was at 0.222 million tons of carbon dioxide equivalent in the base year (2022), and in 2023, it was 0.221 million tons of carbon dioxide equivalent. The results demonstrated that the activities that emitted the most greenhouse gases is the usage of electricity as well as the consumptions of gasoline in vehicles, forklifts, and machinery. This leads to the formulation of strategies to reduce the amount of greenhouse gases emissions, using Science Based Target (SBT) to promote greenhouse gas reductions to be in accordance with the goals of the Paris Agreement and to achieve Net Zero target. The long-term strategies are as follows: increase the proportion of renewable energy from solar energy, support the use of electric vehicles (EV) both in the transportation of goods and the Company employees' automobile, conversion to environmentally friendly refrigerant, increase efficiency of machinery and related systems; including supporting activities and projects related to capturing and reducing greenhouse gas emissions.



Remark: BAU stand for Business As Usual



## ● Task Force on Climate-related Financial Disclosures (TCFD) reporting framework

The Company has conducted risks and opportunities assessments related to climate that affects financial reporting, and operations of the business in accordance with the guidelines of the Task Force on Climate-Related Financial Disclosure (TCFD), covering two areas of risks: Transition Risks and Physical Risks.

### Transition Risks

Climate-Related Risks	Potential Financial Impact	Action Plan
<b>Policy and Legal</b>		
<ul style="list-style-type: none"> <li>- Changes in government policy and law (e.g. Climate Change Act). Imposition of carbon tax</li> <li>- Higher product standards. More eco-friendly services.</li> </ul>	<ul style="list-style-type: none"> <li>- Increased production and service costs.</li> <li>- Increased operating costs (e.g. GHG audit costs).</li> <li>- Amortization and impairment charges not in line with state policies.</li> </ul>	<ul style="list-style-type: none"> <li>- Study rules and regulations. Evaluation of impacts, opportunities from policies or laws related to climate change, both for short-term and long-term, as well as reviewing strategies of greenhouse gases emissions reductions to be consistent with the policies and regulations continuously.</li> </ul>
<b>Technology</b>		
<ul style="list-style-type: none"> <li>- Unsuccessful investment in increasing efficient use of energy. High costs.</li> <li>- Conduct R&amp;D to produce goods and provide services using sing clean technology.</li> </ul>	<ul style="list-style-type: none"> <li>- The increase in R&amp;D investment cost in new technology.</li> <li>- The return on investment in projects has been reduced due to the changes in emerging technologies.</li> <li>- Rising cost of raw materials which impact profit margins and the changeable source of income.</li> </ul>	<ul style="list-style-type: none"> <li>- Increase operational efficiency, using new technologies and innovations to reduce greenhouse gases emissions, such as the installations of Solar Rooftops.</li> <li>- Study and seek investment opportunities in technologies, focusing on new technologies that are environmentally friendly, such as investing in Carbon Capture Utilization and Storage (CCUS) technologies.</li> </ul>
<b>Market</b>		
<ul style="list-style-type: none"> <li>- The change in consumers behavior trend e.g., Environmentally friendly products preference or those products certified with low levels of greenhouse gas emissions may assert more difficulty on merchandising and availability of the sustainable raw materials.</li> <li>- The decrease in fossil fuel demand and climate change concern might affect future operation such as transportation operation.</li> </ul>	<ul style="list-style-type: none"> <li>- Negative impact on the Company's sales if no adaptation on products to be more environmentally friendly.</li> <li>- Falling market share if no adaptation to the change in consumer behavior.</li> </ul>	<ul style="list-style-type: none"> <li>- Develop products and services that meet the expectations of customers, such as ECO Products and Circular Products.</li> </ul>
<b>Reputation</b>		
<ul style="list-style-type: none"> <li>- The Company operates with no regards to environmental concern, which will negatively affect the Company's image.</li> </ul>	<ul style="list-style-type: none"> <li>- The decline in product and service demand impacts on the sales, resulting from negative customers' perception toward the Company.</li> <li>- Stakeholder perception may enable the Company to access the capital and business opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>- Communicate plans and various projects regarding ESG to reinforce the image of the organization that conducts business sustainably.</li> </ul>

## Physical Risks

Climate-Related Risks	Potential Financial Impact	Action Plan
<b>Acute</b>		
Floods	Operating costs increase on natural disaster-related business disruptions.	<ul style="list-style-type: none"> <li>- Sewage cleaning to remove any object that prevents the flow of water as well as constructed flood barrier, surrounding the Distribution Center.</li> <li>- Stores are elevated at least two meters from the street level.</li> </ul>
Storms		<ul style="list-style-type: none"> <li>- Forecast potential severe weather, inspect stores' structural integrity to prevent any leakages or damages.</li> </ul>
Hailstorms		
<b>Chronic</b>		
Abnormal seasonal changes such as longer rainy or summer seasons, etc.	<ul style="list-style-type: none"> <li>- Renovation costs for damaged branches</li> <li>- Renovation costs for new store constructions increased to compensate the impact</li> </ul>	<ul style="list-style-type: none"> <li>- Check and maintain the functionality of power generators, cleanliness and readiness of reserve water tanks / containers</li> </ul>
Rising sea levels	<ul style="list-style-type: none"> <li>- Costs of insurance rises while premiums may be limited in high-risk areas.</li> <li>- Increase of operational cost for the implementation of preventative measures.</li> </ul>	<ul style="list-style-type: none"> <li>- Maintain contacts with the local and national authorities while monitoring the sea levels on regular basis</li> </ul>
Rising mean temperatures		<ul style="list-style-type: none"> <li>- Increase employees' readiness and medical knowledge in case of heatstroke or any related symptom</li> </ul>

## ● The Reduction of Carbon Dioxide and Other Greenhouse Gases Emissions (Decarbonization)

Greenhouse gases are the main cause of climate change that affects humans and the environment. The Company is well aware of this problem. Therefore, a strategy for reducing carbon dioxide emissions and other greenhouse gases has been developed (Decarbonization). It covers both energy management and conservation as well as waste management according to the principles of Circular Economy, development of environmentally friendly products, sustainable packaging management, including the development of transportations to be more environmentally friendly, creating a carbon footprint of organization (CFO) to assess and plan to manage the amount of greenhouse gases emitted from the Company's activities.

### Carbon Footprint for Organization (CFO)

The Company conducts Carbon Footprint for Organization (CFO) according to the methods suggested by Thailand Greenhouse Gas Management Organization (TGO) to evaluate the amount of greenhouse gases generated from the Company's operations in tons carbon dioxide equivalent (tCO<sub>2</sub>e). The scopes of greenhouse gases emissions indicate that the main sources of emissions are from electricity consumption in stores and the consumption of fossil fuels during transportation; in which lead to the plan to increase environmental-related efficiency throughout the Company's operations to achieve the target of zero emission (Net Zero) in the future. Other than the mitigation of environmental impacts, the processes would help the Company to reduce operational cost, especially the cost of energy, which would in turn increase in efficiency.

The Company began implementing the Carbon Footprint of Organization (CFO) project for its first branch at HomePro Lam Luk Ka, in 2015 and received carbon footprint registration and carbon label certification from Thailand Greenhouse Gas

Management Organization (Public Organization) or TGO. The Company has compensated for carbon dioxide emissions to reach zero (Carbon Neutral), being the first home-related retailer in Thailand. In 2023, the Company had revised the calculation method according to guidelines from Thailand Greenhouse Gas Management Organization (Public Organization) or TGO for verifying the carbon footprint of organization by selecting 3 additional prototype branches, including HomePro Prachachuen, DC Service Center, and Market Village Suvarnabhumi. The 4 branches of which have been verified by the Center of Specialization in Environmentally Friendly Business Strategies (V-GREEN) and have received certification, Carbon footprint registration and carbon label from Thailand Greenhouse Gas Management Organization (Public Organization) or TGO.



### Scope of Carbon Footprint of The Company

Scope 1	Scope 2	Scope 3
<ul style="list-style-type: none"> <li>• Diesel fuel (company vehicles)</li> <li>• Natural gas (company vehicles)</li> <li>• Diesel fuel (Generator &amp; Fire Pump)</li> <li>• Chemical in Fire Extinguishers (CO<sub>2</sub>)</li> <li>• Methane gas from Septic tank</li> <li>• R-407a Refrigerant (Chiller)</li> <li>• R-134a Refrigerant (Air Conditioner)</li> <li>• R-134a Refrigerant (Water Dispenser)</li> </ul>	<ul style="list-style-type: none"> <li>• Electricity</li> </ul>	<ul style="list-style-type: none"> <li>• Diesel fuel (Third party truck from DC to stores)</li> <li>• Tap water</li> <li>• LPG gas (Associates Canteen)</li> </ul>

Year	No. Of Calculated stores	Unit of Carbon Emission (tCO <sub>2</sub> e/year)		
		Scope 1	Scope 2	Scope 3
2015	72	1,103	91,535	25,678
2016	76	1,095	89,343	25,165
2017	80	978	91,884	24,551
2018	80	659	83,903	26,715
2019	81	46	84,684	28,261
2020	83	18	62,997	26,746
2021	87	17	64,491	26,400
2022	87	198	71,263	25,747
<b>2023</b>	<b>91</b>	<b>215</b>	<b>68,356</b>	<b>23,798</b>

**Remarks:**

- The greenhouse gas emissions data in the table is within the scope of HomePro's specific branches.
- Since 2019, the Company hired the delivery services of third parties' logistic suppliers. Therefore, part of scope 1 has been transferred to scope 3 so the amount in scope 1 has declined and the amount in scope 3 has increased instead.
- In 2022 the Company increased the usage of Company-owned vehicles, hence the increase of Scope 1 emission as compared to 2021.

## ● Carbon Removal

### No Deforestation

The Company prioritized on responsible resource consumption, especially natural forest resources; which is considered as essential in order to absorb carbon dioxide. The Company commits to No Deforestation) in accordance with the Company's environmental policy while encourages our suppliers and business partners to

halt or reduce any activities that lead to deforestation or natural forests as raw materials for productions, but rather use the alternatives from sustainable forests that have SFI standard or is certified by the Forest Stewardship Council (FSC). The Company supports ethical sourcing that are produced from sustainable sources.

### Reforestation

The Company carries out reforestation and sustainable forest management or the increase of green areas in accordance with environmental policy to increase the absorption and storage of carbon dioxide or greenhouse gases (Carbon Removal) , which is one of the Company's strategies in environmental management to be able to achieve Net Zero by the year 2050. The Company partnered with Bangpu Natural Education Center to Commemorate the 72<sup>nd</sup> anniversary of Her Majesty Queen Sirikit launched a mangrove reforestation project by planting 40,000 of *Avicennia alba* and *Sonneratia*

*caseolaris* in the area surrounding the Bangpu Recreation Center in Samut Prakarn province to mitigate the impacts caused by climate change. In 2023, the Company has collaborated with CHEP (Thailand) Company Limited, a business partner, to organize leaf collecting activities, create a forest fire protection line at Mae Chua Forest Park, Phrae Province, prevent the spread and help reduce the severity of forest fires, including reducing forest loss from forest fires since Thailand often experiences forest fires during the dry season.

## ● Ecological Management and Biodiversity

The Company operates with Biodiversity in consideration and prioritized the redevelopment of the ecosystems. The Company aims to avoid any catastrophic lost to any lifeforms (No Net Loss: NNL) at the same time encourages all the business units to increase positive impacts to the environment (Net Positive Impact: NPI) by the year 2050 according to environmental policy in line with the Net Zero target.

As for the expansion of new branches, the Company has created preventive measures and guidelines to reduce the impact caused by constructions, and the implementation of surveys regarding the potential impacts during constructions to the communities nearby. A construction contractor certified by ISO9001, ISO14001 and US Standards; Green Building Council (USGBC) in order to assess potential problems while also creating measures to manage problems and reducing the impacts of construction work that may affect the nearby communities and the environment.

In the case of branch expansions which may affect the ecosystem. The Company recognizes the importance of biodiversity and values environmental restoration. Therefore, the Design Division of Business Development Department has been assigned to survey and study the ecosystem around the construction site of new store, and to maintain the ecological balance in a proportion that is appropriately integrated effectively in harmony with the design of the building. Moreover, the Company conducted Environmental Impact Assessment report (EIA) to evaluate environmental impact caused by store construction submitted and certified by Office of Natural Resources and Environmental of Policy and Planning. The major part of the ecosystem that the Company will maintain are big trees. The architect will collaborate with experts to move the trees to more appropriate locations around the building. In addition, urban planning and environmental assessment are conducted before designing the building, such as ventilation and drainage system, to provide effective drainage channel without causing flood or affecting the community.

# 1.5 Electricity Consumption



## Goals

- 1 To lower energy consumption per area from base year by 40% by 2025.
- 2 To maintain the amount of electricity production from Solar Renewable Energy project at the minimum of 40,000,000 kilowatt-hours (kWh/year).
- 3 Produce or use 100% renewable energy in branches with buildings owned by the Company by 2030



## Strategies

- 1 Use renewable energy from sunlight to reduce the amount of greenhouse gas emissions
- 2 To bolster workforce awareness on energy conservation.
- 3 Promote suppliers to participate in energy conservation.

## Management

The constant growth of population and economy result in the expansion of the Company's business and has led to the increased demand for electrical consumption. This is due to electrical energy being considered as an important resource for human life and deemed essential for every part of the Company's operations. The Company foresees the risk of energy shortage that may occur in the future, including the impact of greenhouse gases (Scope 2) caused by electrical energy derived from fossil fuels. The Company has analysed and audited the energy use efficiency throughout the entire business operation in order to identify areas with high energy consumption rate and opportunities to improve the Company energy use performance. By applying the energy management program with green energy, the Company has invested in technologies and innovations in renewable energy to use in accordance with the renewable energy policy as well as the use of modern technologies that reduces the consumptions of energy from fossil fuels, along with increasing management and control of energy usage from the Company's operations to be as efficient and as environmentally friendly as possible. This is according to the energy management policy, energy conservation policy and the environmental policy that the Company has established to be in line with the guidelines of achieving Net Zero in order to reduce the severity of environmental impacts that may occur both directly and indirectly.

## ● Renewable Energy

Renewable energy is the types of energy that will never run out which could be regenerated naturally in the environment, and is considered as clean energy without any pollution. Renewable energy has high potential that could reduce the emissions of greenhouse gases. The Company has set the target of using 100% renewable energy in stores that are fully owned by the Company by the year 2030. The Company chooses to use solar energy as the main source of renewable energy to replace fossil fuels. Solar panels have been installed on the rooftops of HomePros, Mega Homes, Market Villages and the Distribution Center from the year 2015 throughout 2023 with the total of 90 locations equipped with solar panels to generate electricity from the sun, reducing the consumption of the traditional grid electricity. The solar panels generate direct current, which is a form of electricity that could immediately be used without any transformation.

Year	Accumulated No. of Stores with Solar Roof	No. of stores generated electricity	Electricity Production (kWh/year)	CO <sub>2</sub> Reduction (tCO <sub>2</sub> e/year)
2017	30	12	13,675,324	7,760
2018	30	30	31,464,766	17,910
2019	30	30	32,376,668	18,429
2020	48	48	37,659,040	21,435
2021	48	48	42,359,424	23,166
2022	65	65	52,382,640	28,095
<b>2023</b>	<b>90</b>	<b>80</b>	<b>73,642,243</b>	<b>38,503</b>

**Remarks:** 1. Greenhouse gas emissions from electrical energy production tCO<sub>2</sub>e /MWh = 0.5661 / 0.5692 / 0.4872 / 0.4857. Each project is different depending on the year the project received T-VER registration, according to the Greenhouse Gas Management Organization (TGO).

In 2023, the Company installed solar roof top of 90 stores, which generated electricity from the solar panels on rooftops up to 73,642,243 kilowatt hours per year, reducing carbon dioxide emissions by 38,503 tons of carbon dioxide equivalent per year . Moreover, it can be calculated as 27.0 % of the Environmental Return on Investment (EROI). Additionally, the Company has also been registered in the Thailand Voluntary

Emission Reduction Program (T-VER) from the Thailand Greenhouse Gas Management Organization (TGO). Under the project name of “Electricity generation on rooftops of HomePro, Mega Home and Market Village,” as of 2023 there are a total of 48 projects that have been registered in T-VER with the accumulated carbon credit of 64,144 tCO<sub>2</sub>e.



### EROI

$$= \frac{(\text{Environmental benefits} + \text{Economic Gains}) \times 100\%}{(\text{Capital Investment} + \text{Operating Expenses})}$$

$$= 27.0\%$$

## Building Control Monitoring System (BCMS)

Year	No. of Stores with BCMS	Accumulated No. of Stores with BCMS	Amount of Electricity Decrease (kWh/year)	Amount of Ton CO <sub>2</sub> e Decrease/year
2020	13	17	1,497,275	634
2021	15	32	6,322,104	3,016
2022	15	47	4,835,680	2,417
<b>2023</b>	<b>20</b>	<b>67</b>	<b>4,026,031</b>	<b>2,012</b>

Remarks: (Electricity Consumption Emission Factor:  $EF_{EC} = 0.4999 \text{ tCO}_2\text{e/MWh}$  reference from Thailand Greenhouse Gas Management Organization)

The Company adopted power-saving techniques by installing Building Control Monitoring System (BCMS) for Energy reduction into many stores, enabling automatic building control and management. The system connects every system within the building that can monitors and controls the main systems such as electricity, air

conditioning, and ventilation system. Consequently, this led to a decrease in the overall power consumption. The Company also simultaneously compared the index of Specific Energy Consumption (SEC). As a result, in 2023 the power consumption has decreased by 41% from the base year of 2014.

Measures taken to reduce electricity consumption in 2023	Number of stores	Amount of Electricity Decrease (kWh/y)	Amount of Ton CO <sub>2</sub> e Decrease/year
1. Change the type of light bulb from fluorescent to LED and increase the distance to install the lamps on the area.	4	292,887	146
2. Controlling the turning on and off of the lights in the warehouse lighting area. Using Timer Photo Light to measure the illumination from the skyline roof.	64	246,345	123
3. Improving the efficiency of the motors of Fan Chiller Air Cool 67 units with the total of 739 motor units.	22	1,207,420	604
4. Improving the efficiency of 119 CHP & CDP chiller coolant pump motors.	33	4,028,505	2,014
5. Improving the efficiency of 69 Air Blower motors.	34	375,220	188
6. BCMS project: the CHILLER PLANT set the Winter Mode to use the machine according to the seasons, referring to the temperature from the outside, maintaining the temperature inside the area at 25.5°C	57	335,160	168
7. Adjust the percentage of the work load of chiller plant according to the standard of the BCMS of 48 °F from 45 °F and maintain the area temperature of 25 °C from 24 °C	57	2,832,000	1,416
8. Adjust the speed of CHP water pump according to the BCMS project from 1,500 RPM at 50 Hz to 1,050 RPM at 35-40 Hz	57	615,828	308
9. BCMS project: Adjust the time to turn on/off the lights around the building as well as the Pylon Sign based on the sunset time from the Meteorological Department website from the usual closing time of 9:00 p.m. to 8:50 p.m.	57	236,436	118

Remarks: (Electricity Consumption Emission Factor:  $EF_{EC} = 0.4999 \text{ tCO}_2\text{e/MWh}$  reference from Thailand Greenhouse Gas Management Organization)

## Performance of electricity consumption from the grid

Year	No. of Stores used for Calculation	Electricity Consumption (GWh)	Electricity Consumption per Area (kWh/Sq.m.)
2015	72	159	307
2016	76	158	293
2017	80	158	276
2018	80	144	252
2019	81	147	256
2020	83	112	227
2021	87	136	213
2022	87	146	227
<b>2023</b>	<b>91</b>	<b>144</b>	<b>217</b>

## Charge and shop

The Company place importance and promotes eco-friendly energy usage contributing the Nation to become Carbon Neutrality. As the leader in Home Solution and Living Experience business, the Company enhance a new experience to the customers to support a new normal lifestyle. “Charge and Shop Service” was initiated to serve a need of new normal lifestyle of passenger and tourists who commute in electric cars. In 2021, the Company collaborated with Electricity Generating Authority of Thailand (EGAT) and BMW Group Thailand to open charging stations EleX by EGAT x BMW, a total of 22 stations in 19 HomePro stores area including Chaiyaphruek, Ratchapruk, Charansanitwong, Rama 9, Rama 3, Rama 2, Ekamai-

Ramindra, Kalpapruerk, Suksawat, Bangna km.1, Ratchaburi, Rayong, Sakonnakhon, Phuket Thalang, Phuket (Chalong), Phare, Roiet , Surin, Loei, and in 3 Market Village shopping centers i.e. Market Village Suvarnabhumi, Market Village Rangsit Klong 4, and Market Village Huahin. Each charging station provides 1 charger with 3 dispensers: Fast Charger and Normal Charger of 120 kW size and 22 kW size, which can support 2 cars charging simultaneously. The service enhances customers’ convenience at HomePro, Market Village, as well as providing service for public. They can book a schedule, charge, and pay easily via “EleXA” application.





# 1.6 Water Resource Management



## Goals

- 1 Reduce the amount of water consumption from the company's business operations.
- 2 Increase the utilization of water that has gone through wastewater treatment (Recycle).
- 3 Wastewater is 100% treated according to standard criteria.



## Strategies

- 1 Plan water management for maximum efficiency.
- 2 Inspect and maintain the water pipe system, water meter, wastewater treatment system and related equipment regularly
- 3 Cultivate awareness of water conservation and saving among employees.

## Management

Water is an important factor for the survival of living organisms whether being used in households or for consumptions. Climate Change may cause drought or reduced rainfall which can lead to water shortages in the future. Therefore, the Company places the at most importance to water management to reduce the impacts and risks that may occur. Starting with instilling awareness of water conservation among the employees by planning, inspecting and regularly maintaining equipment and systems related to water supply and wastewater treatment processes to control the amount of usage and to prevent water pollution. This includes the use of equipment that promotes water saving and the use of water that has gone through treatment processes (Recycle) as well as to create the most cost-effective and efficient use of water.

## ● Water Management During Business Operations

The Company places high importance on the preservation of water resource, which is a crucial fundamental factor in conducting the business. The Company emphasizes on the efficiency of water usage to reduce the risk of water shortage that may affect business operations. The Company has established important measures for water usage that cover all work processes of the organization, including water usage by associates within the office and water usage by customers within the shopping centers. The main source of water for business operation is tap water, while groundwater is used in some branches.

In 2023, the Company's total water consumption was 1,103,596 cubic meters (m<sup>3</sup>), where 981,308 m<sup>3</sup> came from tap water and 122,208 m<sup>3</sup> came from groundwater, which is calculated as net water consumption per store of 10,784 m<sup>3</sup> and calculated as net water consumption per customer transaction of 0.057 m<sup>3</sup>. The Company has set a goal to reduce tap water consumption in 2024 by limiting tap water usage to less than 900,000 m<sup>3</sup>.

To maximize the benefits of water management, the Company has installed wastewater treatment systems to ensure that wastewater from business operation is within the acceptable standard before releasing it outside the organization, to prevent the chance of contaminating water sources of the community or the environment surrounding the Company. The wastewater treatment receives regular inspections by environmental agencies. Last year, all of the Company's wastewater quality met 100% of the standard criteria before being released outside the organization. In addition, the Company partially reuses some of the water that has been treated in various activities to gain maximum benefit such as water for cleaning the parking lot and watering plants, etc.

The Company continuously collects data and evaluates water usage in order to analyze and plan appropriate water management. The water distribution system receives regular inspection. Automatic sensors and water saving equipment are installed to help reduce water usage. The Company encourages associates to see the importance of saving water and using water efficiently by incorporating water conservation related course into associates' training program through e-learning.

### Details of Water Consumption are as follows:

	2019	2020	2021	2022	2023
<b>Water consumption by source</b>					
- Municipal water (m <sup>3</sup> )	934,034	711,527	840,189	898,261	981,308
- Natural source of water (m <sup>3</sup> ) <sup>1</sup>	124,860	128,722	418,478	332,799	122,288
<b>Gross water consumption (m<sup>3</sup>)</b>	<b>1,058,894</b>	<b>840,249</b>	<b>1,258,667</b>	<b>1,231,060</b>	<b>1,103,596</b>
Water return to source of extraction (m <sup>3</sup> ) <sup>2</sup>	124,860	128,722	418,478	332,799	122,288
<b>Net water consumption (m<sup>3</sup>)<sup>3</sup></b>	<b>934,034</b>	<b>711,527</b>	<b>840,189</b>	<b>898,261</b>	<b>981,308</b>
Number of Stores <sup>4</sup>	81	83	87	87	91
<b>Net water consumption per store (m<sup>3</sup>)</b>	<b>11,531</b>	<b>8,573</b>	<b>9,657</b>	<b>10,325</b>	<b>10,784</b>
<b>Net water use per person (m<sup>3</sup>)</b>	<b>0.075</b>	<b>0.038</b>	<b>0.047</b>	<b>0.050</b>	<b>0.057</b>

#### Remarks:

1. Other source of water e.g. ground water that passed permission from the government to extract
2. Water return to source of extraction e.g. ground water at similar quality as raw water extracted
3. Net water consumption = Gross water consumption – Water return to source of extraction
4. Count only HomePro stores
5. In 2023, the temperature was higher than usual and lasted for a longer duration, resulting in the increase of water consumption.



# 1.7 Green Transport and Supply Chain



## Goals

- 1 Increase the proportion of electric vehicles usage for the transportation of goods.
- 2 Increase logistics management efficiency to reduce the amount of greenhouse gas emissions caused by the combustion of fuel during the transportation of goods.
- 3 Encourage trading partners to participate in energy conservation.



## Strategies

- 1 Manage warehouse efficiently and support the growth of the Company to customer demands.
- 2 Deployment in technology to streamline the Company's operations.

## Management

Transportation and distribution of products to consumers is one of the most important activities of the Company. Combustion of traditional fuel from the logistic process releases greenhouse gases, which is the cause of climate change. The Company places importance on the impacts that may occur. Therefore, plans were created to improve the related activities to the transportation of goods and warehouse management to be more environmentally friendly under the concept of Green Transport and Supply Chain to achieve Net Zero. The Company has taken the following actions: for shipping, there is a plan to change vehicles for transporting goods from combustion engines to electric vehicles and to increase the efficiency of logistics management to reduce greenhouse gas emissions from vehicle combustions. Usage of automated product technology from computer in warehouse management to support the Company's future growth and also help reduce the use of traditional fuel from forklifts.

## ● Environmentally Friendly Transportation

### Using Electric Vehicles (EV) In the Transportation Process



The Company plans to change transportation methods by using an electric vehicle (EV Truck) for transporting goods, which use electrical energy instead of gasoline. This is to help reduce the emissions of greenhouse gases from traditional combustions and to reduce air pollution that may affect living organisms and the environment. There has been development in both the delivery vehicles from the Home Service that transports goods to customers and parts of the main transport fleet from the Distribution Center to various branches.

#### 1. Electric Cargo Vehicle (EV Truck) Home Service

As for the delivery of products from branches to customers' residents by the Home Service, the Company plans to deploy electric-powered freight vehicles for transportation instead of using gasoline as fuel. Starting from 2023, 10 electric trucks have been used and are able to reduce the amount of greenhouse gases by 162 tons of carbon dioxide equivalent.

#### 2. Electric Delivery Truck (EV Truck) Distribution Center

The Company has a plan to deploy electric-powered freight vehicles (EV Trucks ) in place of gasoline-based transport vehicles at the Distribution Center commuting to branches of HomePro and Mega Home. This consists of 2 types of transport vehicles: 6-wheelers and 18-wheelers, which will be trialed in 2023. Currently, there are 3 electric-powered transport vehicles (EV Trucks), and the number will be increased to 14 by 2024. It is expected that this will reduce gasoline consumption by 214,216 liters per year and CO<sub>2</sub> emissions can be reduced by 42%.

### Increase Logistics Management Efficiency

The Company imposed a policy aiming to reduce greenhouse gases emissions from transportation caused by the combustion of fossil fuels. The Company applied the "Green Transport and Supply Chain" concept to enhance logistic efficiency. This includes controlling the appropriate amount of the packing of products per a single transport trip, efficient route planning, increasing the cargo rate to reduce the number of transportation trips, including management to reduce the empty spaces within the cargo containers on the way back to the Distribution Center. This will help the Company to reduce gasoline usage and reduce carbon dioxide emissions from the transportation of goods.



## ● Logistics Management Guidelines ( Backhaul / Full truck Load)

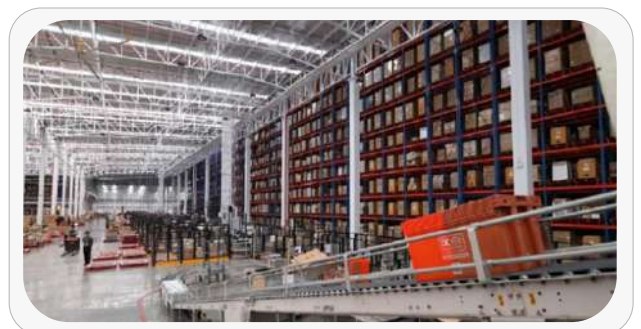
- Full Truck Load delivery concept: Set up the weighing platform and the control loading system to maximize product volume per delivery. The weighing platform will be installed to ensure that the truck is not loaded in excess of what is required by law.
- Consolidation: Combine deliveries by planning the route and schedule to deliver more drops to customers and to multi-stores to drop in one trip.
- Back Haul: Using empty trucks to collect products from manufacturers to the warehouse or HomePro store instead of taking empty trucks back. Since 2019, the Company provide logistic system for Mega Home Co., Ltd. Thus, the Company can manage better Back Haul project more efficiency as there is no limit between Companies. Moreover, the Company set up working process in order to further increase efficiency.
- The size of the container was enlarged from 40 feet to 45 feet to increase the capacity of transportation per trip and could reduce the number of trips effectively.
- Using 9.4-meter truck to increase transportation capacity from 12 pallets to 18 pallets per trip. The change enhanced transportation capacity and reduced the number of trips, as well as fuel consumption. In 2023, there were 28 trucks providing services in Bangkok and its vicinity.
- Transportation Management System (TMS) has been implemented to organize the routes. This increases vehicle management efficiency and reduces carbon dioxide being emitted through logistics activities by reducing distance traveled.

## ● Environmentally-Friendly Warehouse Management

### ASRS: Automated Storage and Retrieval System

The Company implemented the Automated Storage and Retrieval System (ASRS) to manage its distribution center whereby uses Storage and Retrieval Machine (SRM) system for storage and retrieval and electronic run for the entire system. Computers enable fast and efficient management of distribution center that corresponds to consumers' demand ascertaining company's long-term growth, reducing fuel consumption from forklifts within the warehouse and greenhouse gas emissions. The system also reduces the usage of electrical energy and lighting in the storage area, due to the fact that human beings are not required within the area of the system. Furthermore, this also reduces the risk exposure of future labor shortage. The essences of ASRS are as follows:

- The automation enables fast pick up of products. The automatic vehicles and cranes are used for storage as well as distributing products to HomePro and Mega Home stores nationwide.
- Reduce storage duration by 55% and withdrawal duration by 65%, as well as delivery duration for Bangkok Metropolis decreases from 2 days to 1 day or 1 day and a half, and delivery duration for Upcountry decreases from 3 days to 2 days.
- Minimize the damage ratio for storage to 0.001% or hardly any damage incurred.
- Reduce lighting energy usage in the storage area by replacing workers with machines, which do not require light and subsequently reduce the energy consumption by 28,000 units.
- The overall efficiency of management and use of space increases by 2.5 times compared to the conventional warehouse.
- Prevent damage incurring on products by inspecting the size of products and storage procedure prior to storing and distributing to stores using automation.
- Enables First in First out product withdrawal.
- Increase speed and accuracy, and decrease task duration and human error.
- Increase store delivery efficiency and make certain of on time delivery.
- Reduce dependency on labor.
- Reduce forklift usage and internal transfer, which reduces energy expenses through battery charges reduction.
- Secure safety of products, minimize losses and theft rate, and enable accurate stock count.



# 1.8 Environmental Management of Subsidiaries

## ● DC Service Center Company Limited

Distribution Center is in Lam Sai, Wang Noi District, Ayutthaya, was established in 2004 in the area over 205,177 sq.m. to manage warehouses and logistics for the Company. Currently, there are 843 associates in which most of them are locally employed.

With the determination to achieve the highest operating standards, Distribution Center invested in warehouse construction and internal systems with both local and international standards including the improvement of internal operation procedure to be more effective for environmental concern and increase efficiency along with decrease waste e.g.

- Installations of the Automatic Storage and Retrieval System (ASRS) to increase the overall efficiency as well as to reduce the use of lighting within the storage areas.
- Installations of High-Volume Low Speed Fans (HVLS Fan) to replace the traditional industrial fans. The HVLS Fans cover more areas while consume less energy per square meter.
- Close-monitor and control of on and off period for lightings, air conditioners and ventilation fans with plans of adjustments to reduce energy consumption on annual basis.
- Replacing the traditional lightbulbs to LED while installing Motion Sensor to control on and off time for lighting to reduce the electricity consumption.
- Installation of 1 Megawatt solar rooftop on top of the automatic warehouse and other warehouses to generate electricity from a renewable source and to reduce the purchase of grid-supply electricity.
- Project to use electric-powered freight vehicles (EV Trucks) to replace gasoline-based transport vehicles. The trial began in 2023. Currently, there are 3 electric delivery vehicles (EV Trucks) and will increase the number to 14 by 2024. It is expected to be able to reduce gasoline usage by 214,216 liters per year and reduce the emissions of CO<sub>2</sub> by 42%.
- Uses 214 electric forklifts instead of using gasoline forklifts. There are 181 electric forklifts that use Lead acid batteries and 33 electric forklifts that use Lithium batteries. DC Service Center Company Limited plans to change the type of electric forklift batteries from Lead acid to Lithium batteries to increase efficiency and reduce battery charging durations. The lithium electric forklift battery has less impact on the environment than lead acid battery, whether during the production processes and operations. Lithium batteries do not contain the hazardous elements including Lead, Mercury and Cadmium. Additionally, lithium batteries have longer life-span with 2 to 3 times more charging cycles than the lead acid batteries, in which will reduce the amount of hazardous wastes that could potentially affect the environment.

Measures taken to reduce electricity consumption in 2023	Amount of Electricity Decrease (kWh/year)	Amount of Ton CO <sub>2</sub> e Decrease/year
1. Replace LED High Bay lamp 120 W & Motion Sensor, instead of LED120W No Dim area under the roof of DC1-DC5	67,064	33.5
2. Measures to consolidate EDP room space (cancelled DC1, consolidated with DC6)	44,676	22.3
3. Install a clean energy system Solar Roof	886,000	442.9
4. Measures to reduce the size of HR & LP DC1 air conditioners	51,299	25.6
5. Replace LED lamp Hibay 120W & Motion Sensor DC1	90,824	45.4

**Remarks:** Value of greenhouse gas emissions from transmission systems for electricity users (Electricity Consumption Emission Factor:  $EF_{EC}$ ) = 0.4999 tCO<sub>2</sub>e /MWh Based on information from the Greenhouse Gas Management Organization (Public Organization)

## ● Market Village Company Limited

The Company provide areas for rent and utilities to tenants were its business. There constantly was the environmental management including the building design to match with the surrounding environment, and planting tree to maintain shady surrounding. There were also the energy saving control and environmental conservation as follows:

- Set turn-on and turn-off times for air conditioning system and avoid starting cooling system during the peak load time (at 9 AM and 10 PM) due to the higher electricity price.
- Set up the Chiller Plant Management System to automatically manage the chiller system for the efficient use and cost saving.
- Install films inside building areas where were sunny spots to decrease the work load on air conditions.
- Set up the water treatment system by treating and measuring quality of used water in accordance with the standard of Ministry of Natural Resources and Environment before watering the plants or releasing to public drainage.
- Install the intelligent car park to assist customer to find parking lots that could also help customers save energy.
- Manage preventive maintenance in accordance with the cycle of operation, conduct machinery efficiency assessment, checking the operation pattern of the building and adjusting temperature and air condition system to be in line with the weather conditions each day.
- Install solar panel on roof to generate electricity supplied for own use.
- Install electric car charging stations “Charge and Shop” to encourage ecofriendly energy consumption.

### Market Village Hua

Measures taken to reduce electricity consumption in 2023	Amount of Electricity Decrease (kWh/year)	Amount of Ton CO <sub>2</sub> e Decrease/year
1. Adjust the time to turn off the lights in the 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> floor parking lot, circuit number 5. from the original time of 9:30 p.m. to 7:30 p.m. (T8 18W 450 lamps)	5,913	3.0
2. Reduce the Hz of the cold-water pump from 45Hz to 38Hz.	236,885	118.4
3. Adjust the time to turn off the fountain pumps around the building.) from the original time of 8:00 p.m. to 7:00 p.m. (0.75kw 11 pieces/ 1.5kw 1 piece)	10,676	5.3
4. 4. Adjust the time to turn off the lights in the rooftop parking lot from 9:00 p.m. to 7:00 p.m. on Monday - Friday (90W 28 lamps)	1,840	0.9
5. Change the street light lamps beside the parking building (from Metal halide 400W to LED 175W 11 lamps)	2,704.65	1.4

Remarks: (Electricity Consumption Emission Factor:  $EF_{EC}$ ) = 0.4999 tCO<sub>2</sub>e /MWh reference from Thailand Greenhouse Gas Management Organization

### Market Village Rangsit

Measures taken to reduce electricity consumption in 2023	Amount of Electricity Decrease (kWh/year)	Amount of Ton CO <sub>2</sub> e Decrease/year
1. Reduce the turning on and off of the air conditioning system (AHU) on the 1st floor for 2 units, 1 hour each.	14,286	7.1
2. Reduce the turning on and off of the air conditioning system (AHU) on the 2nd floor for 2 units, 1 hour each.	5,913	3.0
3. Reduce the turning on and off of the system ( Makeup FAN ) in the STREET FOOD area from the original time of 9:00 p.m. to 8:00 p.m.	3,613	1.8
4. Turn off the lighting of the sliding ramp downlights, type 30W, with the total of 44 lamps.	3,372	1.7
5. Reduced the turning on and off the main system (Makeup FAN) from the original time of 9:00 p.m. to 8:00 p.m.	32,850	16.4
6. Install solar panels on the roof to produce electricity for consumption in the building, 1.6 MW.	2,370,953	1,185.2

Remarks: (Electricity Consumption Emission Factor:  $EF_{EC}$ ) = 0.4999 tCO<sub>2</sub>e/MWh reference from Thailand Greenhouse Gas Management Organization

## Market Village Suvarnabhumi

Measures taken to reduce electricity consumption in 2023	Amount of Electricity Decrease (kWh/year)	Amount of Ton CO <sub>2</sub> e Decrease/year
1. Reduce the turning on and off of the air conditioning system (AHU) by 2 units.	110,869	55.4
2. Reduce the turning on and off of the ventilation system (EXHAUST FAN) in the STREET FOOD area from 9:30 p.m. to 8:30 p.m.	14,237	7.1
3. Reduce the Hz of the chilled water pump from 47Hz to 43Hz and from 45Hz to 40Hz.	50,595	25.3
4. Change spotlights from 150W Metal Halide bulbs to 30 100W LED bulbs in Market Street area.	2,160	1.1
5. Project to change light bulbs in the parking building, floors 1-3 A (6 floors)	86,915	43.4

Remarks: (Electricity Consumption Emission Factor:  $EF_{EC} = 0.4999 \text{ tCO}_2\text{e/MWh}$  reference from Thailand Greenhouse Gas Management Organization)





## 1.9 Campaigns to associate for the Efficient Use of Resources

- Cultivate the environmental awareness by encouraging for associate not to bring plastic bag from outside into the workplace along with distributing cloth bags to each associate. This is to enhance the awareness of global conservation and encourage all associates to participate in plastic bag reduction together.
- Provide knowledge and training to associates regarding environmental conservation awareness as well as internally promote energy saving procedures in office via PR boards, intranet, and “HomePro Go Green” project.
- Encourage the reuse of material such as 2- side use of paper.
- Turn-off air conditions and lights when no one uses a room for a while.
- Change switches to be a non-off system, and associates would be responsible for their own desks.
- Promote energy-saving activities such as “HomePro Fun Walk” for associates to walk upstairs rather than taking an elevator.
- Set the temperature in the office not less than 25 degrees Celsius.
- Provide training on Carbon Footprint for Organization to executives and associates to build their knowledge, understanding and collection of data on carbon footprint, which leads to application on strategic plan to reduce greenhouse gas emission. There were 26 trainees attending this course.
- Provide knowledge on energy conservation to all associates. Raise awareness on energy-use efficiency through company activities such as Energy Conservation Policy quiz game, energy-saving slogan contest, and daily public audio broadcasting on energy consumption reduction and water-use efficiency.

The aforementioned activities have been published through the Company’s public relations dashboard and advertised via email to associates throughout the organization.

Such project might not deliver the result explicitly in exact quantity of energy usage or cost saving but would cultivate the habit and awareness of associates in their daily life and future behavior which would further be carried on to their families and society.



# ESG

## 2. Creating well-being for communities and society

The Company is committed to enhance the quality of life for communities and society by offering innovative products and convenient services that meet every customer needs. This includes developing the Home Service team to become experts with standards, capable of professionally addressing home issues for customers. It also involves promoting economic growth and creating shared value through various activities and projects to improve the quality of life in communities. Furthermore, the Company prioritizes taking care of its associates by developing their knowledges and skills (People Development) to enhance their capabilities and work efficiency (retaining competency), treating everyone equally in accordance with human rights principles, and maintaining associates (Employee Retention) by providing fair compensations and benefits that support a good standards of living. This ensures that the associates have a quality life, feel a sense of belonging in the organization, and remain with the Company for a long time.



Employment of The Young Entrepreneur "Tao Kae Noi"

2,650

Teams



Lady Service

413

Teams



Emergency Service

5,128

Jobs



Customer Satisfaction

84.9%



Employee Engagement

87.0%

- 2.1 Customer Care and Convenient Services Fulfilling All Customer Needs
- 2.2 Associates Care
- 2.3 Creating opportunities and careers with business partners
- 2.4 Social and Community Development



**MATAL**

อุปกรณ์ช่าง

**AZDOX**

PVC

**MATAL**

HOME SERVICE

HomePro

HomePro

## 2.1

# Customer Care and Convenient Services Fulfilling All Customer Needs



## Goal

- 1 Increase customer satisfaction (Customer Experience) to 85% by the year 2025.



## Strategies

- 1 To increase the distribution channels for new products and services.
- 2 To raise the safety standard of products and services.

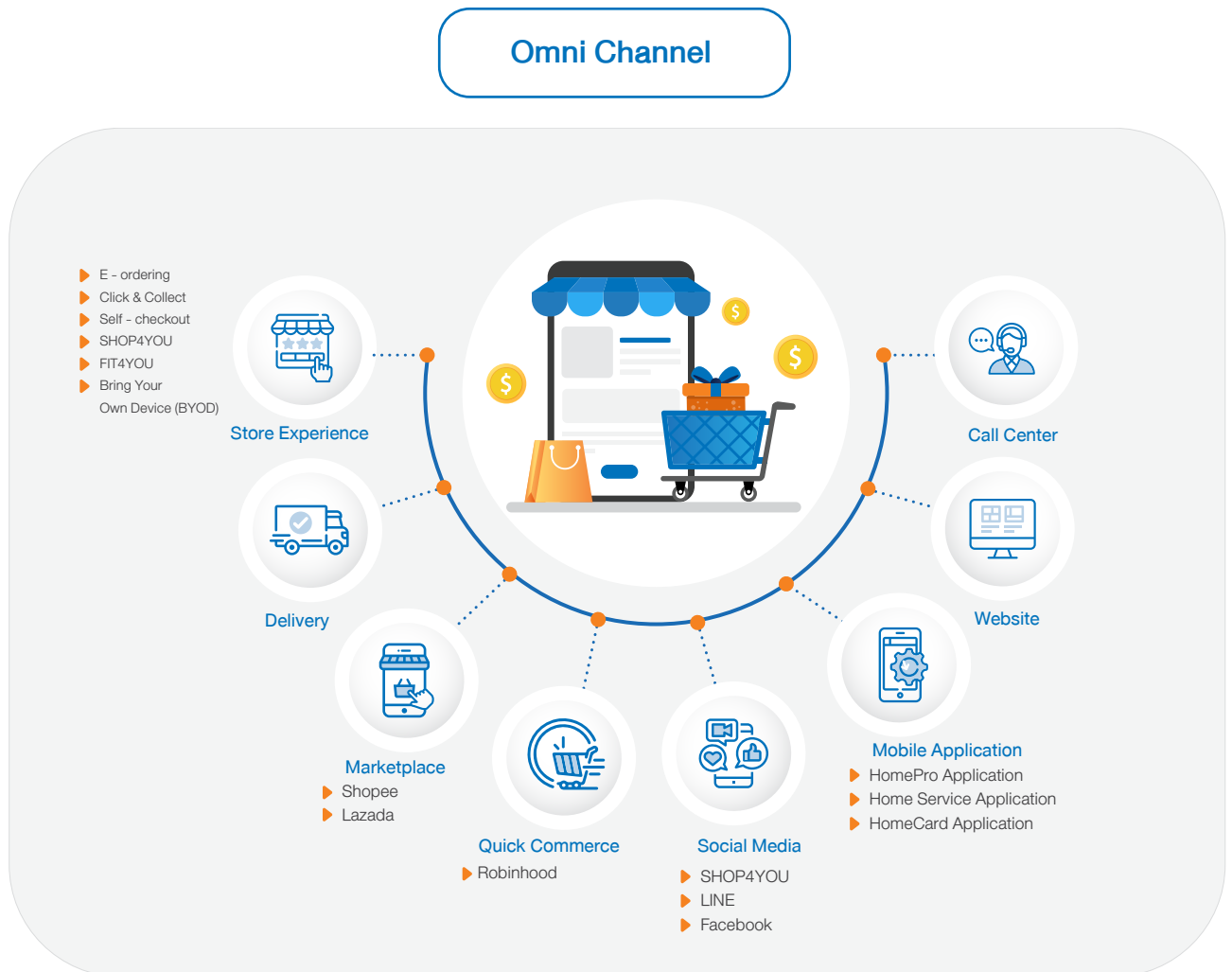
## Management

The Company is relentless in developing new service innovations to meet the changing lifestyles of consumers. This involves studying consumer behavior and utilizing modern technologies to develop seamless omni-channel distribution for both offline and online sales. Additionally, new Home Service offerings are being enhanced to align with the behaviors of modern consumers, ensuring convenience, speed, and meeting all customer's needs.

## ● Seamless Omni Channel Distribution

Technological changes that affect the way consumers live their lives today, especially in terms of shifting towards more online shopping, have led the Company to adapt and change its strategic plans to keep up with the evolving environment. The Company has developed a seamless product and service ordering system (Omni Channel), which integrates various channels for purchasing products both online and offline, to provide a superior customer experience. This includes home delivery services or the option for customers to order products online and pick them up at the store (Click and Collect), accessible through various channels such as in-store, online through the website, mobile applications, social media, and customer service centers (Call Center).

The Company has expanded its online sales channels for home and living segment through the “HomePro Living Official Shop” on the Shopee platform, under the concept of a “Hub of Happiness”, targeting new lifestyle consumers. It also increased product sales through Lazada using the “HomePro Living” name, an online platform ready to create unique and special online marketing campaigns, receiving positive feedbacks from online shoppers. Additionally, it expanded sales channels through a Quick Commerce platform on the “Robinhood” application at the Robinhood Mart section with over 1,000 home-related products, catering to on-demand delivery behavior, offering convenience, speed, and meeting the needs and lifestyles of contemporary consumers.



## Mobile Application

Currently, consumer's behavior in purchasing products and services continues to favor online shopping and the use of delivery services. Advances in technology have played a significant role in this shift towards online channels. The Company has developed 3 mobile applications: the HomePro Application, Home Service Application, and HomeCard Application. These applications are interconnected to provide additional channels for selecting and purchasing products and services through applications on both IOS and Android systems, offering convenience and speed. This caters to the diverse needs of digital-era customers, as detailed below.



HomePro Application

The Company has developed and improved the HomePro Application to increase customer convenient through online channels anytime and anywhere, 24/7, responding to all customers' need by categorizing home-related products such as bedrooms, restrooms, kitchens and living rooms, etc., together with convenient and secure payments such as credit card payment, QR Code Payment, Internet Banking or monthly installments. The standard delivery services are provided together with installation from professional technicians. In addition, the Company also provide Same Day Delivery service that delivers products to customers within the same day or if the customer is convenient to collect the product at the stores, they can use the Click and Collect service to order and pick up products at the stores within the specified date and time.



Home Service Application

The Company has developed and enhanced Home Service Application to for customers to receive great Home Service through 2,000 professional technician teams. The Application has the highest coverage for service areas in Thailand, both in Bangkok and upcountry, offering more than 200 comprehensive home services ranging from design, installation, repair, and renovation, customers can access services anywhere, anytime, 24/7. Customers can rest assure that the technicians will not abandon the work, with a warranty of up to 365 days.



HomeCard Application

The Company has developed and enhanced the HomeCard Application to facilitate convenience for HomePro Card members, making it easier to access benefits and promotions. Customers can check their points balance, use points to redeem discounts, and self-update their personal information by themselves.



Beyond “3 Mobile Applications”, the Company has also developed a smart application to facilitate customers who want to to purchase tiles. The Company has developed and improved the **FIT TILE Application** compatible with AR (Augmented Reality) features that can simulate a virtual area that could set the tiles boundaries and tile pattern according to the demand of customers. Additionally, it can calculate the required number of tiles and reserve them at the store, saving customers time from having to visit the store to find their desired tile patterns.

### SHOP4YOU Service

The Company debut SHOP4YOU service as a communication channel between associates and customers through LINE application. Customers simply add @Homepro as friend on LINE, send message or picture to inquire product details, and order products directly. Customers can also make contact via HomePro Thailand Facebook page and Call Center 1284. Subsequently, customers can choose from a variety of convenient payment methods, including online payment via credit/debit cards, bank transfer, or paying at the store.



### FIT4YOU Service

The Company has developed FIT4You service that professionally and conveniently takes care of every steps of home improvements that required specific areas measurements and cut into custom-sized products including partitions, curtains, wallpapers, artificial grasses, paint jobs or even customizable furniture. The FIT4You service also enable our customers to order construction materials to their specific specifications such as garages, doors and mosquito screens. The service allows customers to specified the areas, functions of use as well as the desire budgets so that the customers could conveniently proceed with their renovations. The service has been designed to be as simple as possible with only 4 steps.

1. Make an inquiry and select products.
2. Site survey and measurement of the desire areas.
3. Finalize the design and prepare a quotation (for customer confirmation of the design and price).
4. Payment and appointment for the installation by professionally-trained Home Service technicians.

## ● Home Service

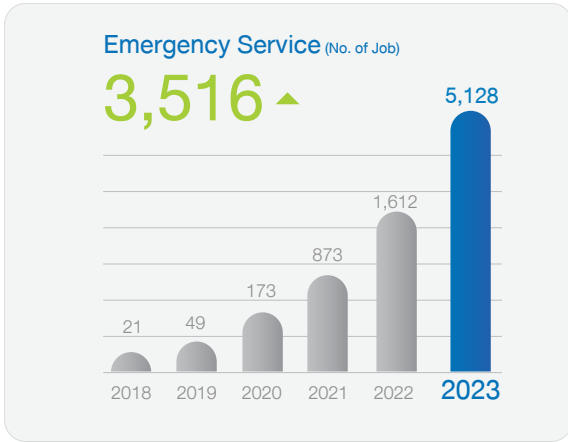
### Same Day Delivery & Installation

The Company introduced Same-Day Delivery & express Installation to meet the customer's needs. When customers purchase products like air conditioner, shower heater, water heater, water purifier, washing machine, dryer, water pump, water tank, or hob and hood including other products that require installations , they will receive prompt delivery and installation services. Additionally, Home Service is available, including cleaning, home inspection, home repair, electrical appliance installation and other services If products or services are purchased before 4:00 PM, the Company will arrange delivery and installation by 8:30 PM on the same day.



## Emergency Service

The Company has enhanced its service model and home improvement offerings to address home-related issues for customers 24/7. Customers can request emergency assistance from technicians at any time for urgent needs like power outages, electrical shorts, malfunction water pump and broken water pipe, etc. The service is available within Bangkok Metropolitan Region. In 2023, the service area expanded to include 8 additional provinces, with 5,128 emergency service jobs completed.



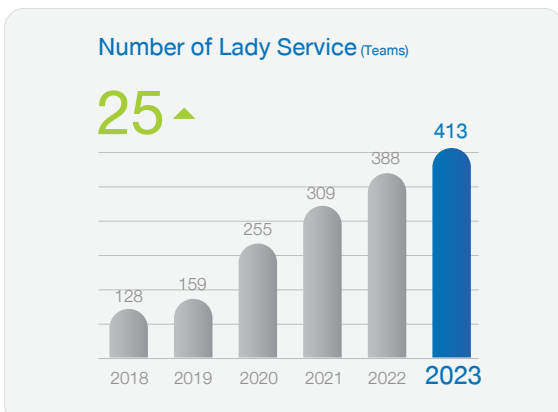
## Room Consultant Team

The Company is committed to solving home-related problems for customers with a team of experts trained to the Company's standards, specializing in bathrooms, kitchens, bedrooms, and living rooms. Customers can consult with a single expert to design and select products for an entire room. In 2023, there were a total of 144 Room Consultants; including 53 for bathrooms, 49 for bedrooms/living rooms, and 42 for kitchens.



## Lady Service

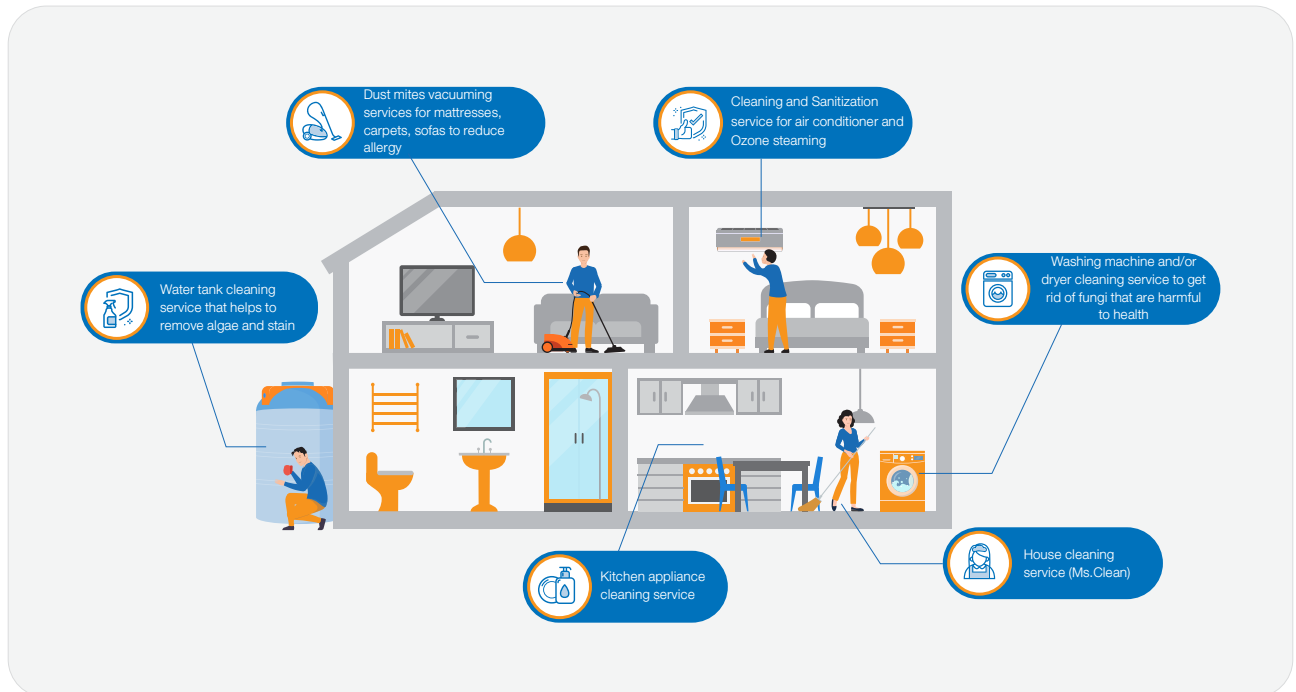
With a significant number of elderly individuals and women living alone, the Company recognized the importance of their security and safety and therefore developed Lady Service. The lady service was then developed by providing selected female technicians who would be well-trained for services of installation and maintenance of electrical appliances. In 2023, there were a total of 413 Lady Service teams.





## Cleaning Solutions

The Company has developed Cleaning Solutions through the Home Service Mobile Application, offering comprehensive cleaning services by a trained and skilled by Home Service team. This service is designed to assist customers who lack the time or energy to clean their homes by themselves, making it easy to access professional cleaning services anytime, anywhere, as if having a dedicated HomePro technician for their homes.



## Air Conditioner Cleaning Service: Speedy Service with Motorcycles

The Company introduced a newly innovative way of air conditioner cleaning which is “Air conditioner cleaning by motorcycles” from Home Service by HomePro. The technicians travel to the customer’s locations by motorcycles, along with the necessary equipment and tools to fulfill the tasks. The service still maintains the standard of 23 steps for the cleaning, with 30 days guarantee in case of any issue after services such as water leakage, the Company will resend technicians to ensure that the issue is resolved, along with the complementary O-Zone refreshment service. This motorcycle-based service allows for quick, efficient access to locations, even those that are hard to reach or in congested areas, ensuring convenience, cleanliness, and safety for all customers.

## Home Makeover

The Company aims to continuously deliver best value for money for both products and services. The Company learns from customers’ needs and develops a suitable service which can serve their needs. Currently, there are over 6 million existing homes in Bangkok and Greater Bangkok, and some of these residences are not matched with the homeowner’s demand while customers continually change of lifestyle. Moreover, sometimes, Home improvements could create hard experience and problems for some homeowner. Therefore, the Company has developed a home renovation service called “Home Makeover, Renovates Home Renovates Life” by technicians from Home Service that are professionally trained and are capable of small to major tasks from small paint jobs to major home renovations. The service is serving to various demands from our customers as well as elevating the standards of living for Thai people.

In 2023, the Company continues with the “Home Makeover” project for the 8th consecutive year, offering consultations, designs, and home improvements by the Home Service team. Since its inception in 2016 to 2023, a total of 1,154 homes have been renovated under this project.

## Home Appliance Repair Center (Repair Center)

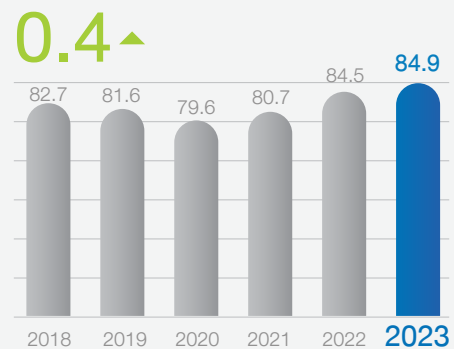
Given the challenges that customers have the problems of affording the good standard of electrical appliance repair services and the lengthy repair process. The Company, as a leader in “Home Solution and Living Experience” which strives to solve any home-related issues with haste, therefore established the very first electronic repair center by HomePro at Rangsit. This center serves as a hub for repairing air conditioners, washing machines, water pumps, water heaters, TVs, and other electrical appliances. It operates Monday through Sunday, from 9:00 AM to 6:00 PM, with a professional technician team certified by product manufacturers. In 2023, the center completed 11,882 repair jobs which would help to extending the lifespan of appliances and reducing electronic waste.

## Customer Satisfaction Survey

The Company evaluates customer's experience for the products and services, and quantitatively targeting to enhance customer's experience. The Company hired a 3<sup>rd</sup> party organization to conduct monthly customer satisfaction survey in every store. On average, there are 500 customers surveyed per store, which leads to the total of 45,000 customers surveyed. The Company then analyses and take the results to further to improve products and services as well as to develop the better business processes of the Company.

In 2023, the Company set a customer satisfaction target of 84%, aiming to increase it to 85% by 2025.

### Customer Satisfaction (%)



## 2.2 Associates Care



### Goals

- 1 To drive associate engagement to exceed 88% in 2025.
- 2 To maintain key indicator of associates' knowledge and skills to serve customer not to be less than 96% by 2025.
- 3 To achieve zero accident.
- 4 Increase and maintain the share of women at the management level to be over 50% of the total management level by 2025.
- 5 Achieve a female associate ratio in STEM departments at 30% of all STEM-related associates by 2025.
- 6 Ensure that 100% of graduates from dual vocational training programs are employed by the Company.



### Strategies

- 1 Treat associates fairly and comprehensively, respecting human rights to foster organizational loyalty and attract talented individuals.
- 2 To provide Living Wage and benefits that are sufficient for the living of associates and their families.
- 3 To develop competency and augment the leadership of associates.
- 4 To promote the awareness of safety, risk reduction and disciplined work supervision.
- 5 Raise awareness and understanding of sustainability management. (Sustainability Awareness)

### Management

The Company has initiated on initiating various strategic actions to attract and retain the talented associates, to cultivate organizational value ensuring it remains a desirable place to work. This includes offering benefits and compensation aligned with social and economic changes. The Company intends to create good living conditions for our associates while also designed flexible working hours and locations to be able to cope with the changes in working habit of the associates of different generations. Moreover, the recruitment process was made through internal associates and referrals. To ensure associates receive through care and fairness, the Company continuously monitored the indicators of the survey result on associate engagement, which aim to develop the organizational management system. In addition, People Analytics System was implemented in to analyze associate in aspects that uses statistical information from various data. The system can measure and evaluate operational performance, assist in manpower planning, identify additional skills, support talent sourcing and recruitment, and job analysis in other aspects to develop associates' engagement with the organization.



## ● Personnel Recruitment

Associates are crucial resources in driving the organizational success. The Company, therefore, stresses an emphasis on the recruitment and retention of high potential associates while raising the organizational values to attract competent candidates to the organization. Social media and online technology such as Facebook, LinkedIn and other recruitment channels are additional tools to widen the scope of recruitment process. The tools are used to publicize a vacancy and impart application information to candidates. Social media is used in conjunction with the Company's workforce recruitment process which features easy search and higher associate recruitment effectiveness. Furthermore, the Company places an importance on the recruitment of knowledgeable newcomers who fit in with job position as well as the organizational culture. Various staff

recruitment campaigns were implemented by the Company to find the candidates with potential, such as Bilateral Scholarship Program, PH(R)O-KHLA Program, the Happy Hometown (Suk-Jai-Klai-Baan) project, Homecoming project (Khuen-Sue-Yao) and the Associate Referral program. The Company has both face to face and VDO Conference via Skype, Microsoft Team, and Zoom to interview the potential candidates. Moreover, the Company has also developed selection criteria that matches the potential candidates with the right positions and tasks and to identify the talents of each candidate for further development for suitable career advancement.

### Bilateral Scholarship Program

The Company provides Scholarship included High Vocational Certificate Level and bachelor's degree under Bilateral Scholarship Program. Additionally, the Company signed the memorandum of agreement with the Office of the Vocational Education Commission (OVEC) to jointly develop and manage vocational education and training in commerce, majoring in retail business. In 2023, the Company awarded 207 scholarships for both Vocational Certificate and bachelor's degree levels, with a total scholarship value of 2,016,954 THB. Out of these, 134 scholarships recipients have been employed by HomePro. The details of the scholarships awarded last year are as follows:

#### Retail Program (High Vocational Certificate Level)

Year	Batch No.	No. of Participating Institutions	No. of Scholarships	Scholarship Amount (Baht)
2012	1	6	64	1,843,200
2013	2	9	123	3,542,400
2014	3	20	183	5,472,000
2015	4	35	258	8,064,000
2016	5	41	169	4,867,200
2017	6	51	290	8,092,800
2018	7	55	338	9,734,400
2019	8	68	398	11,462,400
2020	9	32	412	8,899,200
2021	10	31	246	7,084,800
2022	11	45	275	3,300,000
2023	12	72	204	1,938,954
	<b>Total</b>		<b>2,960</b>	<b>74,301,354</b>

## Bachelor's Degree

Year	Batch No.	No. of Participating Institutions	No. of Scholarships	Scholarship Amount (Baht)
2015	1	2	36	4,096,000
2016	-	-	-	-
2017	-	-	-	-
2018	2	4	22	3,312,000
2019	3	6	30	864,000
2020	4	4	16	345,600
2021	-	-	-	-
2022	5	1	8	208,000
2023	5	1	3	78,000
	<b>Total</b>		<b>115</b>	<b>8,903,600</b>

## Happy Hometown (Suk-Jai-Klai-Baan)

The Company supports associates in having the opportunity to transfer back to work in their hometowns under the “Happy Near Home” project, aimed at enhancing job satisfaction. In 2023, 67 associates enrolled in this program.

Year	No. of Associates engaged (Person)	No. of Accumulated Associates engaged (Person)
2016	241	1,081
2017	76	1,157
2018	105	1,262
2019	85	1,347
2020	116	1,463
2021	60	1,523
2022	69	1,592
2023	67	1,659

## The Referral Program

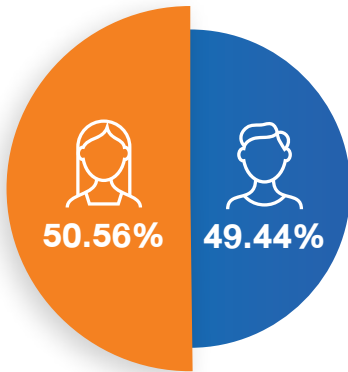
The Company has launched a “Associate's Referral” program to recruit associates who meet the job qualifications and fit the Company's culture. This initiative serves as a way to increase channels and opportunities to find suitable candidates for highly competitive positions. The Company rewards associates who refer friends or acquaintances with the right qualifications through the Associate's Referral program.

## Homecoming Project

The Company offers an opportunity for former associates who voluntarily resigned to rejoin the Company through the “Homecoming” program, under specific conditions set by the Company. In 2023, the Company welcomed back a total of 340 associates through this program.

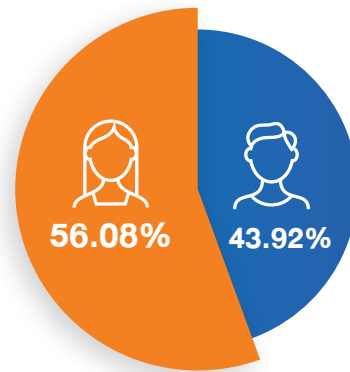
## ● Associate Profile in 2023

Associate by Gender



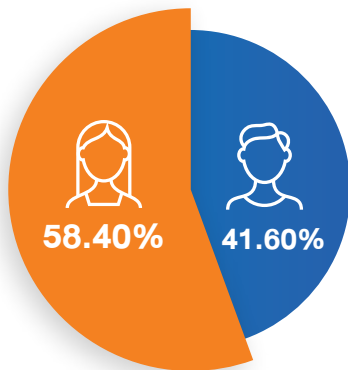
as % of total associates

Share of women in all management positions



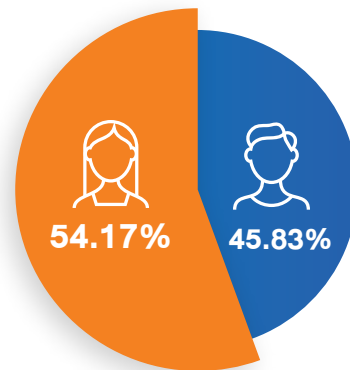
as % of total management position

Share of women in junior management positions



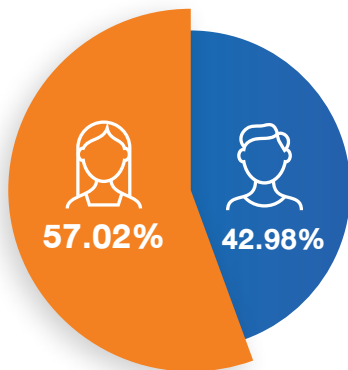
as % of total junior management position

Share of women in top management positions



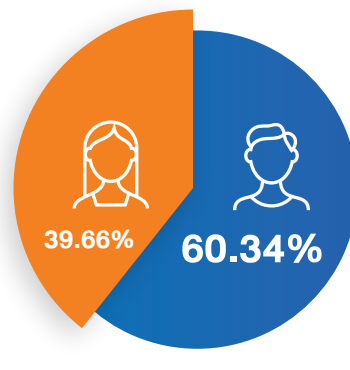
as % of total top management positions

Share of women in management positions in revenue-generating functions



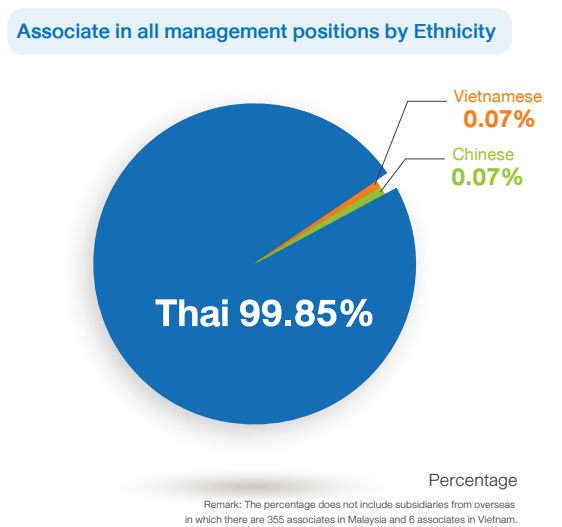
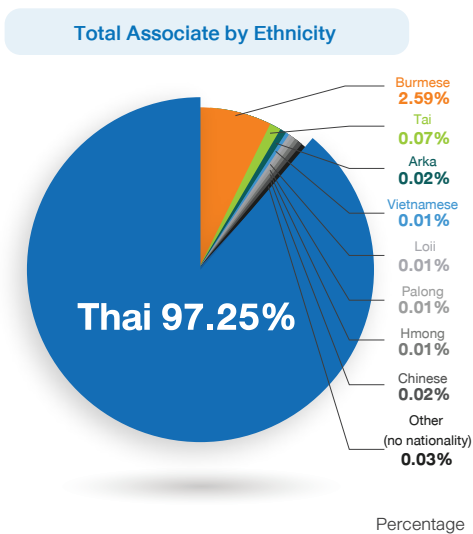
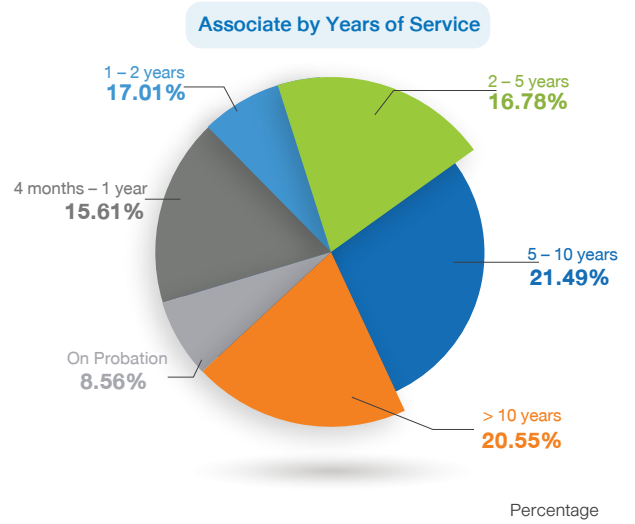
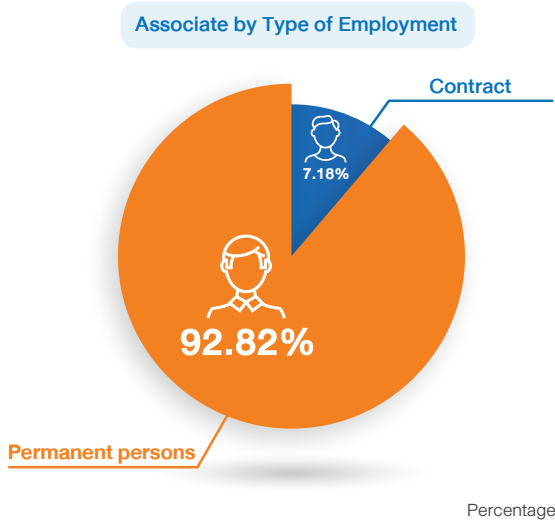
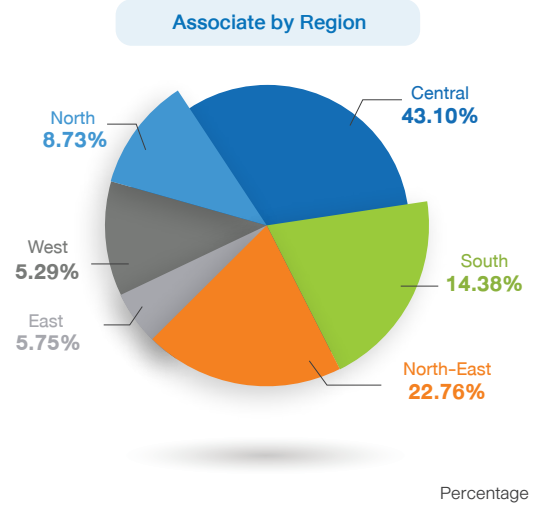
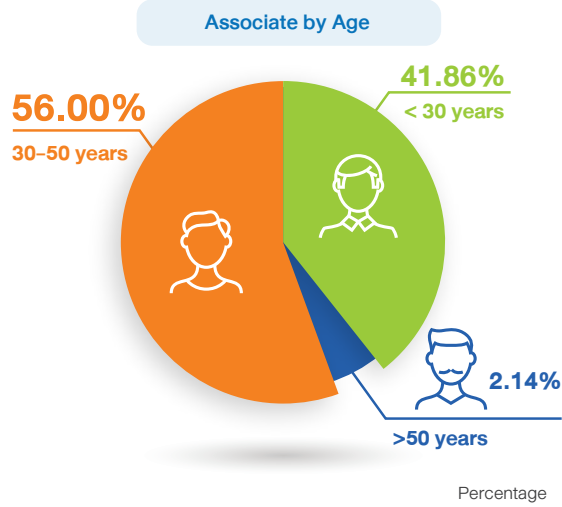
as % of all such managers

Share of women in STEM-related positions



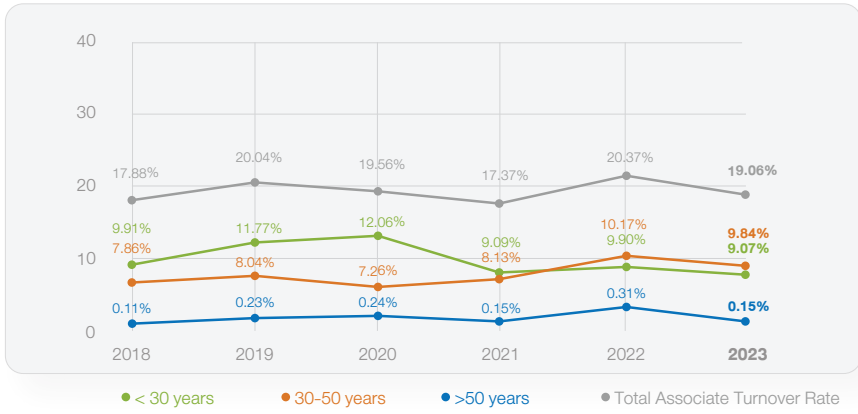
as % of total STEM positions

Remark: STEM stands for Science, Technology, Engineering, and Mathematics

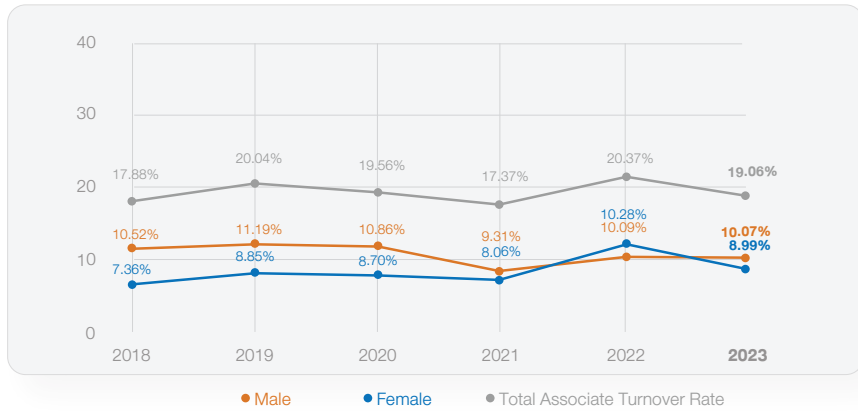


Remark: The percentage does not include subsidiaries from overseas in which there are 355 associates in Malaysia and 6 associates in Vietnam.

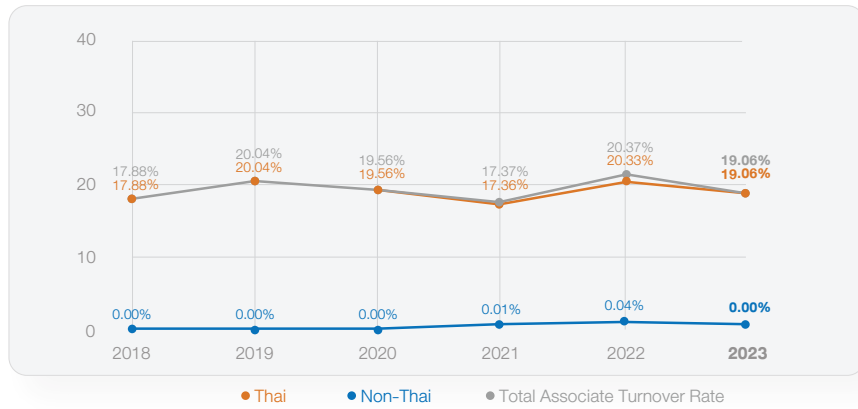
### Associate Turnover Rate (Age group)



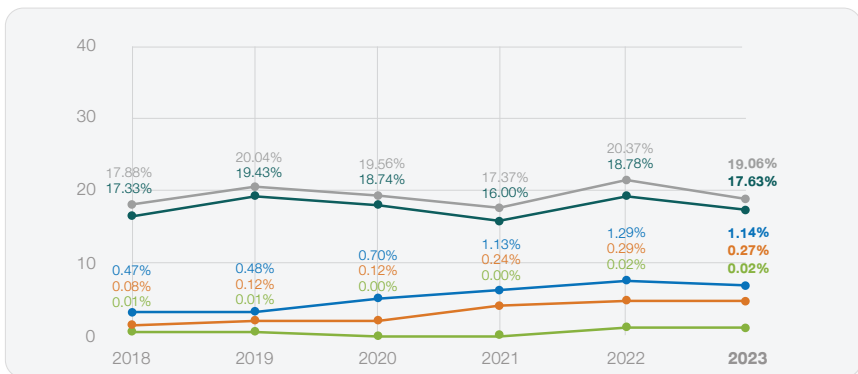
### Associate Turnover Rate (Gender)



### Associate Turnover Rate (Nationality)



### Associate Turnover Rate (Management level)



● Top Management 
 ● Middle Management 
 ● Junior Management 
 ● Non-Management (other than what stated above) 
 ● Total Associate Turnover Rate



Voluntary Turnover Rate (% of total associate)	2017	2018	2019	2020	2021	2022	2023
	18.96%	17.04%	18.60%	17.76%	16.04%	18.51%	16.63%
Age group							
< 30 years	8.97%	9.46%	10.82%	10.96%	8.38%	8.93%	7.84%
30-50 years	9.87%	7.48%	7.52%	6.53%	7.62%	9.37%	8.71%
>50 years	0.12%	0.10%	0.25%	0.27%	0.03%	0.20%	0.08%
Gender							
Male	10.09%	9.36%	9.69%	9.16%	8.41%	8.91%	8.57%
Female	8.87%	7.68%	8.91%	8.60%	7.62%	9.60%	8.06%
Nationality							
Thai	18.96%	17.04%	18.60%	17.76%	16.04%	18.49%	16.63%
Non-Thai	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.00%
Management Level							
Top Management	0.02%	0.01%	0.01%	0.00%	0.00%	0.01%	0.02%
Middle Management	0.14%	0.09%	0.15%	0.15%	0.20%	0.24%	0.20%
Junior Management	0.72%	0.52%	0.55%	0.84%	1.00%	1.22%	1.08%
Non-Management (other than what stated above)	18.09%	16.43%	17.89%	16.78%	14.83%	17.04%	15.33%

Information of New Associates	2017	2018	2019	2020	2021	2022	2023
Total number of new associates hires	3,029	2,993	3,571	2,280	2,943	3,046	5,279
Number of open positions filled by internal candidates (%)	1.89%	3.47%	6.54%	6.14%	4.23%	7.92%	9.89%
Average hiring cost/FTE (Baht)*	3,762	3,505	3,505	3,580	3,474	3,035	2,051

\*Examples: Recruiter salaries, advertising, traveling, and agency fees

Total Number of New Associates Hiring (Person)	2017	2018	2019	2020	2021	2022	2023
<b>Total</b>	<b>3,029</b>	<b>2,993</b>	<b>3,571</b>	<b>2,280</b>	<b>2,943</b>	<b>3,046</b>	<b>5,279</b>
Age group							
< 30 years	1,917	2,066	2,490	1,743	2,040	2,014	3,394
30-50 years	1,097	903	1,014	524	889	1,020	1,846
>50 years	15	24	67	13	14	12	39
Gender							
Male	1,395	1,410	1,756	1,127	1,483	1,559	2,588
Female	1,634	1,583	1,815	1,153	1,460	1,487	2,691
Ethnicity							
Arka	0	1	1	1	0	0	0
Burmese	1	0	1	3	1	218	98
Chinese	0	0	0	1	0	0	0
Loii	0	2	1	1	0	1	0
Palong	0	0	1	0	0	0	0
Tai	5	3	7	6	0	0	4
Hmong	0	0	0	0	0	0	1
No nationality	0	0	0	0	0	0	3
Thai	3,023	2,987	3,560	2,268	2,942	2,827	5,173

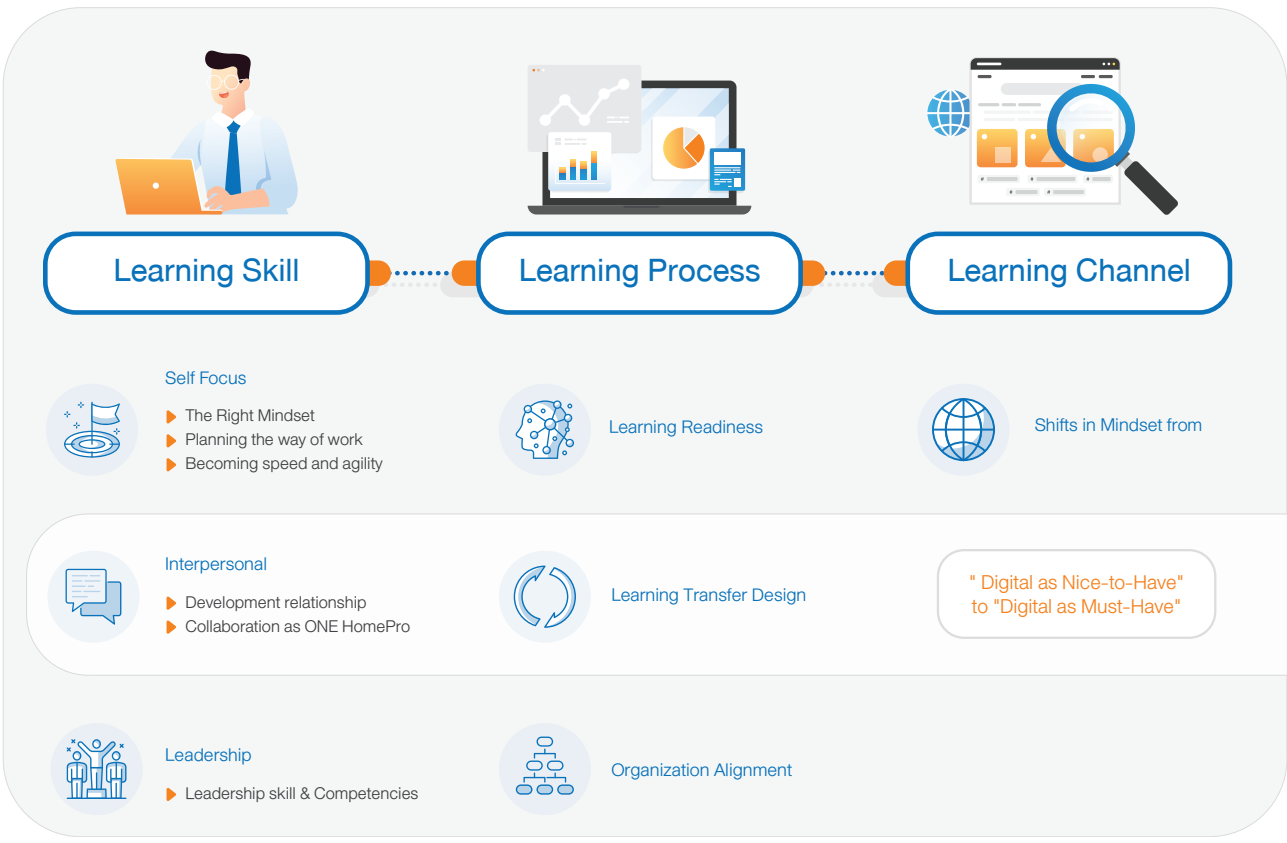
Total Number of New Associates Hiring (Person)	2017	2018	2019	2020	2021	2022	2023
<b>Management level</b>							
Top Management	0	0	0	2	3	0	2
Middle Management	20	11	16	7	23	29	37
Junior Management	69	58	79	78	113	95	157
Non-Management (other than what stated above)	2,940	2,924	3,476	2,193	2,804	2,922	5,083

## ● Associate Trainings and Development

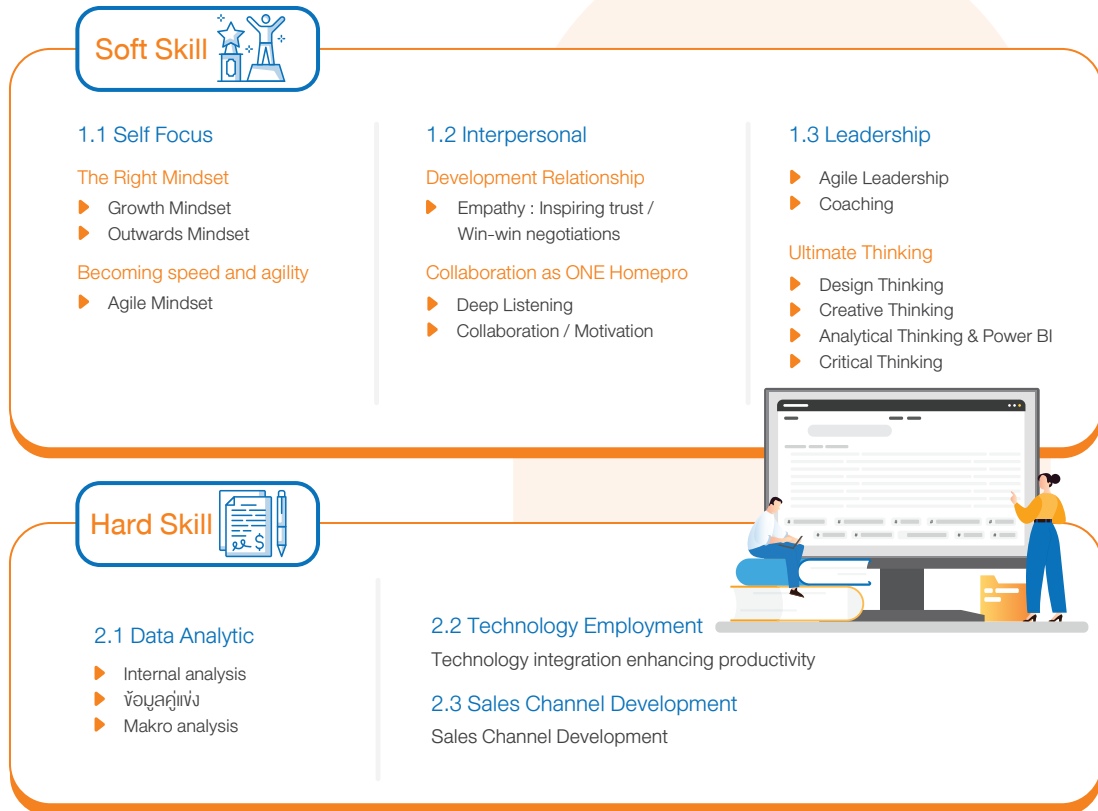
Although 2023 marks the first year of returning to “normalcy” after the COVID-19 outbreaks, it cannot be denied that it was a challenging year for running business operations, both in terms of external and internal factors, including the organization’s personnel, who play a crucial role in business operations. Faced with these challenges, the Company prioritized the continuous and sustainable development of its personnel, aiming to enhance essential current work-related knowledge and skills and fully prepare for future needs and skills to help the organization achieve its business objectives and provide continuous growth opportunities for HomePro’s associates.

Over the past year, the Company has incorporated information from outside sources, such as economic trends, to Rethink the development of knowledges and skills within the organization, (Rethink) the development of knowledges and skills within the organization, the appropriate development processes, and the application of various technologies to facilitate sustainable learning. This includes developing self-focused skills, enhancing interpersonal skills, and cultivating leadership qualities across different levels of management. Additionally, the Company emphasized an appropriate learning process that moves beyond “training” to a developmental approach to ensure true “behavioral change” among participants. It also managed “learning channels” in various forms to support this initiative.

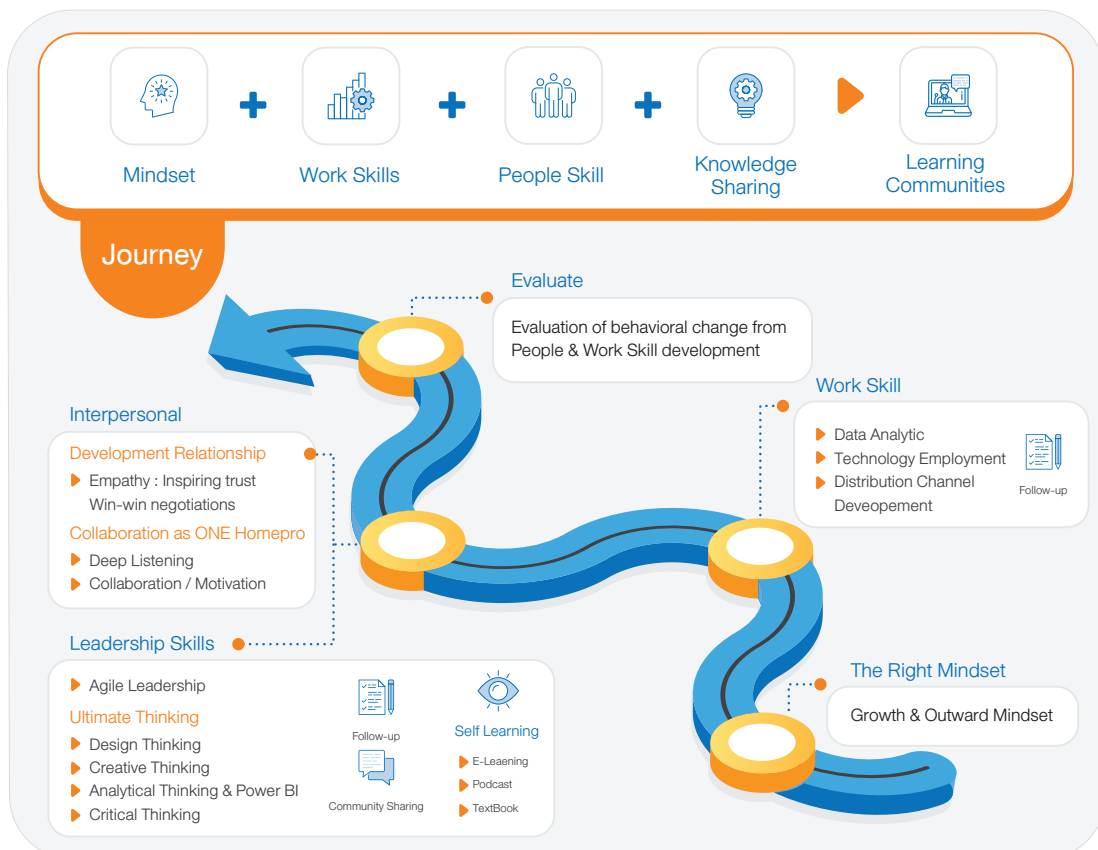
### Conceptual framework for rethinking Homepro’s human development



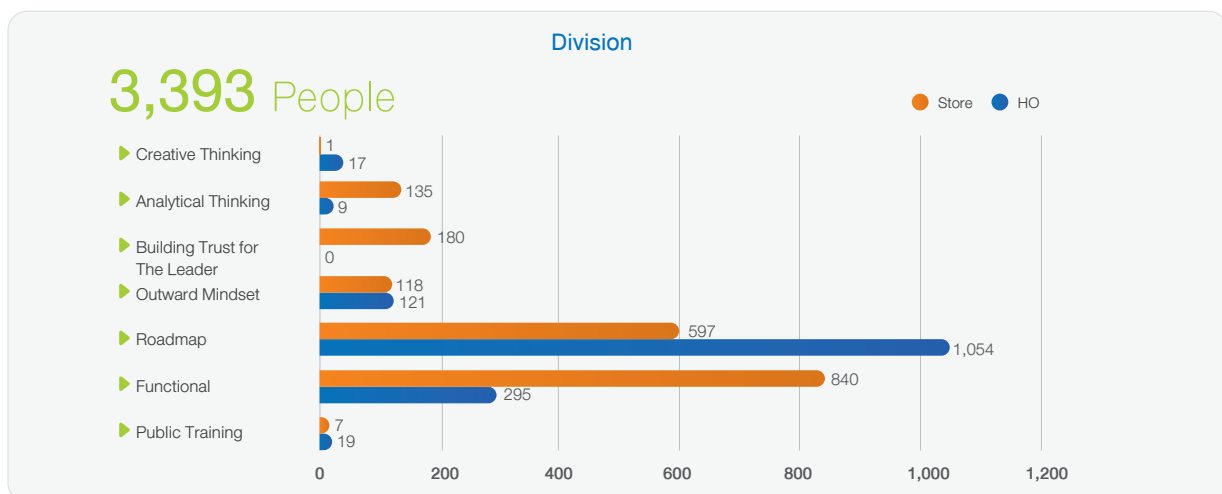
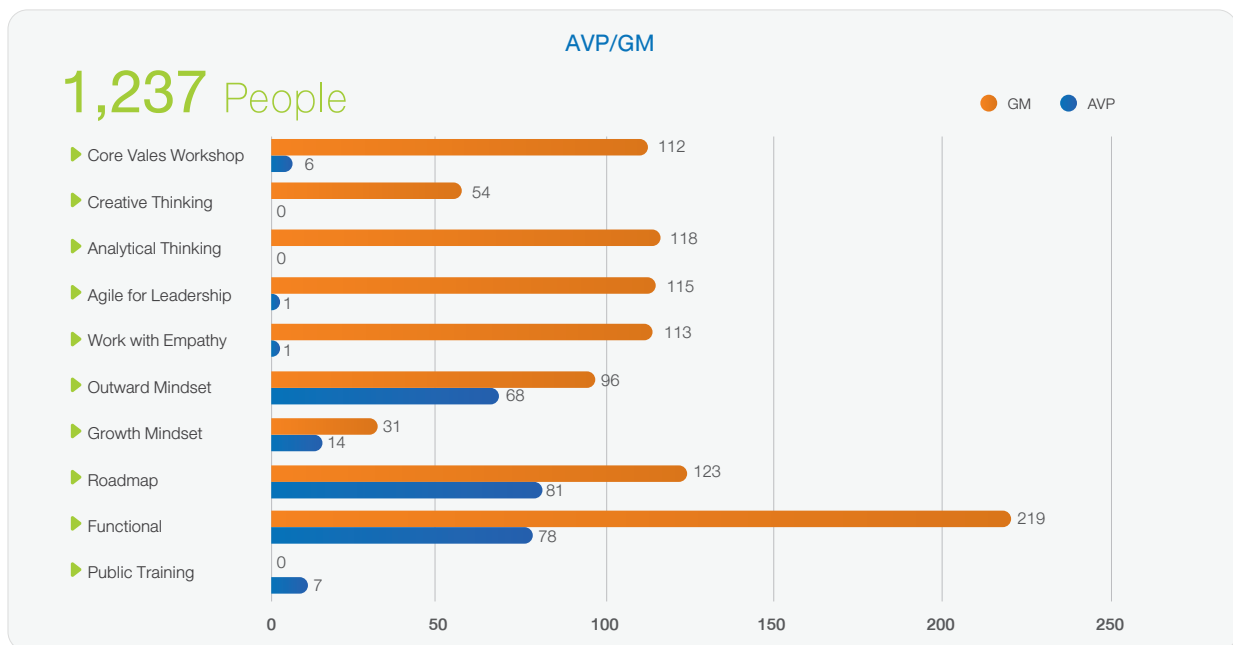
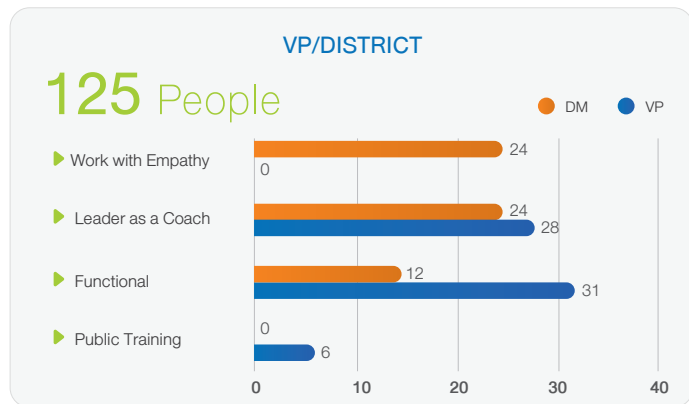
The Company places significant emphasis on the continuous development of associates to be skilled both soft skill and hard skill. It focuses on the knowledge and skills essential and crucial for job performance, aiming to equip associates with the capabilities to manage “work” and “people” effectively and efficiently.

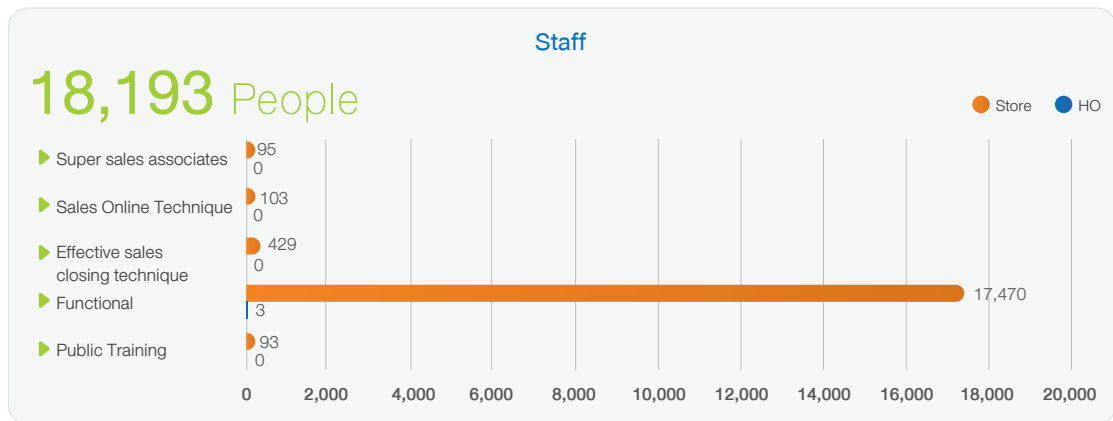
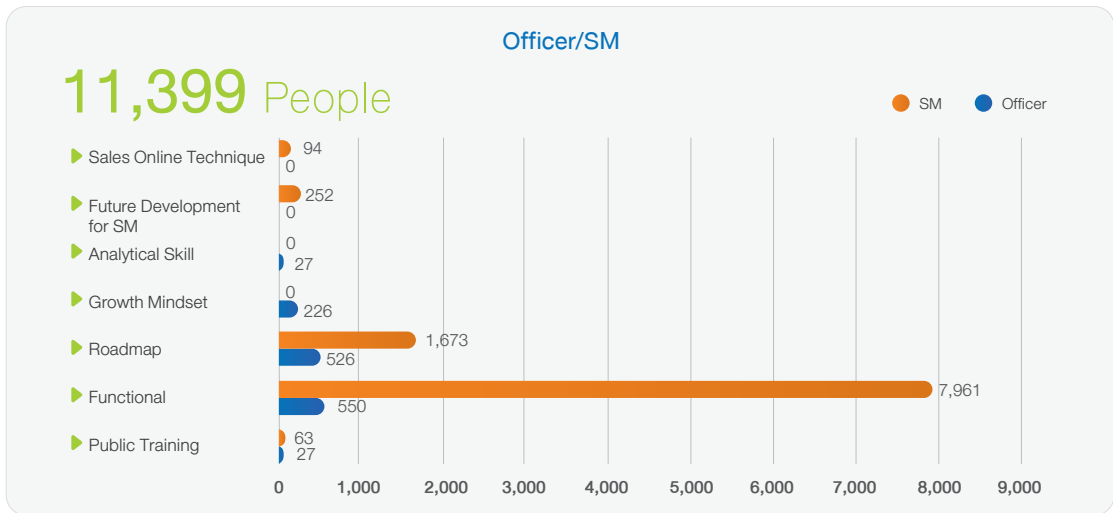


In developing associates to be skilled in interpersonal relations and professional tasks, the Company prioritizes a holistic development approach. It emphasizes an appropriate mix of learning methodologies, including classroom learning, sharing experiences among peers, utilizing technologies for learning, and proper evaluation measures. This ensures that all associates participating in training can apply what they have learned to benefit their job performance effectively.



In 2023, the Company undertook development initiatives to enhance associates' interpersonal skills (Soft Skill) and professional skills (Hard Skill) across various groups and levels, including associates at the headquarters and store managers. In total, 34,366 individuals (counting repeats) participated in these development programs, which account to 68.71% of total associates compared to the target at 50% as guideline by the Department of Skill Development, Ministry of Labour.



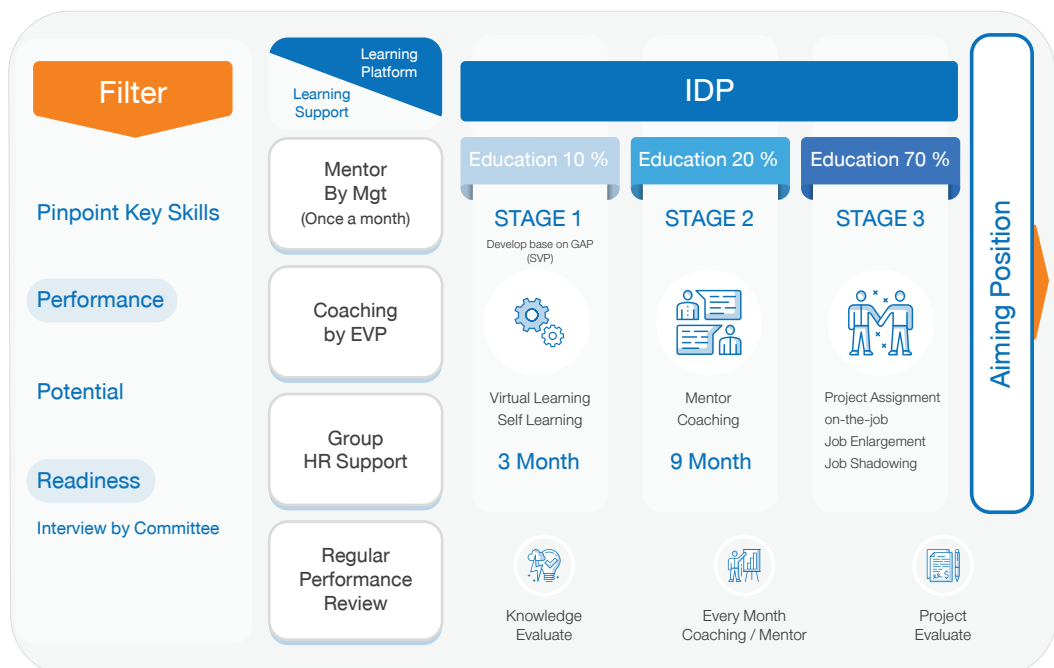


## ● Succession Plan

The Company continues to prioritize the development of associates identified as high-potential talents and those planned for succession (Successors), ensuring the organization is well-prepared for adaptation, changes, and growth. This development is categorized into two groups:

1. The Successor Development Program is a program designed by the Company to develop future leaders who are prepared to take over key positions. In 2023, this program developed a total of 5 individuals through a variety of learning methods, including participation in knowledge sharing and experience exchange sessions with the organization's top executives.

### Conceptual Framework in Developing "Succession Development Model"



**Number of Successors has been developed in 2023**



2. Store Talent Management: GM / Young Executive Talent: VP/ AVP The Company continues to actively search for and develop high-potential associates (Talent) both within the headquarters associates (at the VP and AVP levels) and among stores managers (GMs) through the Store Talent Management for GMs and Young Executive Talent for VPs/ AVPs. This development process includes a variety of learning methods, such as creating Individual Development Plans (IDPs), learning through the presentation of actual projects (Project-Based Learning), and collaboration between high-level management within the organization and experts with national-level knowledge and experience. These efforts aim to foster the development of associates in these groups. In 2023, there are 15 associates participated in this program which accounting to 1.12% of all eligible associates.

**Conceptual Framework in developing Store Talent Management: GM / Young Executive Talent: VP/ AVP**





**Conceptual framework for executive development “Mini MBA”  
training program for HomePro’s middle level executives**



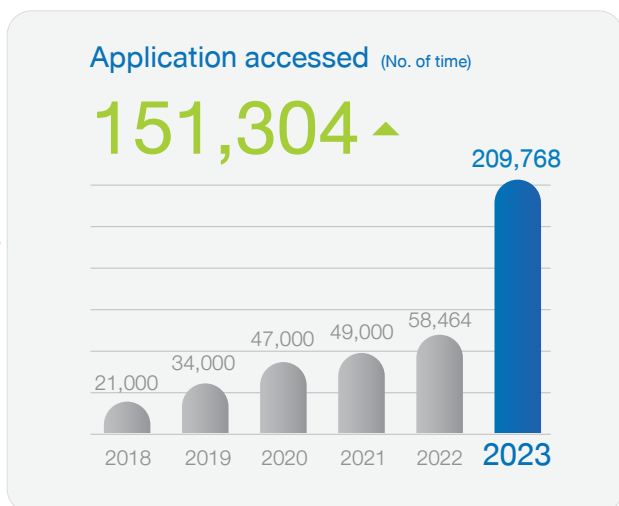
The Company has strategic cooperation with the Faculty of Commerce and Accountancy, Chulalongkorn University in conducting a “Mini MBA” training program for 40 mid-level management to enhance modern business management knowledge to management ensuring the effective achievement of business goals. This program is a program designed for middle management to learn and understand new business management concepts adapt to changes, manage businesses in the digital age, and develop strategic knowledge. The program covers various areas including strategy, finance, accounting, marketing, and management, applying these principles to enhance managerial efficiency through the integration of theory with practical experience. It is also an opportunity for management to have the opportunity to exchange knowledge and experiences from lecturers and peers, fostering a network among participants.

The number of managers who participated in the “Mini MBA” training program for middle-level managers at HomePro (broken down by department)



### Irobru (Digital Learning)

The online learning platform or Irobru is considered an important learning channel that the Company places importance on developing the knowledge and skills necessary for associate work. Given the competitive business environment that demands quick adaptation to changes, Irobru continuously updated its content throughout 2023. It supported up to 40,603 associates from HomePro and its affiliated companies, offering over 49 courses. Usage statistics for 2023 showed that the platform was accessed 209,768 times, which is more than 3.5 times the usage in 2022.





The significant increase in users in 2023 can be attributed to three main factors:

1. The learning content were shortened, more concise, to the point, and updated to ensure ease of understanding and immediate application by associates in their work. This approach made the contents more engaging and interesting to the associates.

2. In 2023, the Company launched HomePro's Core Values, consisting of Stay focus until Success, Embrace Speed & Agility, Make Customer Success and Collaborate as One HomePro, which are communicated to all associate groups. In 2023, we focus on Core Values on Customer Success or delivering success to customers among associates all stores nationwide, including HomePro and Mega Home as the primary target groups. Content related to Customer Success was developed to help associates understand customer behaviors and to deliver success, resulting in high enrollment in these courses.



3. The Empathy Project was a highlight of 2023, featuring video interviews with top management who exemplified working with empathy-understanding both the heart and the task. These videos showcased top management perspectives, concepts, and experiences with clear example and allowed associates to apply empathy effectively in their works. This learning content attracted significant interest among associates.

### HomePro's Core Values

In 2023, the Company organized a grand Townhall event to launch HomePro's Core Values. The event was not only about communicating and creating awareness of the 4 core values but also about integrating these values into the DNA of HomePro associates genuinely. The key to embedding these values sustainably, known as the Catalyze Core Value process, relies on driving change through influencers within the organization, referred to as "HomePro Captains." With 150 individuals selected from department representatives and store managers across the country, these HomePro Captains play a crucial role in motivating, educating, and setting positive examples for their teams to apply the Company's core values in their daily work life. To achieve this, workshops were organized specifically for the HomePro Captains group to deepen their understanding of the origin, meaning, and key behaviors of each of HomePro's Core Values. These workshops emphasized that the Captains must first internalize the core values before communicating and transferring them to their team members. This was facilitated through continuous activities, tools, and methods designed to ensure the effective dissemination of these values throughout the organization.



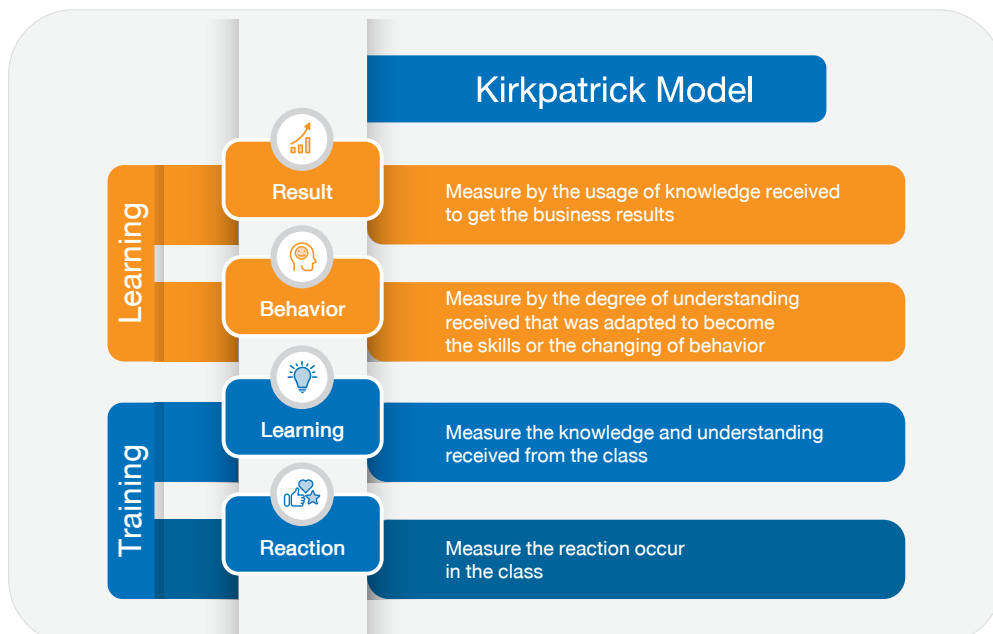
Additionally, the Company organized “Core Values Talk” a platform that invites experts or role models from outside to share their perspectives and experiences in line with HomePro’s Core Values.

- Core Values Talk No.1, titled “Why develop yourself?” featured Sarawut Hengsaawat also known as Roundfinger, which aligned with the core value of embracing speed and agility to create new opportunities. This talk encouraged associates to embrace agility by shifting their perspectives away from the conventional framework, aiming for self-improvement towards better outcomes.
- Core Values Talk No.2, titled “Japanese Service Spirit x HomePro Service”, lectured by Asst. Prof. Dr. Kritini Phongtanalert. She shared knowledge and exchanged experiences about working in Japan, where the service culture is distinguished by Omotenashi, aiming to guide the development of customer service in HomePro’s style. This talk was in line with the core value of Customer Success, highlighting the importance of exceptional service as a foundation for achieving customer satisfaction and success.



### Associates’ Training Assessment

The Company has applied the Kirkpatrick Model Associate Training Assessment to analyze and assess the return on associate training. There were 4 training assessments as follows:



## Performance

Details of Training	2019	2020	2021	2022	2023
Classroom (person)	10,448	6,826	7,395	11,333	19,433
OJT (person)	1,377	750	847	1,332	3,703
Digital Learning (person)	21,208	7,887	5,889	13,711	11,230
Classroom (hour)	88,042	48,417	42,496	59,490	126,697
OJT (hour)	401,820	135,000	152,460	239,760	222,180
Digital Learning (minute/person)	15.83	8.55	25.20	262.20	112.98
Mandatory (hour)	31,389	20,962	28,957	27,567	79,126
Non-mandatory (hour)	410,824	221,868	167,342	271,683	269,752
Average Training Hours per Participant per year	53.83	22.32	23.72	31.9	28.5
Associate's knowledge	91.52	94.20	92.90	91.6	91.4
Training and Development Investments (million baht)	14.00	11.93	7.60	14.7	19.9
- Mandatory (Baht)	1,951,861	1,069,307	1,236,883	1,318,328	1,832,765
- Non-mandatory (Baht)	12,048,139	10,870,527	6,365,025	12,432,006	18,039,598
Training investment per person per year (Baht)	1,538	1,589	925	1,576	1,644
Return on investment (%) <sup>*</sup>	441	433	608	452	324
Net profit per associate (million baht/associate)	0.57	0.49	0.51	0.55	0.55

**Remark:** 1. Since 2023, the Company has reported operating results, covering information of affiliated companies  
2.\*Return on investment came from the net profit per cost of training.

## Training and Development Investment

Training and Development Investment per associate per year	Baht/Person/Year		
	2021	2022	2023
Age group			
<20	-	1.47	6
20-29	133	154	183
30-39	553	631	549
40-49	1,852	1,161	1,332
>50	3,186	1,989	2,813
Gender			
Male	428	455	530
Female	672	591	630
Nationality			
Thai	538	521	578
Non-Thai	707	1,005	16
Management level			
Executive Vice President	2,700	3,072	10,950
Senior Vice President	8,354	3,341	7,756
Vice President	2,429	1,555	11,188
Assistant Vice President	2,763	1,687	3,252
Division Manager	2,689	1,818	2,105
Non-Management	182	222	242
Mandatory (Baht/Person/Year)	116	71	76
Non-mandatory (Baht/Person/Year)	1,847	1,611	1,752

## Career Path

Career path management was a tool for systematic associate development. There was also the assessment on core competencies in core divisions that mainly drove the business such as operational, purchasing, and inventory management. The talent group was also developed by considering knowledge, skills, and other components such as performance, competency, working experience, years of services and personality. This was also one of the management systems that could lead to the clear development path and potential growth of the Company. Moreover, this would motivate associates for self-improvement and build good engagement with the organization.

Apart from the associate development through training, the Company has developed the plan of career path for individual career growth to be ready for manpower planning along with the business expansion both locally and internationally. The Individual Career Development Plan of each associate would be directed by their supervisors including:

**Individual Career Plan Advancement** The Individual Career Development Plan forecasts the path or trends in an associates career growth, both in the short and long term, by evaluating the associate's current capabilities against the organizational expectations for higher positions.

**Individual Development Plan (IDP)** The Individual Career Development Plan (IDP) specifies the potential areas where an associate should develop and the corresponding methods such as on-the-job training, coaching, and Project Assignment. Associates would be monitored on their IDP progress and receive feedbacks from their supervisors every 6 months. It would be in terms of development progress and discussion between associates and their supervisors to continuously develop capabilities for the future career growth. The competency assessment accumulated as foundation to be ready would be the same in all levels and positions for associates to freely rotate across to related positions in the future, and it was divided into 3 areas including performance indicator index, management capability, and core value of organization.

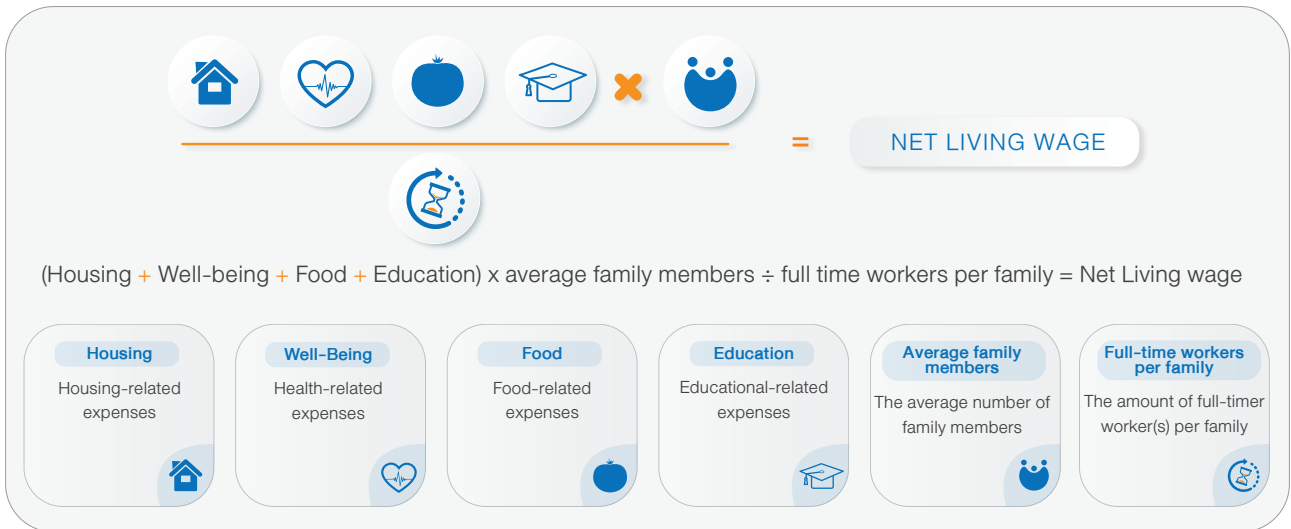
The result of competency assessment would be included in the consideration along with the annual performance assessment and presented to the management for the promotion and compensation of talent group, and creation of successor, which was one of development plans for the leaders along with the growth of organization.



## Living Wage

The Company prioritizes the good quality of living of employee and their families by providing sufficient and appropriate Living Wage and benefits to fulfill their basic needs, which include food, shelter, clothing, healthcare, savings, and leisure for associates and their families in alignment with their local cost of living. The Company hired human resource experts as consultants for the study and establishment of fair compensation and benefits policy, in order to provide wage and benefits that are higher than the general market. The average compensation and benefits data from Thai Retailers Association is used as a reference. The rate provided by the Company is higher than the requirement of the labour law. Anker Methodology is used as a reference in wage calculation to ensure that associates' compensation is sufficient for themselves as well as their family members. In addition, the Company provides additional allowances that align with the cost of living in the area where associates work, as well as positional compensation, travel allowance, language allowance, provident fund, phone allowance, health insurance (IPD & OPD), accident insurance, uniforms, maternity clothes, associates discounted price, emergency fund, interest free emergency loan, presents for visit during hospital admission, wedding support allowance, funeral support allowance for associates and family members, academic scholarship for associates' children and more.

## Anker methodology



Important Guidelines on Calculating Compensations for Associates	Related components
<b>No Discrimination</b>	<ul style="list-style-type: none"> <li>The Company compensates all associate regardless of race, nationality, religion, gender, language, age, skin color, education, social status and disability</li> </ul>
<b>Competencies of The Associates</b>	<ul style="list-style-type: none"> <li>The Company compensates accordingly to their abilities, experiences and education</li> <li>The associates are able to obtain full compensation without having to work over-time. However, if there is a reasonable requirement that required over-time, the associates will then be compensated accordingly</li> </ul>
<b>The Company's Operating Result</b>	<ul style="list-style-type: none"> <li>The Company may give out extra compensations in a form of bonus. However, the amount is dependent on the annual performance of the Company</li> </ul>
<b>Transparent Compensation</b>	<ul style="list-style-type: none"> <li>The compensations are paid with transparency and explainable</li> </ul>

## Associate Retention

Associates lay a foundation and serve as the essence part of advantageous competitiveness and sustainable organizational growth. The challenges of human resource management are attested by the importance of happy organization promotion for effective performance and workforce by providing beneficial environment and motivation to freely drive innovation, together with the management of individual difference as per generation and gender in workforce to achieve harmony and organizational engagement.

- The Company uses advanced analytics technology to manage human resource, through Human Resource Management System (HRMS), in which associates can conduct Employee Self Service (ESS) for checking their work record, leave process, as well as welfare disbursement and performance assessment. The system aims to reduce the approval procedures so that

the associates can manage their time efficiently along with fast, accurate payroll and salary calculations, which is one of the results from the openness of associates' feedback for the system improvement. The Company also developed HRMS Application, a mobile application, for associates to access HRMS (Human Resource Management System) on their mobile phone anywhere, anytime at their convenience.

- The Company offers Flexible Working Hours by setting different work schedule such as 08:00 – 17:00 shift, 09:00 – 18:00 shift, and 09:30 – 18:30 shift. Flexible working hours allow each associate to manage their working time to be suitable to their lifestyle and necessity.
- As an impact from the globally-spread COVID-19 Pandemic, the associates had to change their way of work from physically gathering in offices to working

from their homes using teleconferences to ensure that the businesses could continue to operate without any disruption. Companies around the world had to shift their working patterns to cope with the “Next Normal,” in which the associates could be working from anywhere. The Company has a hybrid workplace policy to allow associates to Work from Anywhere, whether from home, off-site or on-site. The Company provides work equipment and system along with various communication channels to support associates in managing their daily living appropriately. In addition, the Company initiated a new form of workspace called “Remote Office” at 5 different HomePro stores in Bangkok and the metropolitan areas so that the associates could work from stores that are closer to their homes, rather than traveling to the Head Office; which reduce travel time and the overall cost of commutation. Furthermore, Hybrid Workplace also reduces many costs surrounding the offices including the use of space, building maintenances as well as other utilities and utensils. As a result, the Company could also recruit more associates without having to expand the offices areas. In 2023, there were a total of 138 associates who participated in Hybrid Workplace, which is considered as 9% of all headquarters associates.

- HomePro Nursery provides child care to associates' children during a school holidays. This aims to lessen the burden of parents who work during daytime and cannot find a babysitter. The program covers improving self-development ability, training children to socialize and live in harmony with the others in society. It also bolsters organizational loyalty and engagement among associates. HomePro Nursery operates Monday through Friday, from 09:00 to 18:00, exclusively during the school break. During the school term, it offers after-school care for associates' children from 16:00 to 18:00 on workdays. However, the operation was temporarily suspended from 2021 to 2023 due to the COVID-19 situation.
- Provide the Breast-feeding room for female associates that breast feed their children. The Company prioritized the well-being of the female associates with infants, therefore providing clean and appropriate space with proper equipment that facilitate breastfeeding or pumping in order for the female associates with infants to be able to breast pump and stored their milk, which is considered as the most nutritious food source for infants while able to maintain work efficiency.
- Determine the paid parental leave for primary caregivers during the period before and after giving birth, which includes pregnancy tests, for 98 days or 14 weeks. Paid parental leave for primary caregivers is an addition on top of annual holiday leave and other leave of absence.
- Providing associates with knowledges of saving money and financial planning including solutions on solving debt problems for associates e.g. investing through provident fund system and personal income tax planning. The Company assists the associates with credit cards, cash cards problems and other loans with high interest rates by

providing refinancing solutions to take care of their debts with fair and reasonable interest rates through the associate welfare loan program, announcements, infographics and news to encourage the associates to have good financial disciplines as well as to protect themselves against financial threats. The associates can access the resources and knowledges through the Company's Facebook page called “Stay Wealthy as HomePro” “Man-kang Mun-kong Bab HomePro” or to directly contact the Company's Welfare Department. In 2023, there were two financial institutions that cooperated with the Company in resolving debts for the associates, including the Islamic Bank of Thailand and SG Capital Public Company Limited.



## ● Human Rights Management

The Company is committed to human rights policies stated in the Company's operational code of conduct guideline. Human Rights Due Diligence (HRDD) was put in place while human rights risks are assessed through 2 key factors – risk's impact and risk's possibility. The risk is classified into 3 levels which are low, moderate, and high. After risk issues have been identified, operational planning, solutions and preventive measures are implemented while audit and follow-process up are also employed. Also, among imposed actions include supplier's selection criteria based on equality and fairness, emphasis on associate human rights, professionalism, and social and environmental issues. The Company has conducted human rights risk assessment on every associate, and prepared plans and measures to mitigate the risk of human rights violation. In addition, the Company has prepared knowledge manual to help suppliers and business partners to manage the risk of human rights violation in form of Supplier Code of Conduct. Human rights risk assessment is also conducted on suppliers by identifying the affected group or individual such as children, people with disabilities, forced labor and illegal labor. In 2023, the risk assessment remained at a low level, with no violations related to human trafficking, forced labor, child labor, discrimination, sexual harassment or abuse, equal pay, and other human rights issues.

The Company fully respects the rights of the associates to freely assemble, without hindering the formation of or participation in trade unions. In addition to this, it maintains an open-door policy for consulting associates on both professional and personal matters, allowing individual or group discussions. These can be conducted directly with HR personnel, through supervisors, or with associate

representatives who regularly consult to establish agreements between the Company and its associates. Complaint channels are also open for associates to submit their concerns for consideration, correction, and improvement by the Human Resources department, ensuring a more comprehensive approach to addressing and suggesting improvements in various areas. Although the Company does not restrict the formation of unions and currently has no official trade unions, it has established a welfare committee within the establishment, consisting of both employer and associate representatives to manage, care for, and negotiate welfare and benefits within the organization. In 2023, 490 associates, representing 5.21%, acted as worker representative in negotiation agreements.

**The operations of the welfare committee in the workplace in the year 2023**

Discussion issues regarding welfare or benefits	guidelines / solutions
1. Associates' canteen	Improve cleanliness for hygiene and reasonable prices.
2. Minimum wage	Adjust the minimum wage according to the area and associates affected
3. Annual bonus payment	Consider based on business performance and associate achievements
4. Basic welfare	Provide basic welfare or more than legally required

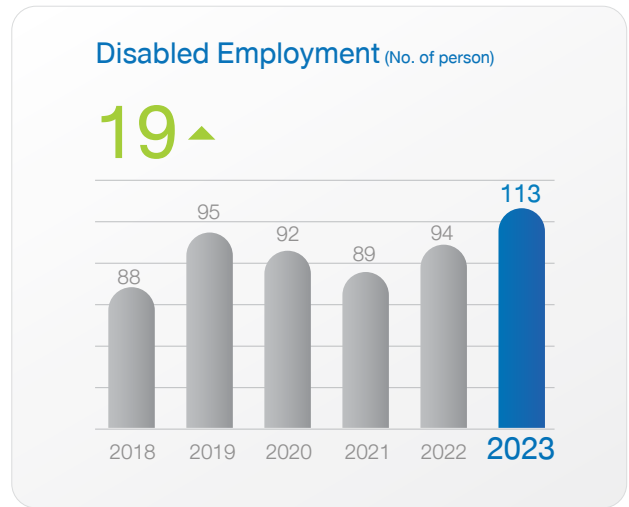
The Company supports the human rights principles and goals such as the Universal Declaration on Human Rights and the Declaration of Fundamental Principles and Rights at Work of the International Labor Organization (ILO) (More details refer to policies and practices regarding to respecting the Laws and Human Rights can be found on page 220.)

1.07% of the total 10,591 associates (as of 31 December 2023), which the Company has employed disabled higher than the standard of the Empowerment of Persons With Disabilities Act, B.E. 2007 that has set 1%



**Inclusion and Diversity (I&D)**

The Company place importance on the management principles that promote diversity and inclusion of associates in the organization in terms of race, culture, economic and social status, physical disability, gender, and experiences, as well as perceives the value of diversity among associates in the organization. The Company has a strict policy that all associates must be treated equally, with absolutely no discrimination regardless of race, nationality, religion, age, gender, language, skin color, education, social status, disability or elderly.



**Employment for the Disabled**

The Company has non-discrimination and equality of employment policy, by employing disabled according to the employment law of the disabled. The Company also support and promote disabled to work in the same position as normal people such as sales, maintenance, call center, delivery service, administration, etc. In 2023, the Company was employing 113 disabled associates, which account as

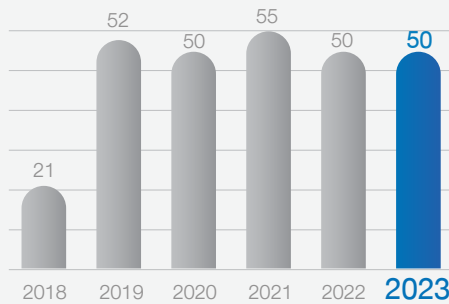
**Employment of LGBTQIA2S+ Individuals**

The Company recognizes the important of human rights on the aspect of accepting individual differences and living together equally. The Company promotes the culture that does not discriminate but recognizes the value and accept the difference of each other. Employment opportunity is offered to LGBTQIA2S+ individuals to join the Company, unleashed their full potential, be confident, and be proud of themselves.

## Empowering Elderly Employment (Young Smart Project)

The Company joined the business network of Corporate Social Responsibility towards the Elderly group, to develop an Age-Friendly Business in collaboration with Thaipat Institute, Department of Elder Persons, Ministry of Social Development and Human Security. Under the Young Smart Project, the Company received an award for a private organization that supports the employment of the elderly from the National Committee on the Elderly, Ministry of Social Development and Human Security. The Company has initiated the Young Smart project and recruited elders as service personnel at the stores. The program allows the elder associates to work as Part-time. In 2023, there were 50 elders working at HomePro.

**Employment of Elder Associates**  
(No. of person)



## Health and Safety

### Support Health of Associate

The Company emphasized on the health of associates as well as paying close attention to the environmental matter that affects the operations of associates. Therefore, the Company has regularly inspected the working environment in the workplace to ensure that light, sound, air quality, humidity, and temperature suit the working requirements as prescribed by law. The Company also enhance the working environment under the objective of 'Happy to Work' notion which promotes Happy Workplace, Teamwork, Think Good Do Great and Stay Healthy.

- The HR Clinic program offered consultation and some advice to solve their personal problems ranged from depression, stress, work or family problem etc. Experts with consultant experience from the Human Resource Department provided mental treatment via a telephone conversation or an appointment of a personal session. Activities for mental self-awareness i.e. meditation were held throughout the year.

- The Company has set preventive measures for occupational health and safety of associates in case of a pandemic, by complying to and thoroughly communicating the measures and orders from government agencies to employees, appointing a committee to oversee and control possible spread of diseases within the company, arranging flexible work patterns such as work from home, and supporting vaccinations, medicines, and necessary equipment for employees and their families.

- In addition, The Company also provides Telemedicine Service that is an online health consultation service as a channel for associates to schedule an appointment for a virtual doctor's visit via their mobile phone by scanning the QR CODE which will further access to the Line Application, then associates can consult with a doctor or a nurse via VDO Calls on a daily basis. This service also provides medication delivery services to associates, which gives associates access to medical treatment anytime, anywhere. Moreover, the Company also provide medical doctors at the Head Office's infirmary room on Mondays and Wednesdays to treat and consult the associates while nurses are on duty every day from Monday to Friday.





- Ergonomics risk assessment ensured that working station settings were suitable and lowered ergonomic pains in workforce. The investigation suggested that the Ergonomics risk associated associates entailed improper gesture and working environment. As such, the Company organized ergonomic trainings to imbue associates with correct postures while amending working station to fit operational requirement.
- The Company prioritized and tracked the health condition of associates through the annual physical checkup and found that most of the associates has a health problem related to office syndrome, respiratory syndrome, and Dyslipidemia. Therefore, the Company arranged various activities both preventive measure and promoting healthy habits by changing the behavior that could lead to the risk of those syndrome such as:
  1. HomePro Fun Walk Project: aiming to promote good health by encouraging associates to engage in physical activities such as walking or running more frequently in their daily lives through the use of a mobile application called “Wirtual”. This application records the number of steps taken by participants. Those who accumulate the required number of steps according to the specified criteria become eligible to receive rewards as per the predefined Step milestones. Additionally, an outdoor HomePro Fun Walk event was organized for associates and business partners to participate in, held at the Suan Somdet Phra Srinagarindra Park on June 10, 2023. The event attracted 800 participants. Following the Fun Walk event, the total number of steps walked is converted into a monetary donation for the “Steps for Elderly Care at Siriraj Hospital” project, which commenced on April 1, 2023, and concluded on June 30, 2023, spanning over 3 months. The total amount raised exceeded 2,000,000 Baht as of August 10, 2023.



2. Provide health trainings, held by professional medical experts through both in room and online channel so the associates of the Company and subsidiaries could participate and make inquiry on health issues in the training. The purpose of the training is for the associates to have better understanding and can handle various diseases and symptoms effectively. In the year 2023, one training session was conducted both online and in meeting rooms, focusing on the topic of “Interpreting health check-up results to anticipate risks before diseases occur”. The session was led by Dr. Narinthon Sutsinthanont, a specialist in Wellness Anti-Aging from the Add Life Health Examination Center. The aim was to provide associates with knowledge and understanding of health indicators and numerical values that indicate good or abnormal health conditions.

In addition, the Company allow associates to gather and form sports and recreational activities clubs (Sport Club) as preferred and volunteered, such as sports club of football, badminton, table tennis, fitness, jogging, and yoga.

### Track of Health Condition and Recovery

The Company followed up on associates who participated in the Health Care Activity. From the annual health results of the associates in 2023, found the associate’s health results as follows

Summary of Associates’ Health Results	2020	2021	2022	2023
Associates have normal cholesterol level, less than 200 mg/dL (%)	40%	42%	49%	44.61%
Number of treatments for associates who have Office Syndrome (Time)	1,488	599	1,479	1,101

### Safety care



The health and workplace safety of the associates are the most essential factor. The Company prioritized and enforce the Occupational Health and Safety (OHS) policy that all the associates must be responsible for themselves as well as their coworkers with the common goal of having Zero Accident.

Safety and health of associates are key factors that the Company must focus and manage the proper environment in the workplace. The Company selected the toxic-free equipment to prevent pollution and chemicals residual during the operation process. Safety equipment that are harmless to health in both short and long terms are prepared such as Back Support belts for staff lifting tiles and heavy materials and ventilators for Back Stock areas

The Company constantly monitored the working environment such as measurement of the brightness of light. In addition, OHS policy was determined by assigning the loss prevention department that specifically responsible for health and safety within the workplace to provide relevant knowledge to associates, improve the performance of the OHS management system, inspect, recommend the working environment, risk assessment for equipment, and promote safety campaign as well as follow up the results. The Company maintain tight relationships with associates and the stakeholders via regular checkups, meetings and consultation regarding their overall wellbeing at work as well as health and safety.

The Company along with the assigned department are also responsible for close monitoring as well as OHS risks and hazard assessment to identify what could cause harm in the workplace to health and safety of associates to set priorities of the risks in order to accordingly create appropriate action plans to ensure that the OHS-related targets would be met by the target year 2025. Since many tasks in the store involve health and safety risks to associates, the Company provides knowledge and training on equipment usage on a regular basis such as ladder trolley and Car Hand Jack to ensure correct usage and safety.

Furthermore, the Company extended the policy of safety to cover major suppliers and business partners in the supply chain in which one of them was a contractor who played the main role in construction projects. Especially during the procurement processes, that the regulations upon safety would be specified in a contract that a contractor working with the Company must strictly follow the safety checklist and provide a security guard at a construction site as well as hire an external consultant certified by the standard of ISO 14001 for the additional investigation apart from the weekly

investigation by the project manager of the Company. Moreover, safety would also be provided to contract workers of a subcontractor to be aware of human rights principle and follow International Labor Standards (ILO) such as no child labor hiring, legal foreign workers with work permits, and no compensation exploitation. Additionally, contractor must provide proper facilities for workers such as toilet, bathroom, washing room, canteen, store, childcare room, accommodation, and safety training. All contractors must also provide life insurance to their workers in case of death while working, additional to what is defined by the law.

With numerous campaigns and emphasis on safety, the Company received awards relating to health, safety, and working environment from various organizations in 2023 as follows: Awards from the campaign to reduce workplace accidents to zero from Thailand Institute of Occupational Safety and Health (Public Organization) totaling 95 stores, consisting of : 3 gold level awards, 14 silver level awards, 38 bronze level awards and 40 first level awards.



Award ceremony from the campaign to reduce workplace accidents to zero  
By the Institute for the Promotion of Safety, Occupational Health and the Working Environment (Public Organization)

Incident	Cause	Prevention Measures	Target
Slips and falls	<ul style="list-style-type: none"> <li>Wet floors</li> <li>Uneven terrain</li> </ul>	<ul style="list-style-type: none"> <li>Maintain the condition of floor and pavements on regular basis</li> <li>Install warning sign for the associates to mind their steps</li> </ul>	0 Accident
Fallen objects	<ul style="list-style-type: none"> <li>Destabilization of objects at high altitude</li> <li>Areas are not restricted while arranging merchandises</li> </ul>	<ul style="list-style-type: none"> <li>Installations of railings on high storage areas to prevent merchandise from falling off</li> <li>Wrap and secure merchandises before storage</li> <li>Areas must be restricted to personnel only while arranging merchandises</li> <li>Rules and regulations on placing merchandises on high places to maintain stabilization.</li> </ul>	
Back injuries	<ul style="list-style-type: none"> <li>Lifting heavy merchandises</li> <li>Moving merchandises with wrong positioning</li> </ul>	<ul style="list-style-type: none"> <li>Provide proper lifting equipment to employees</li> <li>Education on proper handling of merchandises</li> </ul>	
Falling from high places	<ul style="list-style-type: none"> <li>Lack of preventative equipment</li> <li>Not wearing preventative equipment</li> </ul>	<ul style="list-style-type: none"> <li>Procure and require associates to equip harnesses prior to climbing ladders</li> <li>Installations of railings on elevated working spaces</li> <li>Mobile ladders must be set in an immobilized stage prior to usage</li> <li>Install instruction signs of how to properly and safely use equipment</li> </ul>	
Hit or other impacts	<ul style="list-style-type: none"> <li>Hit or other impacts while moving equipment</li> <li>Hit or other impacts while moving merchandises</li> <li>Hit or other impacts around area with sharp edges or corners</li> </ul>	<ul style="list-style-type: none"> <li>Incase of moving equipment, at least 2 persons must be assigned</li> <li>Incase of operating a forklift, the driver must always give signals to create awareness</li> <li>Incase of operating a crane, the operator must be trained and an associate must be assigned to give out signals while moving merchandises</li> <li>Unrelated personnel must be kept out while forklifts or cranes are in operation</li> <li>Install warning signs around areas with sharp edges or corners along with impact cushion</li> </ul>	

## Statistical of Accident Rate

Accident Rate	2018	2019 <sup>7</sup>	2020	2021	2022	2023
Assessed Associates (Percent of total associates)	100	100	100	100	100	100
Accident Rate/store <sup>1</sup>	0.14	0.22	0.33	0.31	0.16	0.20
Lost time Injury Frequency Rate <sup>2</sup> : LTIFR	0.25	0.41	0.64	0.67	0.31	0.36
• LTIFR - Associates	0.18	0.30	0.79	0.47	0.58	0.85
• LTIFR - Contractors	0.64	0.61	0.51	0.24	0.17	0.11
Lost time Injury Rate : LTIR <sup>6</sup>	0.05	0.08	0.13	0.13	0.06	0.07
• LTIR - Associates	0.04	0.06	0.16	0.09	0.12	0.17
• LTIR - Contractor	0.13	0.12	0.10	0.05	0.03	0.02
Lost Workday Rate : LWD <sup>4</sup>	0.05	23.61	1.90	26.25	0.67	1.17
• Associates (n/200,000 hours worked)	0.0577	0.0553	0.0441	0.0487	0.0472	0.0591
• Contractor (n/200,000 hours worked)	0.0093	0.0270	0.0414	0.0139	0.0063	0.0166
Lost time Injury Severity Rate <sup>3</sup> : LTISR	0.25	118.06	9.48	131.27	3.34	5.87
Fatal Accident (time)	0	1 <sup>4</sup>	0	1 <sup>4</sup>	0	0
• Associates	0	1 <sup>4</sup>	0	1 <sup>4</sup>	0	0
• Contractor	0	0	0	0	0	0
Fatalities (person)	0	1 <sup>4</sup>	0	1 <sup>4</sup>	0	0
• Associates	0	1 <sup>4</sup>	0	1 <sup>4</sup>	0	0
• Contractor	0	0	0	0	0	0
Occupational Illness Frequency Rate <sup>5</sup> : OIFR	0.0001278	0.0000738	0.0000583	0.0000233	0.0000567	0.0000385

- Remark:**
1. Accidental Rate = Number of accident / Number of stores
  2. Lost time Injury Frequency Rate = (Lost time Injury Frequency x 1,000,000 hour) / total working hours
  3. Lost time Injury Severity Rate = (Lost time Injury Severity x 1,000,000 hour) / total working hour
  4. Occurred due to Force Majeure
  5. Number of cases / Total working hours
  6. Lost time injury rate = (number of accident/total working hours x 200,000)
  7. Since 2019, the Company has included accident rates of its subsidiaries in Thailand in the calculation
  8. This table is part of the OHS performance metrics

## Measures and Action Plan for Accident Prevention

1. Supervise, oversee, and emphasize strict adherence to safety, occupational health, and environmental standards in the workplace, and provide tools to reinforce safety practices among associates. This includes ensuring that all high-risk equipment in the workplace has safety operation warning signs, and quarterly reporting to the Company's board of directors, who are directly responsible for overseeing occupational health and safety.
2. Environmental Survey on the surrounding areas for potential dangers or accidents from the operations to set standards of prevention to ensure that there is no repetitive accident.
3. The Company places great importance on safety at work. Therefore, there has been a review of the provision of safety equipment for work that is at risk, for example, working at a height of more than 2 meters. For this work, there must be safety belts for use, trolley, stairs, and electric lifts when performing work and prepare for security inspections from work safety centers in 12 districts.
4. According to the Ministerial Regulations in 2022 on the provision of safety officers at work, personnel, agencies, or groups of people to carry out safety operations in workplace has determined the types of department store business, retail business or wholesale business (according to List 2, Section 45) that the Company must provide safety officers for work as follows:
  - 4.1 Provide safety officers by position when there are 2 or more associates, namely a supervisor and an administrative safety officer, which the Company has implemented, followed up and checked registration.
  - 4.2 Arrange for safety officers with specific duties
    - 4.2.1 For the store with associates of 20-49 people, one technical safety officer is provided.
    - 4.2.2 For the store with associates of 50-99 people, there are 2 stores providing advanced technical safety officers.
    - 4.2.3 For the store with associates of 100 people or more, there are 113 stores providing professional safety officers.

The Company has considered and approved the establishment of a professional safety officer to drive and carry out safety work more, moving to 12 officers, and the long-term plan is to arrange for personnel with the required qualifications to receive training in courses as determined by the Director-General of the Department.
5. Evaluate additional risky operations and provide work procedures and specify personal protective equipment (PPE) in order to prevent risks or dangers from work
6. The Company supported the provision of Automated External Defibrillator: AED in newly opened stores and has a long-term plan to be available in all stores.
  - 6.1 In 2023, the Company provided 11 Automated External Defibrillator : AED in newly opened stores and 19 units in stores that opened before 2023

## Measures and Action Plan for Accident Prevention (cont.)

- 6.2 In 2024, the Company plan to install 15 units
- 6.3 In 2025-2026, the Company plan to install another 50 units which cover all stores As well as providing training on how to use an AED and procedures for resuscitation to respond to emergencies when encounter an unconscious patient, by organizing training with CPR mannequins, rotating 100%, targeting associates in the loss prevention department, security staff who have passed 100% training, and Customer Service Department employees (CS), Receiving-Delivery Department employees (GR) who have passed 40% of training for each department.
7. The Company has the Deemore HomePro activity, which is an activity for associates to participate in doing good for themselves, customers, co-workers, the organization, society and the environment by giving coins to accumulate in order to redeem for prizes. In terms of safety, Near-Miss Report activity is carried out to help create awareness about safety at work for associates. If associates encounter an unsafe event that may lead to an accident, they can report it to the Loss Prevention Department in order to prevent the unsafe event. Associates who report will receive rewards according to the conditions set by the Deemore Home Pro activity.
8. Review the practice of random drug testing of associates, which aims to provide social opportunities (the drug user is a patient), with changes from the original, from dismissing associates when drugs are detected in the body to giving them the opportunity to receive treatment and return to work if first diagnosed. And add new target groups for random inspections, such as new associates and associates who have had accidents, and watchlist associates.
9. Communication and public relations in the form of Visual Control is made, providing instructions on how to proceed in the event of an emergency in the form of a tabletop sign that provide customer service within the branch, including safety in using work equipment to let associates know. In addition, the Company has developed a manual on safety, occupational health, and safe working environment in accordance with safety laws and ISO 45001 guidelines, to spread the knowledge and guide safe working practices to all associates.
10. Practice emergency drills such as annual fire evacuation drills. Each associate must participate in training according to their role in order to be prepared to deal with emergency situations. All stores have completely performed 100%.
- Currently, the Company is implementing Management Cockpit, which is a project to centralize crisis notification and monitoring with staff working 24 hours a day. In security work, the Company has established joint planning to have a system for observing safety behavior in work with the Management Cockpit in order to monitor and prevent unsafe events.

## ● Evolving into Innovative Organization

Today's world continuously changes, regulations in business operations need to be accordingly agile in order to be in line with economic conditions that every organization need to adapt for survival. The Company place great the importance of developing associate, work process, products and services to drive the organization to grow sustainably under HomePro's Core Values in order to be the main guideline of the Company for the associates to regularly adhere to.

Embrace Speed & Agility is one of HomePro's Core Values that the Company promotes and supports associate to have space for expressing creative thoughts and ready to change perspectives and attempt to find new ways to work easily, comfortably, and quickly in both product and service development and work process to have better quality and more efficient.

In addition, the Company promotes knowledge and increase skills in Creative and Design Thinking to associates. There are trainings in classroom, workshop, and online format continuously with the goal for associates to bring concept to create added value for the Company in every aspect.

To foster innovation, the Company promotes and supports innovation to arise in the organization by providing multi-channels that associates can send ideas or opinions regarding new innovations, such as

- Email to inno@homepro.co.th
- WPU Talk Program is a program that top executives open an opportunity for associates around the country to talk, ask, and express opinions during live talk. Top executives are ready to listen to every opinion, every idea from associates at all levels because big changes started from important small voices of every employee.

- Kids build the Home Project ("Deksangbaan") is a project where associates think and develop new ideas in groups both for project that the Company never conducted before or develop the existing process/project to be better.

### DEEMORE Project



The Company organized the DEEMORE project with the objective of promoting associates to recognize the importance and cultivate good behavior, which is fundamental for self-care, family co-living, teamwork, and society. This aims to create a positive image for the organization and serve as a tool to reinforce HomePro Core Values in instilling behaviors according to the 15 KBs. Additionally, it aims to allow associates to develop themselves and enhance engagement within the organization through various activities designed to align with the objectives. with the following criteria:

1. Good for oneself
2. Good for customers
3. Good for colleagues and the Company
4. Good for society and the environment

When associates participate in good deeds according to the specified criteria, they earn coins that can be redeemed for rewards such as concert tickets, cinema movie tickets, and other prizes. In the year 2023, a total of 14,893 associates participated in 18 projects, and a total of 2,140,600 coins were distributed to associates, equivalent to 214,060 Baht.



## ● Deksangbaan Project

The Company always promotes associates to participate in developing the organization through new projects, concepts or new innovations. In 2023, the Company has conducted Deksangbaan Project in order to provide an opportunity for associates at all levels to fabricate creative ideas for innovation, process, and technology to be used to create social and organizational values. Also, this helps the organization to be flexible, agile, and adaptive according to technological development. The project gets support from the management to be practical supporting for mission and vision of the organization. Associates who want to participate can propose projects that match with any of the 4 concepts as follows :

1. **Profit** create innovation, create new business, create new products, to increase income and profit for the organization to grow the business sustainably.
2. **Customers** create innovation or process that promotes Customer Success, respond to customer's needs, make customers access products and services more easily, comfortably, and quickly.
3. **Society** create innovation or process that is beneficial to the public and society.
4. **Productivity** create innovation or management system or use the already existing process to increase the work efficiency.

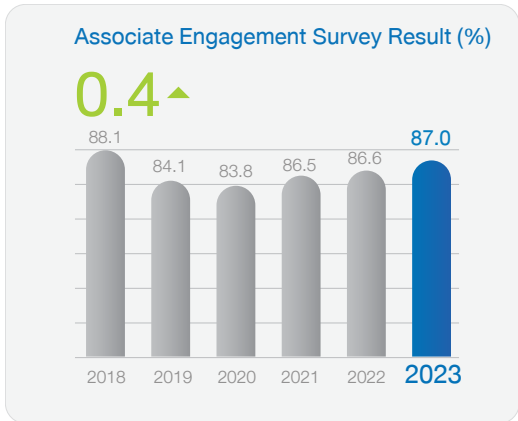
In 2023, there were 88 associates participating in the project. There were 22 projects proposed by associates, which 4 of those projects passed the selection process to the final round. Winning projects that passed the selection process by the committee would receive reward with more than 1 million baht in value.

## ● Associate Satisfaction Survey

The Company conducts associate satisfaction survey annually as well as analyzing results to foster strong engagement toward within the organization, thus, the Company has lower associate turnover rate than peers within the industry.



### Results



**Remark:** Since 2018, there was revision in Satisfaction survey's criteria to Associate Engagement.

Associate Satisfaction survey result (%)	2018	2019	2020	2021	2022	2023
<b>Gender</b>						
Male	87.8%	84.2%	84.2%	87.2%	87.0%	88.4%
Female	88.3%	83.9%	83.3%	85.8%	86.1%	86.8%
<b>Age Group (Years old)</b>						
18-22	88.0%	83.5%	83.3%	84.9%	84.9%	87.0%
23-40	88.1%	84.3%	83.7%	86.5%	86.5%	87.4%
41-55	88.1%	84.0%	83.9%	86.9%	87.0%	88.6%
> 56	88.2%	84.5%	84.8%	85.8%	85.4%	80.2%
<b>Management level</b>						
Vice President and above	87.2%	82.0%	85.7%	84.6%	84.6%	86.2%
Assistant Vice President	87.7%	83.9%	84.4%	86.3%	86.3%	90.2%
Division Manager	88.5%	84.3%	82.0%	84.6%	84.6%	85.4%
Section Manager	88.7%	85.4%	84.3%	87.5%	87.5%	88.4%
Staff	88.2%	85.1%	83.6%	86.1%	86.1%	87.4%

## 2.3

# Creating opportunities and careers with business partners



## Goal

- 1 To ensure 1,800 technician teams are available by 2025.



## Strategies

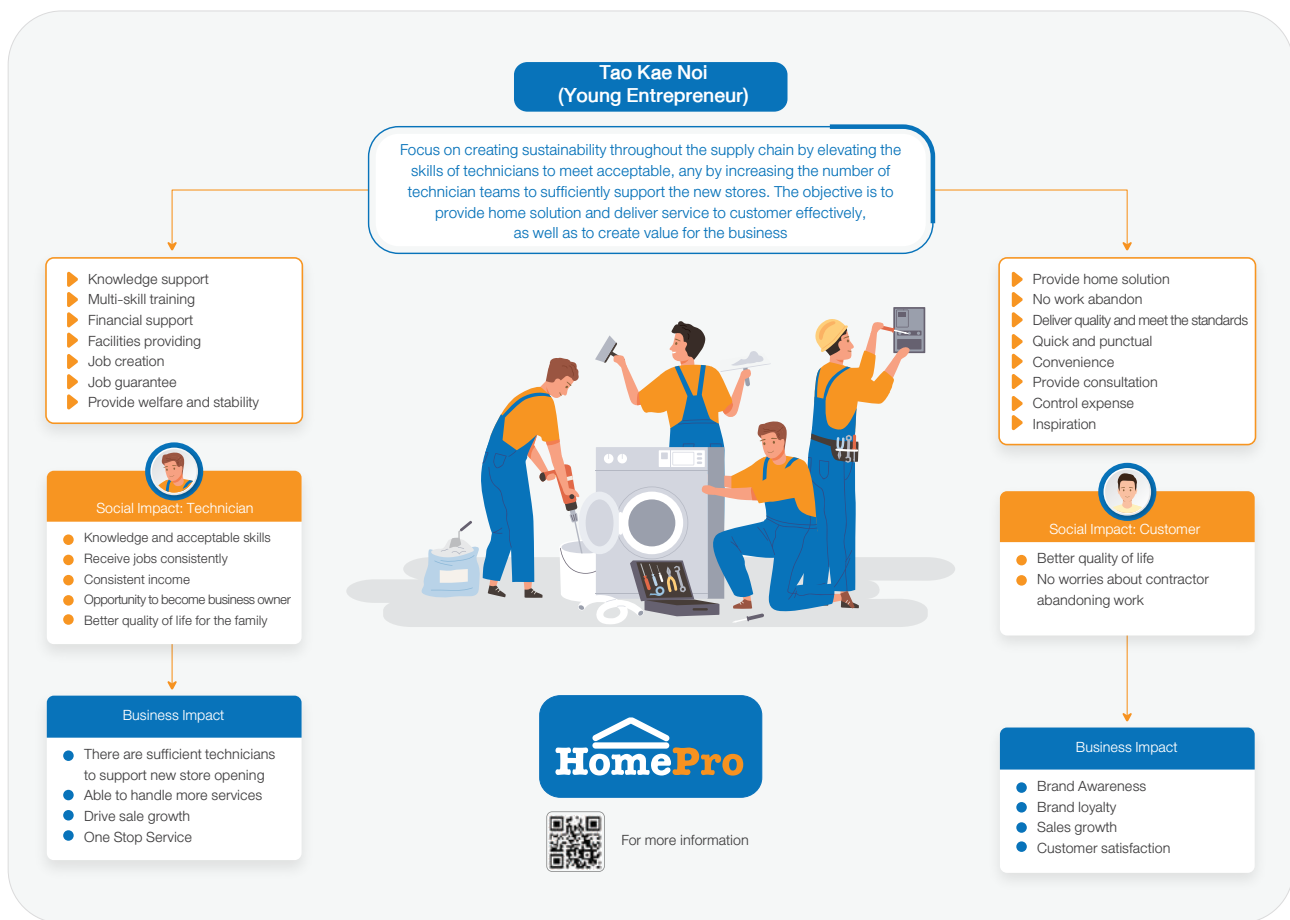
- 1 To maximize the potential and capabilities of the Young Entrepreneur technician team (“Tao-Kae-Noi”).
- 2 Create a stable income for the Tao Kae Noi technician team.

## Management

The Company is committed to elevating sustainability throughout the supply chain, particularly among our technicians teams or outsourced companies, which are crucial. The Company organizes training programs for technician teams to enhance their knowledge and professionalism in customer service, ensuring standards are met. Additionally, there's a consistent distribution of tasks among technicians and continuous income streams. This fosters economic growth in line with the Sustainable Development Goals (SDGs) set by the United Nations, specifically SDG 8: Decent Work and Economic Growth. This promotes sustained economic growth, full and productive employment, and meaningful work for all.

## ● The Young Entrepreneur “Tao Kae Noi” Project

The Company strives to support and promote the good quality of living for the community and the society by offering sufficient Living Wage. The Company also promotes economic growth by providing training for technicians in Young Entrepreneur program. This is to ensure the sufficient supply of the standard technicians who provide services to customers, since a lot more customers are looking for technicians for home repair and maintenance nowadays. Unfortunately, the problem lies in the quality of the technicians that do not meet the customer’s requirements. The Company consistently enlarges services and is needed of more numbers of technicians. The current workforce is made of full-time staff and subcontractors. Surveys by the Company indicate that there are plenty of competent technicians who wish to own a business but lack financial support. As such, the Company offers support and assists to turn them into an entrepreneur so that they are ready to take more assignments provided by the Company and grow together with the Company.



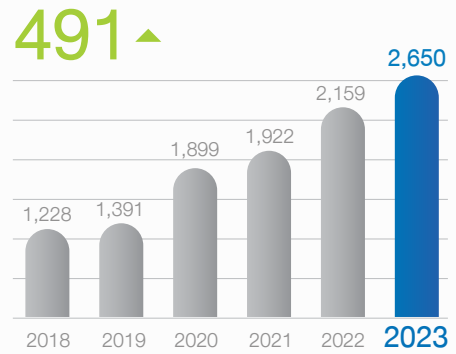
### Operating Process

The Company would provide support to small contractors that were lack of financial supports, technical knowledge, equipment, and fundamental facilities under the project of Young Entrepreneur “Tao Kae Noi”. The Company distributed home services to external contractors in which technicians would be trained to acknowledge working policies, instructions, and procedures to provide services to customers within the same standards. In addition, the Company emphasized the enhancement in Tao Kae Noi’s technical skill to be in accordance with international standard by offer technician to participate the “national skill’s standard test” by Department of Skill Development, Ministry of Labor.





Number of Technician teams



In 2023, the number of technician teams increased by 491 to a total of 2,650. This expansion created jobs and careers for over 5,000 technicians and generated 1.217 billion baht in income.

In addition, the Company received “Skill Development Network” award from the Department of Skill Development, Ministry of Labor, for being the organization that strived to develop its personnel to align with Thailand 4.0 goal of the government. The goal is to develop labor to have the necessary skills that match the demand of the labor market. The Department of Skill Development will select from 27 public and private sectors nationwide from companies that consistently cooperate in providing job security for Thai labor and support Thai team in competing internationally.

### “Home Service Academy” Technician Training Center

The Company has expended programs to develop professional technicians in to the labor market, at the same time continues to elevate the living standards of Thai technicians. The Company established a technician training center “Home Service Academy” at Rangsit that was permitted and certified by the Department of Skill Development under the Ministry of Labor of Thailand. The center provides technicians with 2 main curriculums including the 1st level of installation of air conditioner for residential and small commercials, and 1st level of installations of interior electrical systems. The programs consist of theories as well as onsite practical knowledge along with the standardize testing. Currently, there are 82 technicians who have completed the courses and have been employed by the Company to support Home Service operations, thereby helping to alleviate the shortage of technician labor.



### Technician Training Project in proper handling of refrigerants

In 2023, the Company collaborated with the Electricity Generating Authority of Thailand (EGAT), electrical institutes, and various universities to launch the project “Promotion of Proper Management of Air Conditioner and Refrigerant Disposal Process.” This project serves as a pilot and a model under the support of the EGAT Cooling Innovation Fund (CIF) to promote awareness and proper management of air conditioner and refrigerant disposal across all sectors. Additionally, there was an “Old to New” campaign offering a 1,000 baht discount to individuals

who replaced their old air conditioners with new inverter air conditioners, which promotes energy efficiency and sustainability in natural resources and the environment. The old air conditioners from customers’ homes, considered electronic waste, contain components that cannot naturally decompose and may contain hazardous substances that could impact the environment and human health. The Company has prepared to manage old air conditioners and refrigerants brought in by customers for exchange to new units. More than 12 Home Service

technician teams are selected to undergo theoretical and practical training. This training aims to equip technicians with knowledge and expertise in dismantling, installing, and properly handling air conditioners and refrigerants.



*Technician Training Project in handling refrigerants correctly at the Home Service Academy technician training center*

### Technician and Delivery Service Award

The Company is strived to developing a team of technicians to have quality and standards to support service work that meets the needs of customers. This involves providing training for technicians and regularly monitoring and evaluating their performance. Additionally, the Company organizes the Technician and Delivery Service Award ceremony, where teams from across the country are evaluated based on various criteria, including job success, customer satisfaction, commendations from customers, punctuality, and complaints from customers in which the number of complaints was 0. In 2023, 27 teams of technicians passed the criteria and received awards in the electrical appliance conditioner cleaning service and 9 teams of washing machine/dryer cleaning service category, while 36 teams succeeded in the delivery and assembly work category, totaling 72 teams.



*Technician and Delivery Service Award Ceremony*

## 2.4 Social and Community Development



### Goals

- 1 To create a better living for communities and society's through projects and activities.
- 2 Expand the "Restroom for Communities" project to cover every province where stores are opened.



### Strategies

- 1 To provide facilities in communities and societies for better well-being.
- 2 To widen the participation of associates and stakeholders in all sections to instill sustainable values in society.

## Management

The Company places importance on providing well-being to communities and society, creating jobs, and fostering careers, as well as supporting and collaborating with all sectors. This is achieved by applying the principles of Business for Societal Impact (B4SI) to develop a strategy for the Company's integrated social activities. These activities aim to promote the development of the quality of life of people in the communities through sustainable development policies and activities, aiming to address societal challenges in a concrete manner and elevate the community's ability to progress alongside the business and sustainably self-reliance.

This is done through the following projects and activities: Studying the guidelines for conducting social activities based on international standards of the Business for Societal Impact Framework (B4SI), Corporate Social Responsibility (CSR), Creating Shared Value (CSV), and Social Enterprise (SE). Corporate Social Responsibility in process (CSR in process) is considered alongside the preparation of the Company's operational framework.

## Restrooms Project for Community

With the determination to improve the well-being and promote the hygiene of students in rural areas, people with disabilities and senior citizens, the Company donated hygienic restrooms to public schools under the Ministry of Education nation-wide. The campaign is called “Kids’ Restrooms project”. The Company also collaborated with the Bangkok Metropolitan Administration to renovate a number of selected restrooms in public parks throughout Bangkok to meet the standard of Universal Design. These restrooms were approved by Healthy Accessibility and Safety standard of the Department of Health, Ministry of Public Health according to the hygiene, affordability, and safety. Since 2017, the Company expanded its project from Public Restrooms for the Elderly to Restrooms for the Disabled. The Company surveyed the need of disabled people in Karunyawet Home in Chonburi, which takes care of more than 400 people with disabilities. The restrooms were designed and renovated to be hygienic, safe, and comfortable for better quality of life of people with disabilities.

In 2023, the Company initiated restroom renovations for Wat Chaiyaphum School (Chaiyaphumwitthayakhan), located in the flood-affected area of Sena district, Phra Nakhon Si Ayutthaya province. The existing restrooms were deteriorated and damaged, caused by several years of usage and annual flooding issues. The Company designed and renovated a total of 10 restrooms by completely redesigning them as elevated restrooms, along with upgrading drainage systems and waste disposal systems suitable for flooded areas, ensuring durability, flood resistance, and safety for the school. Furthermore, the Company conducted on-site surveys of schools in Kalayaninu wattana and Mae Chaem districts, Chiang Mai province, remote areas situated on high mountains. The restrooms in these schools were dilapidated and unusable, with no budget allocated for repairs by the schools. Therefore, the Company designed and renovated a total of 46 restrooms for 9 schools, while also providing knowledge on restroom maintenance and proper restroom usage techniques.

### Performance

	2016	2017	2018	2019	2020	2021	2022	2023	Accumulated amount since the beginning
Number of Toilets									
- Kids’ Toilet	54	-	25	26	10	21	10	56	<b>2,519</b>
- Public and Elders’ Toilet	36	-	3	7	16	-	-	-	<b>62</b>
- The Disabled Toilet	-	24	24	1	-	39	-	-	<b>88</b>
Donated amount (Million Baht)	5.4	1.4	3.1	2.0	1.6	3.6	0.6	3.3	<b>160.1</b>
Number of associates participated in this project (Person)	100	50	75	60	20	36	20	30	<b>1,536</b>

### Before Renovation



### After Renovation

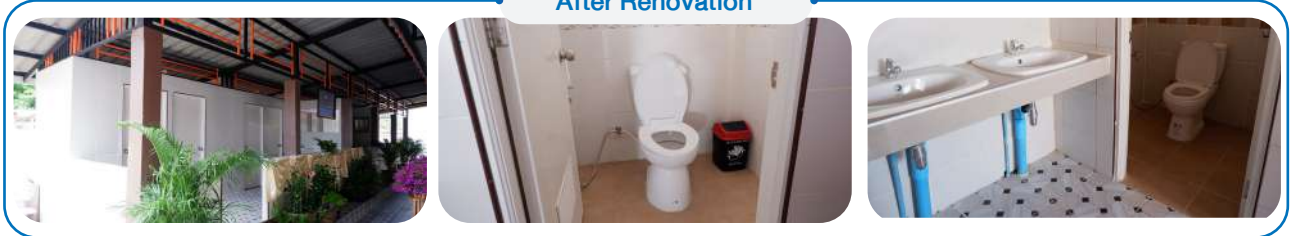


*Pictures of bathrooms of a school in Galyani Vadhana District in Chiang Mai Province*

Before Renovation



After Renovation



*Pictures of the bathroom at Wat Chaiyaphum School (Chaiyaphum Witthayakhan) in Sena District, Phra Nakhon Si Ayutthaya Province*



## ● Activities supporting local community's occupation

In every store expansion, the Company takes into account the people in the community in the area where the store is being built with do no harm that will affect the occupations of people in those communities and participate in community development and provide sustainably support to communities through creating jobs and generating income from hiring local workers, procurement of local resources, and supporting the careers of people in the community, by opening space for people in the community to sell products in the form of community enterprises, such as:

### The 4<sup>th</sup> Pa Thai Sai Hai Sanook



The project “Thai Fabric for Fun” initiated by Her Royal Highness Princess Sirivannavari Nariratana Rajakanya aims to create sustainable livelihoods, income, and improve the quality of life for the people. Her Royal Highness wishes to see artisans in the region earn income from their local arts and crafts sustainably. The produced pieces should embody sustainability and environmental consciousness by avoiding the use of chemical dyes. Within the event, visitors can explore exhibitions promoting fabric work from Prachuap Khiri Khan province, participate in free coaching activities on batik printing led by knowledgeable experts, and witness demonstrations of natural dyeing techniques at Area 1C of Market Village Hua Hin.

### OTOP Pracharat Market



Pracharat Market gathers products from local communities, offering a comprehensive range of food, daily necessities, and handmade items. Visitors can choose from a wide selection of products from various shops within the event, which serves as a marketplace for high-quality and affordable goods, fulfilling all needs. Moreover, it also supports the creation of job opportunities, livelihoods, and income for the local community, in line with the policy of Pracharath Market. The area is supported by the Market Village Hua Hin Shopping Center at the Seaside Court in front of the shopping center.

## The 8<sup>th</sup> Pala-U Forest Durian Festival, Hua Hin City



Farmers from 10 orchards have set up booths to sell wild durians, which have unique characteristics such as smooth texture, fragrant aroma, sweetness, and crispiness, ensuring quality. These products have received GI registration from the Department of Intellectual Property, making them distinct. Additionally, there are many other local fruits available according to the season, such as rambutan, mangosteen, and bananas. The booths include: 1. Pa La-U durian community enterprise booth 2. Nueng Pa La-U durian booth 3. Pa La-U durian conservation community enterprise booth (Sri Pala-U Plantation) 4. Pala-U durian conservation community enterprise booth (Wasana Plantation) 5. Alis Plantation booth, Pala-U 6. Huai Sat Yai Agricultural Cooperative Limited booth 7. Uncle Berm's Plantation, member of Huai Sat Yai Agricultural Cooperative Limited. 8. Pa Thueng Lung Phrom Plantation, member of Huai Sat Yai Agricultural Cooperative Limited. 9. Lung Loi Plantation, member of Huai Sat Yai Agricultural Cooperative Limited. 10. Baan Rai Chaweewan, member of Huai Sat Yai Agricultural Cooperative Limited to create sustainable income for the agricultural sector. The area is supported by the Market Village Hua Hin Shopping Center at the Seaside Court in front of the shopping center.

## Economical Product Market Project, reducing the cost of living, huge discounts for Samut Prakan residents



Currently, the problem of household living expenses is rising due to the increase of prices of consumer goods, affecting the livelihoods of people at all levels. The government is concerned about the impact on people's livelihoods and has ordered relevant agencies to urgently address the issue. Samut Prakan provincial office has organized a project called "Consumer Goods Market" with reduced prices to alleviate the burden of daily expenses for the people. This includes purchasing consumer goods and necessities, as well as helping business owners sell more products, thereby increasing circulation of money in the economy. This stimulates spending, production, employment, and income generation, ultimately boosting the economy of both Samut Prakan province and the country as a whole. This initiative is supported by Market Village Suvarnabhumi.

## Running activity “One HomePro Fun Walk” counting running steps as donations, passing on happiness to the elderly

The Company encourages associates in the organization and business partners to take care of their health by running, walking, and regularly moving their bodies to build a strong body and be ready for work. This serves as the starting point for taking care of the family and continues to set an example for everyone to create good deeds and give back to society by being aware of taking care of the elderly in the country. The Company has launched a campaign for HomePro associates across the country to join the “One HomePro Fun Walk” project, enabling associates to exercise through running anywhere, anytime. Additionally, there is the Wirtual application as a tool for counting steps. The project runs from April 1, 2023, to June 30, 2023, a period lasting more than 3 months. Furthermore, a large running event is organized as part of the “One HomePro Fun Walk: Fun Walk and the Gangs” campaign at Queen Sirikit Park on June 10, 2023, in collaboration with Bangkok Metropolitan Administration (BMA), Siriraj Hospital, business partners, associates, and runners, totaling more than 800 people.

The number of steps taken by participants in the run will be recorded in the Wirtual application, counting running steps and converting it into a donation of 2,000,000 baht through the “Steps for the Elderly in Dependent Conditions Siriraj Hospital” project, helping fund the construction of the National Center for Geriatric Medicine in Samut Sakhon Province to promote a good quality of life for the elderly and serve as a model for sustainable elderly care in the future.



“One HomePro Fun Walk: Fun Walk and the Gangs” Activity at Queen Sirikit Park, led by Assoc. Prof. Chadchart Sittipunt, Governor of Bangkok along with executives, associates, and partners



Donation ceremony from the “One HomePro Fun Walk” project at Siriraj Hospital

## Religious Activities

The Company continuously organized religious activities by encouraging the management and associates to participate in religious activities on Buddhist days. In 2023, the Company hosted Kathina ceremony as follows:

Temple (Province)	Activities	Donated amount (Baht)	No. of Associate participated (Person)
Wat Dao Rueang Si Mongkhon, Kanchanaburi	Kathina Ceremony	1,864,625	300
Wat Tha Sut, Phitsanulok Province	Kathina Ceremony	201,121	220
Wat Pa Samakkhitham, Buriram Province	Kathina Ceremony	626,690	150
Wat Bot Phloi Waen, Chanthaburi Province	Kathina Ceremony	299,999	150
Wat Kha Naen, Phuket Province	Kathina Ceremony	253,082	200





## Blood Donation Project

Currently, there is insufficient reserved blood at Thai Red Cross Society. Thus, the Company would like to support this social need by annually organizing the Blood Donation Project for associates who would like to donate their blood regularly 4 times per year to further help patients that are in need.



Year	Donated amount (Milliliter)	No. of Associate donated (Person)
2019	2,790,450	6,201
2020	99,900	222
2021	36,450	81
2022	142,650	317
<b>2023</b>	<b>740,250</b>	<b>1,645</b>

## Detail of donation for Social and Community in 2023

Type of Investment and Donation for Society	Unit (Baht)
Non-cash	6,386,371
Time (Value of working hour)	679,192
Management overheads	518,400

Investment and Donation	%
Commercial Initiatives	0.1
Charitable Donations	48.7
Community Investment	34.2

## The Company also paid the annual membership fee to the following association:

Association	Value (Baht)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Lobbying, interest representation or similar	0	0	0	0	0	0	0	0	0	
Local, regional or national political campaigns/organizations/candidates	0	0	0	0	0	0	0	0	0	
Other (e.g. spending related to ballot measures or referendums)	0	0	0	0	0	0	0	0	0	
The Retailer Association	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	
Board of Trade of Thailand	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	
Thai Institute of Directors Association*	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	5,300	
Thai Listed Companies Association	-	-	-	-	25,000	25,000	25,000	25,000	25,000	
UN Global Compact	-	-	-	-	-	-	-	288,750	525,000	
TCFD Supporter	-	-	-	-	-	-	-	0	0	
Thailand Carbon Neutral Network	-	-	-	-	-	-	-	0	0	
<b>Total (Baht)</b>	<b>58,300</b>	<b>58,300</b>	<b>58,300</b>	<b>58,300</b>	<b>83,300</b>	<b>83,300</b>	<b>83,300</b>	<b>372,050</b>	<b>608,300</b>	

Remark: \*The rate is at yearly average rate due to membership payment is due every 3 years.

# ESG

## 3. Supply Chain Management with Good Governance

“ HomePro is committed to conducting business sustainably under the principles of good corporate governance, being transparent, promoting anti-corruption operation, taking responsibility to all stakeholders, enhancing sustainability throughout the supply chain from upstream to downstream, giving an importance and promoting suppliers with no discrimination by having a supplier selection process and treatment with equally and fairly. The Company realizes the importance of having good reputation suppliers that provide ethical sourcing and professionalism. Additionally, the risk management of suppliers and business partners has also been considered in social issues, environmental issues and employee welfare standards by having no violation of environmental and labor laws which is specified as a condition in the procurement contract together with promoting and supporting the Company’s suppliers to be the collective action to anti-corruption. Learning to each other's strengths encourage to business development together to increase business opportunities, reduce operational risks, increase competitiveness, and create sustainable growth together. ”



Respond rate of ESG assessment for suppliers

78%



Acknowledgement of suppliers on the Supplier Sustainable Code of Conduct

100%



Increase in the quantity of Local Procurement

94.6%

- 3.1 Supplier Sustainable Code of Conduct
- 3.2 Operating process for sustainability in supplier aspect
- 3.3 Anti-corruption



## 3.1

# Supplier Sustainable Code of Conduct



## Goal

- 1 Suppliers would receive 100% acknowledgement of Supplier Sustainable Code of Conduct



## Strategies

- 1 Encourage partners to understand the sustainability context and adopt Supplier Sustainable Code of Conduct
- 2 Communicate suppliers' sustainable practices through various channels

## Management

The Company has efficient supply chain management for sustainable business growth by giving importance to enhancing the sustainability practices of suppliers and business partners by integrating sustainability issues into the procurement process to promote sustainable procurement along with determining the Supplier Sustainable Code of Conduct to use as guidelines for conducting business comprehensively with the essential issues of environment, social and governance.



The Company supports its suppliers to conduct business sustainably by applying the Supplier Sustainable Code of Conduct covering significant suppliers in Tier 1 and other suppliers throughout the supply chain. In addition, the Supplier Sustainable Code of Conduct has been communicated to all of the Company's suppliers through various channels such as the Vendor Relationship Management system (VRM), the Company's website, and communicated through the Company's procurement department. The Supplier Sustainable Code of Conduct consists of multiple guidelines as follows:

- Business ethic: A guideline for complying with the law, cooperation in supporting anti-corruption projects, conflict of interest, fair competition and anti-competition, intellectual property, and confidential information.
- Labor standard: A comprehensive guideline covering the issues of human rights, forced or involuntary labor, child labor, appropriate wages and working hours, and the freedom of association.
- Occupational safety and health: A guideline for product safety and a safe working environment for employees.
- Environmental management: A guideline for complying with environmental laws, regulations, and standards, establishing preventive measures and resources-using efficiency, use of dangerous chemicals, as well as providing the Suppliers ESG development Program.
- Management guidelines cover systematic methods, standard control process, data recording, operation inspection and monitoring, and Whistle Blowing for reporting concerns through various channels.



To learn more about HomePro's Supplier Sustainable Code of Conduct, visit the link <https://hmpro.listedcompany.com/misc/CG/20230710-hmpro-cg-supplier-sustainable-coc-en.pdf> or scan the QR Code

## 3.2

# Operating process for sustainability in supplier aspect



## Goals

- 1 To raise the response of survey on supplier's sustainability to be 100% in 2025.
- 2 To increase the local sustainable procurement from domestic manufacturers by more than 90% of total procurement.

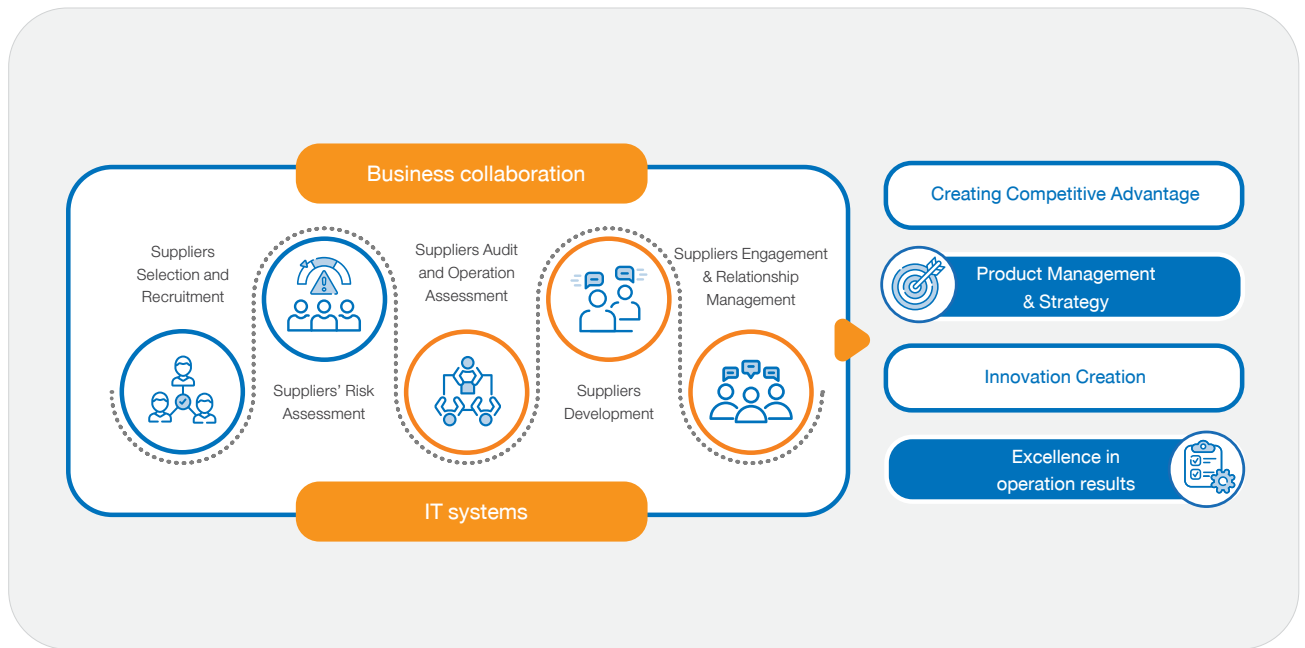


## Strategies

- 1 To select and inspect suppliers with sustainable operation potential.
- 2 To develop and leverage supplier's potential to reach mutual sustainability in the pillars of economic, social and environment.

## Management

The Company focuses on managing suppliers sustainably throughout the supply chain through the Company's measures by integrating sustainability operations guidelines according to the ESG framework in every process from the supplier selection process, supplier risk assessment and follow-up result through various indicators including risk assessment results and supplier grouping, as well as spending analysis in many dimensions including number of suppliers, type of suppliers, value spent and value by region, the auditing and operation assessment of suppliers. In addition, Suppliers ESG Program has been conducted to enable suppliers conducting business with good governance, social responsibility, reduce environmental impact and growing sustainably with the Company.



## ● Supplier Identification

The Company places importance on selecting suppliers in a sustainable manner along with setting criteria and measures for supplier selection. The Company has set Supplier Selection and Screening Criteria that considers the qualifications of suppliers covering ability, expertise, quality control, and sustainably operations according to the ESG framework. In addition, the Company has a policy to comply with intellectual property laws and not selling products that infringe copyrights, patents, or trademarks which will be checked as first priority by the Company. For the Company's private brand products, if there is no infringement, the Company will register correctly. Furthermore, policies for procurement of goods and services have been established to follow the guidelines for fair and transparent procurement practices in the same standard throughout the Company and affiliated companies. The Company gives suppliers the opportunity to offer products and services with a standard, clear, transparent process along with specifying guidelines for anti-corruption in procurement and having a channel for receiving complaints regarding procurement.

### Supplier Selection and Screening Criteria

With the commitment to maintain the product quality and safety to customer, the Company then had a clear evaluation process on suppliers. New suppliers must be assessed and pass criteria of quality and safety standards as well as an evaluation of the potential environmental impacts that may be caused by the activities of our suppliers in which existing suppliers must be regularly audited and assessed. If there was any problem, the Company together with suppliers would properly resolve such problem. The criteria for evaluation are as follows:

1. Sustainable Procurement of Raw Materials
2. Ability to Produce
3. Ability to Control Quality
4. Risk Management
5. Product Quality Audit and Traceability
6. Warehouse Management

7. Quality of Delivery
8. After Sales Service
9. Sustainable practices according to the ESG framework. Emphasized on reducing environmental impacts, maintaining social integrity and ensuring good corporate governance.

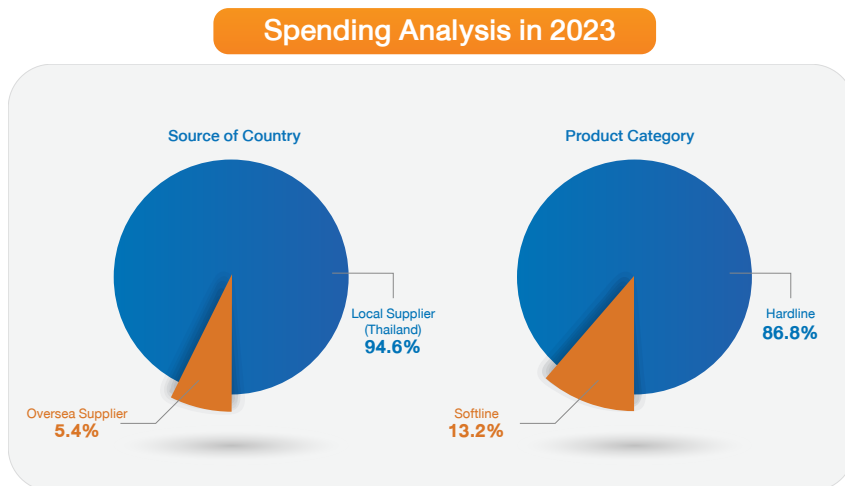
In addition, the Company gives importance to compliance with the 2560 B.E. Trade Competition Act by the Trade Competition Commission for the guidelines of trade practices between retailers and manufacturers/ distributors under the Trade Competition Act B.E. 2560 (2017). The Company and suppliers jointly amended contracts to be more detailed and transparent in which the Company viewed suppliers as business partners.

The criteria are as follows:

1. Reliable financial record and long-term growth potential with the Company.
2. Manufacturing process and other green procurement that comply with the laws regarding the community and environmental concerns such as respect human rights, no illegal employment, and also no harm to the environment.
3. Manufacture or distribute products with requirements and quality audit.
4. Support in promotional campaigns and provide aftersales services.

## ● Supplier’s Risk Assessment

The Company has assessed the risks of both existing suppliers and new suppliers through Spending Analysis by considering data such as number of suppliers, product categories, purchase volume and location of suppliers (country-specific, sector-specific and commodity-specific). The result of the analysis is incorporated into business process and risk management in the supply chain.



The Company has set criteria for classifying significant suppliers, which consists of Significant Tier 1 Suppliers and Significant Non-Tier 1 Suppliers, in order to analyze and assess risks and determine plans to manage partners effectively. Significant Tier 1 Suppliers must meet the following criteria:

1. High-volume Supplier and/or
2. Non-substitutable Supplier

According to the criteria for supplier classification and risk assessment, Tier 1 Suppliers must have direct transaction with the Company, while Non-Tier 1 Suppliers did not conduct direct transactions with the Company. In 2023, the Company had transactions only with the Tier 1 Suppliers, and there were no Non-Tier 1 Suppliers that met the classification criteria.

In addition, the Company also considered and evaluated suppliers which might have governance risks or have impact on social and environment (Sustainable Development Risk: SD Risk) in order to manage the risk that may occur and has planned to encourage suppliers to operate sustainably in line with the direction and strategy of the Company.

To ensure the high standard and quality of supplier’s operation, the Company has set up pre-assessment and post-purchase audit by associates from purchasing department. The audit is conducted on significant suppliers, especially for Private Brand suppliers, which the Company has conducted desk assessments with systematic verification of evidence as well as the supplier visits twice a

month except from the Non-Private Brand suppliers visits. The Company also hires TNT INTERNATIONAL LIMITED as third-party inspector to check the quality of products from the manufacturers (On-Site Audit/ On-Site Assessment)

### Corrective actions in case a supplier does not comply with the agreement within the given timeframe.

- Discuss the issue by setting the scope of the problem and corrective timeline clearly.
- Verbal and letter warnings
- Terminate trade agreement
- Claim for damages

To ensure successful corrective action implementation, the Company will support suppliers through knowledge development and consultation. This support may include online meetings or on-site visits.

### Details of supplier classification and spending

Total number of Tier 1 Suppliers	1,129
Total number of Significant Tier 1 Suppliers	10
Total number of Suppliers with High Sustainable Development Risk*	2
Total number of unique suppliers assessed with potential impact	12
Percentage of total spending from Significant Tier 1 Supplier	31.44%

\*Suppliers with high sustainable development risks have implemented in corrective action plan as guided by the Company



## ● Suppliers Audit and Operation Assessment

The Company developed a guideline for suppliers to carry out their business practices. The Company refers to both national and international Code of Conduct, rules and regulations such as Labor Protection Act (United Nations Global Compact), International Labor Standard (ILO), Corporate Governance, and conduct responsible business toward Economic, Social, and Environment to build sustainable business together throughout the supply chain. Suppliers can find more details on the VRM system (Vendor Relationship Management).

In addition, "supplier sustainable code of conduct" are provided and published on [www.homepro.co.th](http://www.homepro.co.th) as the guideline for suppliers. The Company has also prepared a self-assessment questionnaire for partners covering the aspects of Environmental, Social and Corporate Governance (ESG) to provide sustainability assessment and to incorporate with sustainable practice to set as the guidance.

The Company follows up on the supplier performance regularly to reduce risks from suppliers and elevate sustainability level for suppliers. The Company arranges for suppliers performance assessment every year which has comprehensive evaluation criteria covering sales growth, profits, product delivery management, inventory management, and criteria for sustainability issues covering environmental, social and corporate governance (ESG) aspect by using the Desk Assessment method, which are standards and methodologies of a recognized industry or

multi-stakeholder initiative, and summarizing the results of supplier identification for the procurement department to communicate further with suppliers. Additionally, The Company had also created the Supplier ESG Program for suppliers who are identified at risk level or do not pass the criteria of the assessment.

In addition, the Company arranges self-assessment of the sustainability for suppliers by covering the 3 pillars of Environmental, Social, and Governance (ESG) every 3 years, and every year for Significant Supplier. In case of suppliers received high risk on ESG, the Company will call a discussion with the supplier to inform the issue and find the solution along with developing the plan together, such as to review the supplier's understanding of ESG provide training, and elevate the sustainability level for the supplier. The Company has also provided corrective action and improvement session to suppliers who did not comply with the Company's direction. Beyond the corrective action, the Company has set the capacity building program to strengthen suppliers' performance in ESG topics. The Company ensures that those suppliers can survive, adapt, and thrive in a fast-changing world with sustainability development. This capacity building program was provided to 28 of the Company's suppliers.

In 2023, the Company has no economical risk from suppliers. However, two suppliers were assessed as having high sustainable development risk (SD Risk).

### Performance in 2023

Operation details	Operating results
Respond rate of sustainability self-assessment questionnaire for suppliers	78%
No of suppliers that have been assessed (Desk Assessment)	875 Out of 1,129
Supplier received Sustainable Code of Conduct	100%
Significant Supplier were audited annually	100%
Suppliers with high sustainable risk were audited annually	100%
Suppliers with high sustainable risk were given with the plan	100%

## ● Suppliers Development

Due to the fast changing demands from the customers as the result of the environmental and situational changes such as the upcoming aging society, the awareness of global warming, and constant moving of new consumer behavior as well as the product value for money. Thus, the Company collaborated with supplier to develop and differentiate products in order to maintain existing customer base and attract new customers by establishing the following measures:

### Sharing Economy

The Company encourages SME partners to be part of sharing economy by sharing raw materials and collaborate in product development to create new product. Since SMEs have limited funding and different expertise in different products, in order to jointly create new product, they can make the most out of joint-business collaboration in activities such as joint purchasing packaging, label, and joint purchase of raw material together to gain more volume to achieve lower cost comparing to individual

purchases. In addition, there are also co-product design between the Company and SME partners to build products in which the Company specializes in designing and understanding customer needs, while suppliers are good at sourcing raw materials and manufacturing. The finished products will then reflect both good design and quality as well as potential for future innovation. Sharing economy reduces costs and combines resources, sharing of knowledge by both parties will result in lower costs and more new innovations. Through technical support, the Company empowers the suppliers to boost performance, reduce misalignment issues, and enhance corrective action implementation.

### Operation results

#### 1. Parts or Raw Material for Manufacturing

The Company acts as an intermediary for multiple supplier groups to coordinate the procurement of parts and raw material import. Negotiation under collective suppliers ensures the success of lower product cost, and effective processing fee. The Company also promotes its suppliers to participate in the circular economy ecosystem by

encouraging suppliers to use raw materials or parts that have gone through the recycling process from the Company's promotion campaign, Trade In program, to be used as a part in the production of new products

#### 2. Packaging and Products' Label

Synergy with suppliers in designing packaging products that are environmentally friendly and safe for consumers. The primary goal is to reduce use of chemical, reduce packaging, reuse packaging and use recycled packaging. The Company and suppliers collaborated to source packaging factory to achieve shared manufacturing quantity. The approach benefited both price and convenience in manufacturing process and allowed for an effective color control of packaging printing.

#### 3. Manufacturing in coordination with Suppliers

Coordination and joint manufacturing planning amongst suppliers are shared production in case that some suppliers encounter manufacturing issues such as a malfunction of machinery. This ensures that products are delivered in time.

## Suppliers Relationship Management

### Elevate service quality standard of logistics suppliers

The Company place importance on the standard of the service quality offered by suppliers to ascertain customer satisfaction, particularly logistics that must be safe and efficiently managed, from preparation to delivery. The Company controls the logistics standard of suppliers that must replicate the standard set by the Company. In 2023, the Company awarded the Best Vendor Award 2023 to suppliers with 4 different types including Compliments Award, The Best Q Award, Best Vendor Award and Best Vendor Ecommerce Award with the total of 21 awards from 320 different supplier companies that received highest compliment score from customers on services as well as suppliers companies who has the best performance in Vendor Relationship Management system (VRM) selecting based on highest job successes and compliments and no complaint received.



## 3.3 Anti-corruption



### Goals

- 1 To encourage suppliers to understand the meaning and place importance to anti-corruption
- 2 To encourage suppliers to declare and join Thai private sector collective action against corruption



### Strategies

- 1 Establish anti-corruption policy and communicate through various channels to inform suppliers to implement as guidelines
- 2 To assess corruption risk while disseminating anti-corruption knowledge to suppliers.

## Management

The Company places an importance to anti-corruption and commits to conducting business with transparency, fairness and accountability. The Company has therefore established anti-corruption policy and no gift policy to communicate with suppliers through various channels to acknowledge and use as guidelines for suppliers to conduct business under the principles of good corporate governance. In addition, the Company has cooperated with the Thai Private Sector Collective Action Against Corruption to provide knowledge on anti-corruption to the Company's suppliers as well as encouraged suppliers to declare their intentions to become a member of Thai Private Sector Collective Action Against Corruption (CAC).

The definition

# “Fraud”

in the Company’s context



Fraud intentional action to seek unlawful  
Fraud benefit for oneself and others



## Nature of Fraud



### Corruption

Abuse of authority and action for one’s own benefits and for the benefits of the organization and others



### Asset Embezzlement

Action that leads to unlawful possession of the Company’s assets or cause it to lose assets, opportunities, or other benefits, so as seek benefits for oneself and others



### False Reporting

Misrepresentation in reports, both financial and non-financial, to conceal asset embezzlement or improper action or seek benefit for oneself and others



## Guideline for fraud prevention



Assessment of fraud risks



Formulation of policy on anti-fraud and anti-corruption



Communication and educate supplier, business partner and stakeholder



Background verification of personnel and stakeholder



Internal control

## Anti-Corruption Policy

The Company is committed to conducting business with honesty, transparency, morality in accordance with the principles of good corporate governance and does not accept any fraud and corruption in all forms. Thus, the Board of Directors has announced its determination to become a member of the Thai Private Sector Collective Action Against Corruption (CAC) and assign the Company's affiliates to seriously follow the anti-corruption policy to ensure that the Company and its affiliates will taking action to prevent and promote anti-corruption properly to be in line with the Company's intentions. Therefore, the Anti-Corruption Policy has been established in writing according to internal control principles to be use as a guideline clearly with the same operational control system. The Company's anti-corruption policy has been prepared in accordance with the law of Thailand along with setting comprehensive guidelines.

### 1. Political Contribution

The Company is neutral in political matter and has neither political contribution policy nor action to show that the Company is interested in any particular political party or political group. The Company's personnel have their right and freedom given by the Constitution and other relevant laws e.g. vote for election. The Company's personnel shall not use any property of the Company or provide any service on behalf of the Company to support any political activity or shall not perform any action to cause others to understand that the Company is related to or supports any particular political party or political group.

### 2. Receiving and Giving Gifts or Other Benefits

It is prohibited to receive or give any gift or benefit unless such is made correctly, openly and transparently and not in violation of good moral, laws and rules and regulations of the Company including Receiving and giving gifts or other benefits to government sectors, state enterprises and other related sectors. This must be appropriate with situation, season and local tradition and not used as an excuse for corruption and shall not cause any conflict between personal benefit and Company benefit. Also, it is prohibited to receive or give any gift or benefit if such will affect the Company's operation.

### 3. Facilitation Payment

Facilitation payment is considered as a risk for possible corruptions. The Company have no any policy on unofficially paying facilitation payment to any government officials, both directly and indirectly

in exchange for facilitating business operations or for any government officials to help expedite the process of obtaining services from any governmental agencies, departments or organizations.

### 4. Catering and Hospitality Services

The Company prohibits from hosting or attending any catering events during the process of procurements of products or services, bidding or auctioning except that the caterings are for other special events according to social norms, customs, and traditions in order to maintain healthy business relationships while not impacting the businesses or causing conflict of interest.

### 5. Donation for Charity or Subsidy

It must be performed correctly, openly and transparently and not in violation of a good moral, laws, rules and regulations of the Company as well as other government sectors, state enterprises and agencies related and must be consistent with social, community and environmental policies or any activity to promote the sustainable development of the Company or any activity to create social benefit for society. Moreover, such shall not be used as an excuse for any type of corruption and have no hidden objective to cause any advantage or motivation in business benefits and shall not cause any conflict between personal benefit and Company benefit. In this regard, letter of approval for such matter is required and the objective and recipient name/sector must be clearly provided with related document attached in order to be proposed to an authorized person for his/her approval before proceeding.

### 6. Purchasing Audit and Contract Arrangement

Working plan, policy and authorization must be clearly specified and controlling measure must be clearly provided in order to be complied by related employees. In case the work operation is delayed, the approval must be obtained as indicated in the regulation. Also, the Central Administrative Office should be established in order to verify and confirm its correction regularly.

However, to execute the anti-corruption measures in the organization widely, the Company shall establish the supporting process for sufficient prevention of corruption e.g. audit process in sale and marketing, purchasing, human resource management, financial and accounting including channels for filing complaints etc. Moreover, practical regulations for internal use must be supervised in which the prevention of corruption must be efficiently covered.



To learn more about HomePro's anti-corruption policy, visit the link [https://hmpro.listedcompany.com/misc/CG/20230710-hmpro-cg-anti\\_corruption-en.pdf](https://hmpro.listedcompany.com/misc/CG/20230710-hmpro-cg-anti_corruption-en.pdf) or scan the QR Code

The Company continue to develop anti-corruption practices and accredited by the Thai Private Sector Collective Action Against Corruption (CAC) as target set. The Company also expands scope of the anti-corruption implementation to coverage throughout the supply chain and encourages suppliers to act against corruption. The Company held the training by cooperating with CAC to share the knowledge and information regarding the anti-corruption to suppliers and encouraged the supplier to declare and join the CAC. Moreover, the Company also has fair supplier selection which include various assessment aspects such as production capabilities, professionalism, compliance to laws and regulations and the ESG aspect. 28 suppliers have passed the anti-corruption training, which is one of the activities in the capacity building program provided by the Company. This program is set as a long-term program aiming to strengthen suppliers' knowledge and to systematically improve supplier practices and performance on specific ESG topics.

In addition, the Company also has some other measures to reduce the risk of corruption as follows:

1. The management, associates, suppliers, and stakeholders must acknowledge the Anti-Corruption policy and the Company's guidelines of good corporate governance and business ethics. Such guidelines would be posted through mails, intranet, the Company's website, and through public campaigns to encourage the management and its personnel to acknowledge and comply. The Company also communicates with the suppliers via various channels including VRM (Vendor Relationship Management), billboards, newsletters to suppliers (Business Partnership) regarding anticorruption and no gift policies.
2. The Internal Audit Department was assigned to inspect internal control, risk management, corporate governance, and to give advice on regular basis by auditing according to the annual audit plan as approved by audit committee and report on significant findings and recommendation on monthly basis.
3. The Risk Management Committee and the Internal Audit Department were assigned to constantly monitor and assess the risk of corruption as well as report the result to the Board of Director
4. If there was any significant impact on the financial position and the Company's performance as well as activities that were illegal and violating ethics, the Audit Committee would report to the Board of Directors to define the prevention measure and punish the wrongdoers as recommended by Audit Committee

5. Broaden the supply chain anti-corruption practices by encouraging suppliers to join the Collective Action Coalition Against Corruption or CAC as well as completing an anti-corruption training. In addition, the Company also promotes anti-corruption through Supplier assessment, in which anti-corruption topic was included in the questionnaire.
6. Provide channel to receive complaints or evidence of corruption through Website, email, and Hotline.

#### Website

[www.homepro.co.th](http://www.homepro.co.th)

#### Email

[md@homepro.co.th](mailto:md@homepro.co.th)

#### Hotline

0 2832 1155

#### Board of Directors

[http://hmpro-th.listedcompany.com/contact\\_board.html](http://hmpro-th.listedcompany.com/contact_board.html)

#### Audit Committee

[https://hmpro-th.listedcompany.com/contact\\_audit.htm](https://hmpro-th.listedcompany.com/contact_audit.htm)

#### Operation result in 2023

- The Internal Audit reviewed and assessed internal control. Overall, the internal control was appropriate.
- Certified to be a member of the Thai Private Sector Collective Action Against Corruption: CAC.
- The No Gift Policy has been announced and published at the head office and branches, as well as announced in the Vendor Relationship Management (VRM) system.
- Support suppliers to attend Anti-Corruption seminar organized by CAC. There are 28 suppliers joining.

#### Reporting on breaches

Reporting on breaches	Number of breaches in 2023
Corruption or Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Conflicts of Interest	0
Money Laundering or Insider trading	0



# Feedback Form: 2023 Sustainability Development Report

Home Product Center Public Company Limited

1. Reader Profile

- Gender  Female  Male
- Age  Below 30 years old  30 – 50 years old  More than 50 years old

2. Please specify your stakeholder type

- Shareholder  Investor  Supplier
- Community  Employee  Independent Organization
- Customer  Mass Media  Other (Please specify.....)

3. The reason to read this sustainability development report.....

- For support investment decision on HMPRO’s securities
- For understanding about HMPRO’s business
- Research and education purposes
- Other (Please specify.....)

4. Satisfactory level towards the sustainable development report 2023

- Information adequacy  High  Medium  Low
- Readability  High  Medium  Low
- Overall satisfaction  High  Medium  Low

5. In your opinion, which is the most significant aspect towards the company's sustainable growth?

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6. In your opinion, what should the report be improved?

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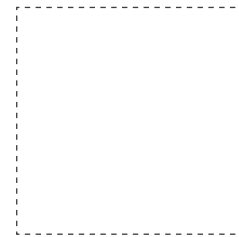
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Participate in the online questionnaire  
 by scanning this QR Code for the Company  
 to further enhance the development of  
 products and services.





To Corporate Strategy and Sustainable Development  
Home Product Center Public Company Limited  
31 Prachachuen-Nonthaburi Rd., Bangkhen,  
Muang Nonthaburi, Nonthaburi 11000

### Channels for returning Feedback Form



#### 1. Email

Scan or take a photo of the feedback form to [sd@homepro.co.th](mailto:sd@homepro.co.th)



#### 2. Facsimile

+662 832 1066



#### 3. Mail

Tear the feedback form, stamp it and send it to the address mentioned above



## ● GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or direct answer	
General Disclosures			
GRI 2: General Disclosures 2021	<b>1. The organization and its reporting practices</b>		
	2-1	Organizational details	204-209
	2-2	Entities included in the organization's sustainability reporting	52-53
	2-3	Reporting period, frequency and contact point	73
	2-4	Restatements of information	73
	2-5	External assurance	107
	<b>2. Activities and workers</b>		
	2-6	Activities, value chain, and other business relationships	51-53, 74-76, 172-178
	2-7	Employees	131-138, 249
	2-8	Workers who are not employees	135, 160-161, 176-177
	<b>3. Governance</b>		
	2-9	Governance structure and composition	234-238
	2-10	Nomination and selection of the highest governance body	226-227
	2-11	Chair of the highest governance body	225, 235-238
	2-12	Role of the highest governance body in overseeing the management of impacts	236-243
	2-13	Delegation of responsibility for managing impacts	236-243
	2-14	Role of the highest governance body in sustainability reporting	73-79
	2-15	Conflicts of interest	223-224
	2-16	Communication of critical concerns	58-67
	2-17	Collective knowledge of the highest governance body	28-39, 221
	2-18	Evaluation of the performance of the highest governance body	228
2-19	Remuneration policies	229-231	
2-20	Process to determine remuneration	229-231	
2-21	Annual total compensation ratio	248	

GRI Standard	Disclosure	Page number(s) and/or direct answer
	<b>4. Strategy, policies and practices</b>	
	2-22 Statement on sustainable development strategy	18-19
	2-23 Policy commitments	213-224
	2-24 Embedding policy commitments	150-152, 172-178
	2-25 Processes to remediate negative impacts	182, 233
	2-26 Mechanisms for seeking advice and raising concerns	158, 177-178, 183-184, 233, 224
	2-27 Compliance with laws and regulations	233, 224, 257
	2-28 Membership associations	169
	<b>5. Stakeholder engagement</b>	
	2-29 Approach to stakeholder engagement	75-76
	2-30 Collective bargaining agreements	150-151, 220
GRI 3: Material Topics 2021	<b>Disclosures on material topics</b>	
	3-1 Process to determine material topics	77
	3-2 List of material topics	78
	3-3 Management of material topics	79
<b>Economic</b>		
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	44-45
	201-2 Financial implications and other risks and opportunities due to climate change	105-106
	201-3 Defined benefit plan obligations and other retirement plans	148-152
	201-4 Financial assistance received from government	No financial assistance
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable
	202-2 Proportion of senior management hired from the local community	Not applicable
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	131-133, 138-146
	203-2 Significant indirect economic impacts	193-194
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	138-141

GRI Standard		Disclosure	Page number(s) and/or direct answer
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	179-182, 233
	205-2	Communication and training about anti-corruption policies and procedures	179-182, 233
	205-3	Confirmed incidents of corruption and actions taken	179-182, 233
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	63-64, 173
GRI 207: Tax 2019	207-1	Approach to tax	203
	207-2	Tax governance, control, and risk management	203
	207-3	Stakeholder engagement and management of concerns related to tax	105, 203
	207-4	Country-by-country reporting	203, 317-318
<b>Environmental</b>			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	80, 86-93
	301-2	Recycled input materials used	80, 86-93
	301-3	Reclaimed products and their packaging materials	93
GRI 302: Energy 2016	302-1	Energy consumption within the organization	80, 110-112
	302-2	Energy consumption outside of the organization	-
	302-3	Energy intensity	80, 110-112
	302-4	Reduction of energy consumption	80, 110-112
	302-5	Reductions in energy requirements of products and services	88
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	113-114
	303-2	Management of water discharge-related impacts	113-114
	303-3	Water withdrawal	113-114
	303-4	Water discharge	113-114
	303-5	Water consumption	113-114
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	108
	304-2	Significant impacts of activities, products, and services on biodiversity	108
	304-3	Habitats protected or restored	108
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	-

GRI Standard	Disclosure	Page number(s) and/or direct answer	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	107
	305-2	Energy indirect (Scope 2) GHG emissions	107
	305-3	Other indirect (Scope 3) GHG emissions	107
	305-4	GHG emissions intensity	80, 107
	305-5	Reduction of GHG emissions	80, 107
	305-6	Emissions of ozone-depleting substances (ODS)	-
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	-
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	94-99
	306-2	Management of significant waste-related impacts	94-99
	306-3	Waste generated	94-99
	306-4	Waste diverted from disposal	94-99
	306-5	Waste directed to disposal	94-99
<b>Social</b>			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	136-138
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	249
	401-3	Parental leave	-
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	-
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	152-157
	403-2	Hazard identification, risk assessment, and incident investigation	152-157
	403-3	Occupational health services	152-157
	403-4	Worker participation, consultation, and communication on occupational health and safety	152-157
	403-5	Worker training on occupational health and safety	152-157
	403-6	Promotion of worker health	152-157
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	156-157
	403-8	Workers covered by an occupational health and safety management system	152-157
	403-9	Work-related injuries	156
	403-10	Work-related ill health	156

GRI Standard		Disclosure	Page number(s) and/or direct answer
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	140-141
	404-2	Programs for upgrading employee skills and transition assistance programs	138-139
	404-3	Percentage of employees receiving regular performance and career development reviews	148-149
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	26-44
	405-2	Ratio of basic salary and remuneration of women to men	-
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	151
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	-
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	151, 175-177
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	Not applicable
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	-
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	163-169
	413-2	Operations with significant actual and potential negative impacts on local communities	163-169
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	175-176
	414-2	Negative social impacts in the supply chain and actions taken	175-176
GRI 415: Public Policy 2016	415-1	Political contributions	Not applicable

GRI Standard		Disclosure	Page number(s) and/or direct answer
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	87, 93
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	93
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	93
	417-2	Incidents of non-compliance concerning product and service information and labeling	93
	417-3	Incidents of non-compliance concerning marketing communications	218-219
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	218-219

## ● SASB Disclosure Matrix

The sustainability Accounting Standards Board (SASB) is an independent, standards-setting organization whose mission is to develop comparable sustainability metrics for public corporations to disclose material, decision-useful information to investors. We have considered the industry standards (as defined by SASB's Sustainable Industry Classification System) for Multiline and Specialty Retailers & Distributors, and we have provided below the relevant data and/or the location of the applicable information in our 2023 Sustainability Development Report.

### Multiline and Specialty Retailers & Distributors

Accounting Metric	Category	Unit of Measure	Code	Data Response	Reference
<b>Sustainability Disclosure Topics &amp; Accounting Metrics</b>					
<b>Energy Management in Retail &amp; Distribution</b>					
(1) Total energy consumed, (2) Percentage grid electricity, (3) Percentage renewable	Quantitative	MWh, Percentage (%)	CG-MR-130a.1	(1) 144,000 (2) 75.5% (3) 27.5%	Form 56-1 One Report Page 80,110,112
<b>Data Security</b>					
Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	CG-MR-230a.1	- Data Privacy Policy - Personal Data Protection Committee - Data Access Procedures	Form 56-1 One Report Page 217-218
(1) Number of data breaches, (2) Percentage involving personally identifiable information (PII), (3) Number of customers affected	Quantitative	Number, Percentage (%)	CG-MR-230a.2	No data breaches in year 2023	Form 56-1 One Report Page 217
<b>Workforce Diversity &amp; Inclusion</b>					
Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees	Quantitative	Percentage (%)	CG-MR-330a.1	(1) Female Management 56.08%, Male Management 43.92% (2) Female Employee 50.56%, Male Employee 49.44%	Form 56-1 One Report Page 134
<b>Product Sourcing, Packaging &amp; Marketing</b>					
Revenue from products third-party certified to environmental and/or social sustainability standards	Quantitative	Percentage of total revenue	CG-MR-410a.1	47.6% of total revenue	Form 56-1 One Report Page 87-88
Discussion of process to assess and manage risks and/or hazards associated with chemicals in products	Discussion and Analysis	n/a	CG-MR-410a.2	Having sorting process and transferring it to the supplier for a proper disposal.	Form 56-1 One Report Page 98-99
Discussion of strategies to reduce the environmental impact of packaging	Discussion and Analysis	n/a	CG-MR-410a.3	Incorporating the circular economy principles by - Reduce Packaging - Reuse Packaging - Recycle Packaging	Form 56-1 One Report Page 101-102
<b>Activity Metrics</b>					
<b>Product Sourcing, Packaging &amp; Marketing</b>					
Number of: (1) retail locations and (2) distribution centers	Quantitative	Number	CG-MR-000.A	(1) 94 HomePro stores, 27 MegaHome stores, 7 HomePro Malaysia stores (2) 1 Distribution Center	Form 56-1 One Report Page 14-15
Total area of: (1) retail space and (2) distribution centers	Quantitative	Square meter (m <sup>2</sup> )	CG-MR-000.B	(1) 1,010,000 sq.m. For retail space (2) 205,177 sq.m. for distribution center	Form 56-1 One Report Page 118

## TCFD Framework

The Task Force on Climate-related Financial Disclosures (TCFD) develops voluntary, consistent climate-related financial risk disclosures for companies to provide information to stakeholders. We have considered the TCFD framework as a tool to make meaningful data accessible to our stakeholders and have provided below the location of the relevant information in our 2023 Form 56-1 One Report.

	Recommended Disclosure Topics	Form 56-1 One Report		Additional Sources
		Section	Page	
Governance	Describe the board's oversight of climate-related risks and opportunities.	Sustainability Development Report	73	Climate Change Framework Page 2-3
	Describe management's role in assessing and managing climate-related risks and opportunities.	Roles and Responsibilities of the Board of Directors and Sub-Committees	236-242	Climate Change Framework Page 2-3
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Climate Change Management	103-106	Climate Change Framework Page 3-9
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Climate Change Management	103-106	Climate Change Framework Page 3-9
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 °C or lower scenario.	Climate Change Management	103-106	Climate Change Framework Page 3-9
Risk Management	Describe the organization's process for identifying and assessing climate-related risks.	Emerging Risk	65-66	Climate Change Framework Page 3-9
	Describe the organization's process for managing climate-related risks	Emerging Risk	65-66	Climate Change Framework Page 3-9
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management	Emerging Risk	65-66	Climate Change Framework Page 3-9
Metrics & Target	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk-management process	Materiality Assessment and Strategies and Guidelines for Driving Sustainable Business	77-79	Climate Change Framework Page 3-6
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	Carbon Footprint for Organization	106-107	Climate Change Framework Page 10
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	• Target and Performance	80	
		• Environmental-friendly Product	86-93	
	• Energy Consumption	109-112		
	• Water Management	113-114		

Remark : To learn more about HomePro's Climate Change Framework, visit the link <https://hmpro.listedcompany.com/misc/CG/20230710-hmpro-climate-change-strategy-and-governance-en.pdf>



# ● Sustainable Development Goals (SDGs)



## How HomePro is supporting

## Page

	<p><b>1 NO POVERTY</b></p> <p>End poverty in all its forms everywhere</p>	<p><b>Associates Care</b></p> <ul style="list-style-type: none"> <li>Happy Home Town Project</li> </ul> <p><b>Social and Community Development</b></p> <ul style="list-style-type: none"> <li>Activities Supporting Local Occupations</li> </ul>	<p>133</p> <p>166-167</p>
	<p><b>2 ZERO HUNGER</b></p> <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<p><b>Associates Care</b></p> <ul style="list-style-type: none"> <li>Support the salary and wage that is suitable and sufficient for living of associates and their families. (Living Wage)</li> </ul>	<p>148-149</p>
	<p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><b>Environmental-friendly Products</b></p> <p><b>Customer Care and Convenient Services Fulfilling All Customer Needs</b></p> <ul style="list-style-type: none"> <li>Home Service</li> </ul>	<p>87-91</p> <p>127-130</p>
	<p><b>4 QUALITY EDUCATION</b></p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p><b>Associates Care</b></p> <ul style="list-style-type: none"> <li>Bilateral Scholarship Program</li> <li>Increase of Capabilities in Knowledge and Skills</li> </ul>	<p>132-133</p> <p>138-147</p>
	<p><b>5 GENDER EQUALITY</b></p> <p>Achieve gender equality and empower all woman and girls</p>	<p><b>Customer Care and Convenient Services Fulfilling All Customer Needs</b></p> <ul style="list-style-type: none"> <li>Lady Service</li> </ul>	<p>128</p>
	<p><b>6 CLEAN WATER AND SANITATION</b></p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p><b>Associates Care</b></p> <ul style="list-style-type: none"> <li>Responsible for associates in terms of Human Right and respect the diversity</li> <li>LGBTQI2s+ Employment</li> </ul>	<p>150-151</p> <p>151</p>
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# Management's Discussion and Analysis

## 1. Overview of Past Performance

In 2023 Thai economic growth slowed slightly due to various constraints, including a reduction in exports caused by decreasing demand from manufacturing industries during the global economic slowdown. In addition, the Bank of Thailand raised interest rates to control inflation which affected consumers' purchasing power and caused an increase in household debt. Nevertheless, the recovery of the tourism sector remained the key driver for the Thai economy during the past year. Tourist arrivals remained buoyant, even though the overall number of tourists was below target during the second half of 2023. This resulted in an increase in consumption and spending in major tourist areas, as well as the expansion of business and employment to support higher tourist demand.

During the first half of 2023, the government issued a measure to stimulate the economy and consumer spending, namely the "Shop and Payback" measure, running from 1 January 2023 to 15 February 2023. This resulted in an increase of consumption which benefited retail businesses' sales growth from both physical stores and online channels. In addition, during the hot season, temperatures were higher than normal, which resulted in an increase in sales of cooling items, such as fans and air-conditioner units. Moreover, the Company launched a campaign to exchange old products for discounts on purchases of new products ('Trade In') to boost sales and promote a sustainable circular economy. This led to the sales growth target being achieved during the first half of the year.

During the second half of 2023 a general election was held, but the process of forming a new government was significantly delayed. Consequently, the disbursement of the government budget and plans for economic stimulus measures were deferred until 2024, resulting in a slowdown in spending during the second half of the year, as well as various other impacts such as rising interest rates, increasing debt and declining private investment. These factors all affected consumers' purchasing power, which caused lower-than-target sales in the second half of the year. However, the Company continuously organized promotional activities, including the "HomePro Super Expo" at all HomePro branches nationwide and online, the "HomePro Expo" at IMPACT Muang Thong Thani, and "Double Day" through online channels.

The Company still foresees opportunities for business growth from the recovery of the Thai economy. Therefore, the Company has been developing products and services that better match customers' lifestyles, as well as accelerating the store expansion in areas of high potential which meet customer needs, as well as increasing revenue growth and profits.

Details of an overview of the Company's operations in 2023 are as follows:

### Improve the Operational Efficiency of Revenue Generation

At present, the Company is focusing on expanding its various distribution channels to capture more business opportunities. The Company has established the stable and seamless Omni Channel starting with cross purchasing at HomePro and Mega Home stores after the merger of these two businesses, the 'Click & Collect' service in which customers can purchase goods online and pick up at stores, and the 'Same Day Delivery & Installation' service. Furthermore, the Company has continuously developed its sales systems for products and services, both at stores and for online channels, with the aim of serving every target customer. The Company has now established the following: the company website [www.homepro.co.th](http://www.homepro.co.th), HomePro Application, Home Service Application, HomeCard Application, SHOP4YOU service via Line and Facebook, and Home Pro Living Official on the Marketplace platform of Shopee and Lazada, including the website for B2B customers which offers a wide range of products and services especially for business purposes.

In 2023, the Company has launched a 'Trade In' campaign in which customers can bring in old products in participating categories (such as electrical appliances, plumbing, kitchen and home equipment, mattresses, furniture, etc.), and exchange for new products with a discount. The new products are delivered along with installation services by technicians at customers' houses and the old products are taken away to create a closed loop supply chain. The objective of the campaign is to support the appropriate management of old products and promote a sustainable circular economy, as well as increasing business opportunities in selling products.

### Products and Services Development in Response to Trends and Behavioral Changes

The Company places great importance on the development of products and services in response to evolving trends and customers' lifestyles. Also, the Company has placed great emphasis on customer behavioral studies and data analytics, including modern innovative research, with the objective of introducing products and services which match all aspects of customers' lives. For instance, the Company has introduced a solar rooftop product 'Home Solar', which includes survey & inspection, design and installation, as well as a warranty and after-sales service. The purpose is to support the trend of substituting

alternative energy sources for the generation of electrical energy, as well as to encourage long-term cost savings. Besides, in 2023, the Company has collaborated with Electricity Generating Authority of Thailand (EGAT) and Thailand Textile Institute to develop a 'smart curtain' designed to help protect against sunlight and heat (Curtain with No 5 Label). This can help to reduce room temperatures, resulting in partial energy savings.

## Sustainable Development of the Organization

The Company has introduced an 'Old for New' project in collaboration with external partners to encourage sustainability, known as the 'Trade-In' program. This focuses on an inclusive and proper waste management system to create a closed-loop supply chain contributing towards the Circular economy. For the old products that were traded-in by customers, the recyclable parts will be separated out and re-used as materials for the manufacture of new products. This can help reduce overall waste and improve the environment by minimizing pollution incurred from improper waste disposal.

The Company has also continually placed importance on supporting sustainability in the areas of environmental, social, and corporate governance (ESG). Moreover, the Company has participated as a member of the United Nations Global Compact (UNGC) for the second consecutive year and has set the objective of achieving net zero emission within 2050 by reducing greenhouse gas emission from company activities. In addition, the Company aims to continually enhance internal working practices to be consistent with its sustainability targets e.g. zero waste management, responsible plastic consumption, use of EV delivery trucks (of which there were 10 EV trucks in service during 2023), and solar rooftop installation at stores. As of December 31, 2023, the Company had fully installed solar rooftops at 90 stores.

## Store Expansion in 2023

The Company has continually focused on both HomePro and Mega Home store expansion, reflecting the positive long-term outlook for growth in the retail industry resulting from the recovery of the Thai economy. Furthermore, the Company has built solid systems and foundations for internal efficiency enhancement, to serve customers as well as to increase competitiveness since the consolidation of HomePro and Mega Home business in 2022. In 2023, the Company opened 3 new HomePro stores: at Bang Bua Thong, at Phuket (Chaofa), and at Seacon Bangkae. This last store replaces the former store at Lotus Bangkae, which was relocated in the nearby area in order to provide more selling space for greater convenience. Besides, the Company opened 9 Mega Home stores at Rattana Thibet, Bang Phli, Tiwanon, Nakhon Pathom, Chiang Mai, Bangsaen, Pluak Daeng, Thung Song and Phuket (Chaofa). At the end of 2023, there were 89 HomePro stores, 5 HomePro S stores,

27 Mega Home stores, 7 HomePro Malaysia stores. For the business in Vietnam, the Company still primarily distributes products via an e-marketplace.

## 2. New Financial Reporting Standards

### 2.1 Financial reporting standards that became effective in 2023

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

### 2.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024

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 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements except for the following standard, which involves changes to key principles, as summarised below.

#### TAS 12, Income Taxes – International Tax Reform – Pillar Two Model Rules

The amendment requires that entities shall neither recognise nor disclose information about deferred taxes related to Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This mandatory temporary exemption applies immediately.

The amendment also includes disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. These disclosure requirements apply for annual reporting periods beginning on or after 1 January 2024, but not for any interim periods ending on or before 31 December 2024.

The Group has applied the mandatory exception by not recognising and not disclosing information about deferred

tax assets and liabilities arising from Pillar Two income taxes. The management of the Group is currently in the process of assessing the potential exposure to Pillar Two income taxes on the financial statements.

### 3. Operating Results and Profitability

In 2023, the Company and its subsidiaries had total revenues of Baht 72,821.77 million and net profit of Baht 6,441.56 million, which increased from the previous year by 4.95% and 3.61% respectively.

In this year, the Company still has a growing revenue and net profit even though there were some headwinds from uncertainty of the economy during the second half of the year. By that, the Company continually developed products and services in accordance with the evolving of customer demands, trends, as well as lifestyles such as introducing new product categories, including establishing Trade-In program to boost higher sales and to promote environmental responsibility. Furthermore, the Company has expanded its distribution channels for products and services in regard to greater convenience for customers,

both at store and online purchase, in which it will enlarge service effectiveness and competitiveness. Besides, the Company emphasized on efficiency enhancement in several aspects which included cost and expense control, inventory management, and the encourage for sustainable business from solar rooftop installation at stores as well as EV trucks for delivery.

As for store expansion in 2023, the Company opened 3 new HomePro stores at Bang Bua Thong, at Phuket (Chaofa), and at Seacon Bangkae in which this store was built to support greater sales area; replacing the former store at Lotus Bangkae in the nearby location. In addition, the Company opened 9 new Mega Home stores; in Rattathibet, Bang Phli, Tiwanon, Nakhon Pathom, Chiang Mai, Bangsaen, Pluak Daeng, Thung Song and Phuket (Chaofa).

#### 3.1 Revenue from Contracts with Customers

(Unit: Million Baht)

Item	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
<b>1. Revenue from Contracts with Customers of HomePro</b>						
Hard Line <sup>1</sup>	41,864.2	69.1	44,269.3	68.0	45,214.8	66.2
Soft Line <sup>2</sup>	9,450.0	15.6	9,960.7	15.3	9,621.5	14.1
Service Income (Home Service)	598.2	1.0	709.3	1.1	806.7	1.2
<b>2. Revenue from subsidiaries</b>	<b>8,655.5</b>	<b>14.3</b>	<b>10,151.6</b>	<b>15.6</b>	<b>12,640.3</b>	<b>18.5</b>
Revenue from Thailand	7,664.5	12.7	8,760.6	13.5	11,321.3	16.6
Revenue from International Business	991.0	1.6	1,391.0	2.1	1,319.1	1.9
<b>Total Revenue from Contracts with Customers</b>	<b>60,567.9</b>	<b>100.0</b>	<b>65,090.9</b>	<b>100.0</b>	<b>68,283.3</b>	<b>100.0</b>

\* Remarks: <sup>1</sup>Hard Line categories include Construction materials, Paint, Home Improvement Products, Bathroom and Sanitary Ware, Kitchen Appliances, Equipment and Electrical Appliances.

<sup>2</sup>Soft Line categories include Bedding, Carpet, Curtains, Furniture, Lamp, Household Decorative Products, and Household Accessories.

In 2023, the revenue from contracts with customers which comprises product sales revenue and service income of Home Service was Baht 68,283.31 million, representing an increase of Baht 3,192.43 million or up 4.90%. The Company emphasized on offering products and services in response to all target customers, both individuals and businesses, through rapid and convenient channels at stores and at online. Moreover, the Company has developed new product categories to better meet customer's lifestyle as well as to correspond with the behavioral change of customers. However, during the

second half, the sales increased at the slower rate due to the deceleration of global economic growth as well as some economic constraints and the delayed of government economic stimulus package, while online sales and service income still improved compared with the previous year. The company's revenue can be categorized into 3 parts: 1) Revenue from retailing of HomePro, which can be divided into 2 groups, Hard Line and Soft Line, which in 2023 revenue from Hard Lind categories increased from the previous year by Baht 945.50 million while revenue from Soft Line categories decreased from the previous year

by Baht 339.20 million 2) Revenue from Home Service, increased from the previous year by Baht 97.40 million 3) Revenue from subsidiaries, including revenue generated by Mega Home, HomePro in Malaysia, and HomePro in Vietnam increased by Baht 2,488.70 million.

### 3.2 Other Income

In 2023, the Company and its subsidiaries had detail of change in other income as follows:

- Rental and service income amounted to Baht 1,882.23 million, an increase of Baht 161.65 million or up 9.39% from previous year thanks to more rental income from leasable space of HomePro stores and Market Village shopping compared to the same period last year. Moreover, there was rental income realization of rental space in new stores of HomePro, including rental income from the major event of HomePro Expo which was organized during the fourth quarter.
- Other income was Baht 2,656.23 million, an increase of Baht 78.27 million or up 3.04%, as a result of the increase in promotional activities with vendors both at physical stores and through online channels compared to the same period of the previous year.

### 3.3 Cost of Sales and Service and Gross Profit Margin

In 2023, the Company and its subsidiaries had the cost of sales and services equal to Baht 50,117.64 million, an increase of Baht 2,039.94 million or up by 4.24% from the previous year, due to the increase in the sales volume of products and services. However, the cost of sales and services as a percentage of sales declined from 73.86% to 73.40% reflecting more efficient cost control of product and services.

Gross profit from product sales and service income of Home Service was Baht 18,165.67 million, an increase of Baht 1,152.49 million or up 6.77% as compared with the prior year. The percentage of gross profit increased from 26.14% to 26.60%, which was attributed to the better of product mix toward high-margin products, efficient cost management, and increasing service income despite higher logistic cost for distribution to stores resulting from oil price inflation.

### 3.4 Cost of Rental

Cost of rental and related services was Baht 786.39 million, an increase of Baht 81.44 million or up by 11.55%, due to higher utilities cost during the first three quarters in 2023.

### 3.5 Selling and Administrative Expenses (SG&A)

Selling and administrative expenses (SG&A) amounted to Baht 13,402.99 million, an increase of Baht 883.82 million or up 7.06% compared to the previous year. The increase

in SG&A as a percentage of sales from 19.23% to 19.63% was attributable to the increase of expenses related to new stores opening of HomePro and Mega Home, employee salaries and welfare, depreciation, and utilities expense. The details of expenses in each group are as follows:

- Selling, distribution and service expenses was Baht 10,964.08 million, an increase of Baht 716.44 million or up 6.99%. The increase was driven largely by utilities expense and pre-operating expenses for new store opening of HomePro and Mega Home.
- Administrative expenses was Baht 2,437.18 million, an increase of Baht 165.93 million or up 7.31%. The increase was primarily due to expenses related to employee salary and welfare as well as ICT system investment.
- Other expense amounted to Baht 1.73 million, an increase of Baht 1.46 million or up 538.86%.

### 3.6 Finance Income

Finance income was Baht 27.73 million, an increase of Baht 10.78 million or up 63.56%, due to higher interest income.

### 3.7 Finance Cost

Finance cost was Baht 567.46 million, an increase of Baht 122.88 million or up 27.64% due to higher interest rate for refinancing of new debentures issued since the third and the fourth quarter of 2023, compared to the previous year. In addition, the Company has made additional long-term lease agreements for new stores, which resulted in higher interest expenses in regard to TFRS16 standards.

### 3.8 Net Profit

For the operating results in 2023, the Company and its subsidiaries recorded a net profit of Baht 6,441.56 million, an increase of Baht 224.47 million or up 3.61%. This was due to the management efficiency enhancement in several areas which included the increasing ability to generate higher sales from various distribution channels of products and services, the initiation of Trade-In program to stimulate consumer spending, including the gross profit margin improvement regarding better mix of high margin products for both HomePro and Mega Home. Nevertheless, The net profit margin of the Company and its subsidiaries as percentage of sales was 9.43%, decreasing from 9.55% in the previous year, which resulted from higher pre-operating expense related to the total of 12 stores opening for both HomePro and Mega Home format altogether.

### 3.9 Return to Equity

The return on equity as of December 31, 2023 was 25.87%, decreasing from 26.38% in the previous year due to the increase of average shareholder's equity value.

## 4. Asset Management

As of December 31, 2023, the Company and its subsidiaries had total assets of Baht 69,047.89 million, an increase of Baht 3,863.14 million or 5.93% compared to the prior year. The increase of asset was due to the change of significant transactions as follows:

- Cash and cash equivalents increased by Baht 1,008.38 million, which mainly increased from the business operations as well as the issuance of new debenture during the fourth quarter to repay the due debentures during the first quarter of 2024.
- Account receivable decreased by Baht 70.77 million from trade receivables repayment. Other receivables increased by Baht 115.88 million, which was from support fee of promotional activities, rental and
- service income. However, the Company analyzed an account receivable aging. As at December 31, 2023, the Company had trade and other receivables aging more than 12 months of Baht 16.39 million, and the allowance for doubtful debts sufficiently of Baht 14.13 million.
- Net inventory increased by Baht 335.20 million as a result of new store expansion.
- Investment properties, Property, Building and equipment, Right-of-use assets, Computer software, and Property foreclosed totaling increased by Baht 2,720.59 million or 6.38%, due to the investment for new store opened in 2023 as well as partially for store expansion in 2024.

## 5. Liquidity and Capital Sufficiency

Summary of cash flow statement as of December 31, 2023 compared to the same period of 2022 is as follows:

(Unit : Million Baht)

Transactions	Consolidated Financial Statement		Separated Financial Statement	
	2022	2023	2022	2023
Cash flow from operating activities	9,951.98	9,792.49	8,520.38	9,689.42
Cash flow from investing activities	(5,509.17)	(5,244.55)	(3,911.25)	(5,017.49)
Cash flow from financing activities	(3,567.59)	(3,535.84)	(3,721.13)	(3,959.18)
Transaction adjustments	(0.90)	(3.73)	-	-
<b>Net Increase (decrease) in cash</b>	<b>874.33</b>	<b>1,008.38</b>	<b>888.00</b>	<b>712.75</b>

As of 31 December 2023, the Company and subsidiaries' cash and cash equivalents were Baht 6,428.67 million.

As of 31 December 2022, the Company and subsidiaries' cash and cash equivalents were Baht 5,420.30 million.

Net increased by Baht 1,008.38 million which comprised from the following activities:

- Net cash from operating activities of Baht 9,792.49 million, which was derived from the profit from operating activities before changes in operating assets and liabilities of Baht 12,080.33 million, and working capital increased from changes in operating assets and liabilities e.g. trade and other receivables increased by Baht 49.14 million, inventories increased by Baht 412.07 million, other current asset decreased by Baht 26.64 million, trade and other payables decreased by Baht 389.09 million, other current liabilities increased by Baht 27.52 million, rental received in advance decreased by Baht 17.57 million, and corporate income tax payment of Baht 1,600.50 million.
- Net cash used for investing activities total Baht 5,244.55 million in which derived from acquisitions of investment properties, including property, building, and equipment total of Baht 4,548.97 million, payment of right-of-use assets of Baht 600.47 million, and acquisitions of computer software was Baht 97.71 million.
- Net cash used for financing activities total Baht 3,535.84 million which such amount was net cash received from short-term loans from financial institutions of Baht 968.33 million, repayment of debentures of Baht 5,150 million and dividend payment of Baht 5,128.58 million. For 2023, the Company funded those activities by issuing 3 series of debentures for a total of 4 sets comprising of No.1/2023 of Baht 2,000 million, No.2/2023 series1 of Baht 1,000 million, No.2/2023 series2 of Baht 700 million, and No.3/2023 of Baht 3,000 million.

## 5.1 Liquidity Ratio

As of December 31, 2023, the Company and its subsidiaries' current assets was Baht 22,658.95 million and current liabilities was Baht 23,579.26 million. In this regard, such amount can be calculated into a liquidity ratio of 0.96 times which increased from the previous year's ratio of 0.88 times. In addition, the Company has the source of short-term financing for keeping adequate liquidity from Bank overdrafts and short-term loans, including international trade finance facilities.

## 5.2 Capital Structure

As of December 31, 2023, the capital structure of the Company for long-term business expansion mostly derived from operating cash flow and long-term debt which consisted mainly of the Company's unsecured long-term credit facilities from financial institutions as well as unsubordinated and unsecured debentures. The Company's total debt was Baht 43,489.10 million. In this regard, if such amount is calculated as the total amount of Liabilities to Equity ratio, it would be equivalent to 1.70 times, slightly increase from 1.69 times in the previous year as a result of more issuance of debentures.

According to the terms and conditions or requirements stipulated to the duties of bond issuers, the issuers shall maintain Debt to Equity Ratio of not over 2.50 times. The Company is able to maintain its strong balance sheet by keeping the financial debt to equity ratio lower than the requirement. In 2023, the Company has financial outstanding debt of Baht 24,591.74 million and financial debt to equity of 0.96 times. However, if the impact from adjustments of Lease liabilities in compliance with the Financial Reporting Standard No.16: Leases is excluded, financial debt to equity will be 0.70 times. The Company's financial debt to equity ratio during 2021 - 2023 are as follows:

	2021	2022	2023
Financial Debt to Equity ratio	0.58	0.63	0.70

## 5.3 Shareholders' equity

As of December 31, 2023, the shareholders' equity was Baht 25,558.79 million, an increase of Baht 1,312.91 million or 5.41% from the previous year. The increase came from higher retained earnings of Baht 1,312.76 million and higher other components of shareholders' equity of Baht 0.15 million.

## 5.4 Capital Expenditure

In 2023, the Company's Net Capital Expenditure was Baht 5,244.55 million which was used for building construction, land purchase, payment for land leasehold rights, for new stores opened in 2023 and stores opening in the future for all subsidiaries and modernize of existing stores of Baht 4,532.72 million in total. Also, Baht of 97.71 million was used for acquisitions of computer software. Moreover, the Company has paid the right-of-use assets of Baht 600.47 million. Sources of funds include cash flow from operation, loans from financial institutions, and debentures.

## 5.5 Ability to source funding and repayment ability

At present, the Company raises both short-term and long-term loans from financial institution debentures issuance, which are rated by TRIS annually and at the time of issuance. The Company has the covenant to maintain the net debt to equity ratio not more than 2.5 times. In 2023, TRIS rating maintained the Company's credit rating at AA- with stable outlook, reflecting improvement in better cash flow generation resulting from improving operating results and operational efficiency in cost control.

## 6. Financial Obligations

As of December 31, 2023, total liabilities of the Company and its subsidiaries were Baht 43,489.10 million increased from the previous year by Baht 2,550.24 million or 6.23%, which caused by the change of the following crucial transactions:

- Short-term loans from financial institutions increased by Baht 965.75 million due to the increased issuance of Bill of Exchange.
- Accounts Payable and other payable decreased by Baht 587.18 million in accordance with trade payable repayment.
- Net long-term loans decreased by Baht 30.72 million, in which such amount was the principal repayment to the financial institutions. However, the current portion which will be due in 2024 at Baht 37.54 million, the Company plans to repay with funds from operation.
- Lease liabilities increased by Baht 759.41 million due to the increase of rental areas to support the future expansion.
- Net debenture increased by Baht 1,563.68 million resulted from the deferred interest of zero-coupon bonds issued in 2021 – 2023 amounted Baht 63.68 million. Also, there was a repayment of debentures due in 2023 amounted Baht 5,150 million and the Company issued three series of debentures for a total of four sets for a purpose to refinance the due debentures; No 1/2023 of Baht 2,000 million, No 2/2023 series 1 of Baht 1,000 million, No 2/2023 series 2 of Baht 7,000 million, No 3/2023 of Baht 3,000 million.

## 7. Factors or events that may affect financial status or performance in the future

The Company views the following factors that could affect its financial position or business operations in the future:

1. Change in consumer's behavior and lifestyle such as; consumption behavior that tends to vary base on the trends and lifestyles in each significant period, preference of eco-products, and higher buying transactions of products and services from online purchase. This could



create either opportunities or risks for business to compete in serving the further needs of consumers by offering comprehensive products and services which could respond to every customer's lifestyle. Moreover, the Company has observed the customer behavior as well as keep updated with the living trends regularly. The aforementioned data will be used to develop new products and services that better match with customer needs. Besides, the Company also introduced several distribution channels for greater convenience along with continually enhanced eco products in collaboration with suppliers to elevate products with "ECO CHOICE" symbols, which will support the business going forward.

2. Economic factors concern such as the slowdown of global economy, the shrinkage of demand from manufacturing industry, the increase of interest rate to control inflation, including the higher household debt. Therefore, the Company has to closely monitor and prepare for appropriate operational plans and strategies for any circumstances that could arise. The Company has made proper risk management plan to analyze and estimate various risks that may occur, which is also included the annual review for effective risk management, with the objective to minimize the impacts that could take place.
3. Environmental Law Risk since climate change is intensifying and brings about severe impacts, the United Nations Framework Convention on Climate Change Conference of the Parties has put more effort to accelerate active reduction of GHG emissions, which leverages the sustainability goal more stringently. The company has to revise and set its sustainability goals in various aspects to be consistent with national goals, such as greenhouse gas emission reduction per store, renewable energy usage with solar cell, product development throughout the supply chain in order to reduce environmental impact, including promote circular economy encouragement by proper waste management and old product recycled or re-material. There were some expenses related those activities, yet it was also long-term investment which help to reduce cost and lead to more customer satisfaction on products and services.

## 8. Management Discussion and Analysis (MD&A) and Outlook

We anticipated that the Thai economy in 2024 tends to grow at the slower rate due to several pressures such as

the deceleration in global economic growth and higher interest rate which will impact consumer's purchasing power. Nevertheless, tourism industry as well as partial benefits from stimulus package provided by the government were expected to help boosting the overall economy. As the Company still foresees the opportunities for retail business, therefore, operational plans and strategies were revised to be more appropriately comply with the economic situations. Furthermore, the Company keeps developing comprehensive products and services to better match with evolving trend and lifestyle of customers. Besides, the Company has introduced various distribution channels for both at stores and at online purposely to serve current and new target customers. Store expansion for both HomePro and Mega Home is still proceeded in which the new hybrid format that HomePro and Mega Home will be opened together in the same area will take place more in the future.

**Also, the Company keep enhancing operational efficiency which consist of the following activities:**

- Add online shopping channel via [www.homepro.co.th](http://www.homepro.co.th) and formulate Omni Channel strategies to provide a seamless shopping experience to customer by integrating Online-to-Offline, which the HomePro store will act as an integration to the online business.
- The development of HomePro Application to offer convenience and fasten the process for the customer, which is another channel for customer to engage in the seamless shopping experience on mobile.
- The development of Smart Home Service Application for customer in digital age. These would provide an alternate channel to use the service anywhere and anytime, 24 hours, covering 40 services via smartphone application.
- The development of HomeCard Application to enhance convenience for customers who are existing members of HomePro Loyalty Card to self-update their personal information and access to the their privileges.
- Expanding distribution channel through several Marketplaces with the objective to serve new target group of customers such as via Shopee and Lazada.
- Expanding distribution channel to Quick Commerce, on Robinhood Application, in the section of Robinhood Mart service.

- Embedded new technology into business operation in order to increase operation efficiency and serve customer's need such as using the QR code to provide product information, the using of smart device for sales associates to promptly serve the customer's need.
- Embedded new technology of AR (Augmented Reality) along with introducing product calculator to help making the purchase decisions such as tiles calculator and virtual simulation rooms.
- Delivering a tailored made product that suits the demand of consumers through personalized marketing with various customers data analytics.
- Automated Storage and Retrieval System (ASRS) was implemented to use in business operations. These could enhance operation efficiency, accuracy, and fasten the product distribution to assure that products will be sufficient for customer's demand.
- Add new Home services to serve all customer's need. Currently, the Company has offered more than 40 types of home services.
- Same day delivery has been implemented in Bangkok and Upcountry, providing convenience and fasten the last-mile delivery to customers.
- Product selection and development of both Private Brand and other products in general to make the quality and price more reasonable.
- Establishing Repairment Service Center.
- Establishing Trade-In' program to boost consumer spending and encourage the circular economy.
- Introducing new product category which is a solar cell under the name 'Home Solar'. Inspection and installation service were included along with product warranty. This was to support alternative energy usage in response with energy saving trends.
- Approaching the new target group; Business-to-Business (B2B) customers.

## 9. Audit Fee

According to the minutes of the Annual General Shareholders' Meeting in 2023 which resolved to appoint the Auditors of EY Office Limited as the Company's and its subsidiaries' auditor of 2023, with the audit fee of Baht 4,000,000 and other fee, i.e. fee for being witness for destruction of damaged goods at approximately Baht 150,000. Moreover, there may be additional audit fees from the expansion of new stores and registration of new company whose fee does not exceed Baht 1,500,000. The actual audit fees for the Company and its subsidiaries, and other services fee as follows:

(Unit :Baht)

Fees type	2021	2022	2023
Audit Fee	3,795,000	3,715,000	4,000,000
Other Service	40,000	60,000	75,065
<b>Total</b>	<b>3,835,000</b>	<b>3,775,000</b>	<b>4,075,065</b>



## 10. Tax Strategy and Effective Tax Rate

The Company's Tax Policy covered tax management practices such as tax planning, managing tax risks, transfer pricing, operation coordination, and guidelines on selecting the tax consultant, is set in compliance with tax laws and regulations of Thailand, Malaysia and Vietnam where the Company operates ([https://hmpro.listedcompany.com/policy\\_document.html](https://hmpro.listedcompany.com/policy_document.html)). All relevant accounting and finance associates have been informed and performed their roles strictly in accordance with the tax policy.

### Tax Reporting by Geographic Regions

Item	Thailand	Oversea
Sales	66,880 Million Baht	1,326 Million Baht
Earning Before Tax	7,961 Million Baht	13 Million Baht
Income Tax Expenses	1,533 Million Baht	-
Cash paid for corporate income tax	1,600 Million Baht	-
Corporate Income Tax Rate	20%	20%,24%
Effective Tax Rate	20.01%	-
No.of employees	11,417 persons	360 persons

In comparison with the Corporate Income Tax rate of Thailand (20%), Malaysia (24%), and Vietnam (20%), the Company's Effective Tax Rate from operations are lower due to several factors, for example:

- 1) The reversion of nonmonetary items such as expense accruals according to GAAP, which has effects on the tax calculation (deferred tax transaction).
- 2) The government's capital investment promotion scheme which grants tax exemption and reduction incentives for the period of 3-20 years, varied by types of invested asset, for the investments occurred in Thailand from 2015-2017, during which the Company has invested in new stores expansion, equipment and machine, computer software, as well as installing solar rooftop power generation units.
- 3) The government's investment promotion scheme which grants tax exemption and tax reduction incentives, varied by types of invested asset, for the investments occurred in Thailand from 2019-2022, during which the Company has invested in machine and program related to automation and technology.
- 4) The Company's business in Malaysia has started making some profits, but still got tax exemption due to loss carried forward, whereas, the Company's business in Vietnam has not yet been profitable. (Therefore, no tax expense incurred).

Remarks: Further information can be found on the note of financial statements No.27 'Income tax' on page 315 - 316.

## 11. Policy and Credit Term

The Company prioritized the liquidity and cash flow management. Moreover, the Company implemented the policy for setting the period for the credit term, which lasts between 7 and 180 days. However, the credit term depends on the Company's suppliers and the criteria was set based on certain factors such as the period during which the Company have been in business with the suppliers, type of the products, product sales, value, inventory turnover, and the quality standard of the product. The credit term has been determined in accordance with the principles of fair dealing between the Company and suppliers.

The information on the credit term of HomePro according to the financial statements is as follows:

Transaction	2021	2022	2023
Accounts Payable Day	96 days	96 days	94 days

# General Information and Other Important Information

## Information of Home Product Center Public Company Limited

Location	31 Prachachuen-Nonthaburi Road, Bangkhen, Muang Nonthaburi, Nonthaburi 11000
Telephone	+662 832 1000
Facsimile	+662 832 1234
Website	www.homepro.co.th
Type of Business	Retailer of products and provider of services relating to construction, extension, refurbishment, and improvement of home and residence as One Stop Shopping
Registration No.	0107544000043
Registered Capital	Common stock 13,151,198,025 shares (1 Baht per share)
Paid-up Capital	Common stock 13,151,198,025 shares
Exchange Market	Stock Exchange of Thailand
Ticker Symbol	HMPRO

## Information of company which Home Product Center Plc. holds more than 10 percent of shares

### 1. Market Village Co., Ltd

Location	31 Prachachuen-Nonthaburi Road, Bangkhen, Muang Nonthaburi, Nonthaburi 11000
Telephone	+662 832 1000 / +663 261 8888
Facsimile	+662 832 1234 / +663 261 8800
Type of Business	Management of rental space and provider of utilities services
Registered Shares	50,000 ordinary shares at par value of Baht 100
Shareholding	49,993 shares (99.99%)

### 2. Home Product Center (Malaysia) SDN. BHD.

Location	Suite 17.01, 17.05-07, Level 17, Menara Summit, Persiaran Kewajipan, USJ 1, UEP Subang Jaya, 47600 Selangor.
Telephone	+603 8063 5179
Facsimile	+603 8063 5525
Type of Business	Retailer of home improvement products and comprehensive provider of related services
Registered Shares	59,000,000 ordinary shares at par value of 1 Malaysian Ringgit
Shareholding	59,000,000 shares (100%)

## Home Product Center Public Company Limited

### Information of company which Home Product Center Plc. holds more than 10 percent of shares

#### 3. Mega Home Center Co., Ltd

Location	49 Moo 5, Tambon Khlong Nueng, Amphoe Khlong Luang, Pathum Thani 12120
Telephone	+662 029 7900
Facsimile	+662 029 7901
Type of Business	Retailer and wholesaler of construction materials, structural materials, and home improvement products
Registered Shares	15,000,000 ordinary shares at par value of Baht 100
Shareholding	14,999,998 shares (99.99%)

#### 4. DC Services Center Co., Ltd

Location	100 Moo 2 Tambon Lamsai, Amphoe Wungnoy, Ayutthaya 13170
Telephone	+663 528 7555
Facsimile	+663 528 7757
Type of Business	Warehousing and Distribution
Registered Shares	500,000 ordinary shares at par value of Baht 10
Shareholding	499,998 shares (99.99%)

#### 5. HOME PRODUCT CENTER VIETNAM COMPANY LIMITED

Location	No. 64 Nguyen Dinh Chieu Street, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam
Telephone	04 28 3535 0735
Facsimile	-
Type of Business	Retailer and wholesaler of construction and home improvement products
Registered Shares	VND 23,100,000
Shareholding	100%

#### 6. Onestockhome Co., Ltd

Location	1-7 Zuellig House 4th Floor Unit 02, Silom Road, Silom, Bang Rak, Bangkok 10500
Telephone	+662 078 1222
Facsimile	-
Type of Business	Retail sale of construction materials and equipment
Registered Shares	125,940 ordinary shares at par value of Baht 10
Shareholding	37,792 shares (30%)

### Information of HomePro Stores

1. Rattanathibet	6/1 Moo 6, Saothonghin, Bangyai, Nonthaburi, 11140
2. Fashion Island	589/10 Ramintra Rd., Khannayao, Bangkok, 10230
3. Paradise Park	61 Srinakarin Rd., Nongbon, Praves, Bangkok, 10250
4. Ratchadaphisek	125 Ratchadaphisek Rd., Dindang, Bangkok, 10400
5. Ploenchit	55 Wave Place Building, Wireless Rd., Lumpini, Pathumwan, Bangkok, 10330
6. Phuket	104 Moo 5, By-Pass Rd., Rasada, Muang, Phuket, 83000
7. Chiangmai	94 Moo 4, Chiangmai-Lampang Rd., Nong Pa Kruang, Muang, Chiangmai, 50000
8. Ramkhamhaeng	647/19 Ramkhamhaeng (Sukhaphibal 3) Rd., Huamark, Bangkok, Bangkok, 10240
9. Rama II	45/581 Moo 6, Rama 2 Rd., Samae Dam, Bang Khun Thian, Bangkok, 10150
10. Prachachuen	31 Prachachuen-Nonthaburi Rd., Bangkhen, Muang Nonthaburi, Nonthaburi 11000
11. Ladprao	669 Ladprao Rd., Chom Phon, Chatuchak, Bangkok, 10900
12. Ekamai-Ramindra	41 Pradit Manutham Road, Lat Phrao, Bangkok, 10230
13. Pattaya	333 Moo 9, Nongprue, Banglamung, Chonburi, 20150
14. Chaengwatthana	113 Moo 5, Pakkret, Nonthaburi, 11120
15. Hat Yai	677 Petchkasem Rd., Hat Yai, Songkhla, 90110
16. Petchkasem	224 Petchkasem Rd., Nongkhangplu, Nong Kham, Bangkok, 10160
17. Ratchaphruek	82 Moo 2, Bang Khun Kong, Bang Kruai, Nonthaburi, 11130
18. Hua Hin	234/1 Petchkasem Rd., Hua-Hin, Prachuabkhirikhan, 77110
19. Suvarnabhumi	99/28 Moo 1, Rachatawa, Bangplee, Samutprakarn, 10540
20. Samui	1/7 Moo 6, Bophut, Ko Samui, Suratthani, 84320
21. Phitsanulok	959 Moo 10, Aranyik, Muang, Phitsanulok, 65000
22. Khonkaen	177/98 Moo 17, Naimuang, Muang, Khonkaen, 40000
23. Udon Thani	89/20 Moo 9, Soi Bannonglek, Markkang, Muang, Udon Thani, 41000
24. Chonburi	15/16 Moo 3, Huai Kapi, Muang, Chonburi, 20000
25. Rayong	560 Sukhumvit Rd., Noen Phra, Muang, Rayong 21000
26. Chiangmai - Hangdong	433/4-5 Moo 7, Mae Hia, Muang, Chiangmai, 50100
27. Ayutthaya	80 Moo 2 Ban Krot, Bang Pa-in, Phra Nakhon Si Ayutthaya, 13160
28. Krabi	349 Moo 11, Krabi Noi, Muang, Krabi, 81000
29. Phuket - Chalong	61/10 Moo 10, Chalong, Muang, Phuket, 83130
30. Khao Yai	288 Moo 11, Nong Nam Daeng, Pakchong, Nakhonratchasima, 30130
31. Nakhonpathom	752/3 Petchkasem Rd., Huai-Charakhe, Muang, Nakhonpathom, 73000
32. Nakhon Ratchasima	384, Soi Mittraphap 8, Mittraphap Rd., Nai muang, Muang, Nakhon Ratchasima, 30000
33. Lam Lukka	99 Moo 6, Buengkhamphroi, Lam Lukka, Pathum Thani, 12150
34. Sukhaphiban 3	101 Ramkhamhaeng Rd., Minburi, Bangkok, 10510
35. Nakhonsithammarat	89 Nakhon-Pak Phanang Rd., Nai muang, Muang, Nakhonsithammarat, 80000
36. Chachoengsao	187/9 Chachoengsao - Bangpakong Rd., Namuang, Muang, Chachoengsao, 24000
37. Roi-et	116 Moo 3, Dong Lan, Muang, Roi-Et, 45000
38. Suphanburi	133 Malai Maen Rd., Ruayai, Muang, Suphanburi, 72000
39. Lopburi	85 Moo 6, Thasala, Muang, Lopburi, 15000
40. Sakon Nakhon	689/1 Nittayo Rd., That Choeng Chum, Muang, Sakon Nakhon, 47000
41. Trang	196 Moo 4, Bankuan, Muang, Trang, 92000
42. Mega Bangna	39 Moo 6, Bangkaew, Bangplee, Samutprakarn, 10540
43. Buriram	499 Moo 9, Isan, Muang, Buriram, 31000
44. Hat Yai (Kanchanavanich)	33/40 Moo 5, Khohong, Hat Yai, Songkla, 90110
45. Nakhonsawan	119/2 Moo 7, Bang Muang, Muang, Nakhonsawan, 60000

### Information of HomePro Stores

46. Mahachai	68/98 Moo 8, Thasai, Muang, Samutsakhon, 74000
47. Ubon Ratchathani	284 Moo 7, Chae Ramae, Mueang, Ubon Ratchathani, 34000
48. Ratchaburi	208 Moo 13, Chedi Hak, Muang, Ratchaburi, 70000
49. Chanthaburi	21/18 Moo 11, Plubpla, Muang, Chanthaburi, 22000
50. Chumphon	63 Moo 11, Wang Phai, Muang, Chumphon, 86000
51. Prachinburi	44/1 Moo 4, Bang Boribun, Muang, Prachinburi, 25000
52. Suratthani	86 Moo 3, Wat Pradu, Muang, Suratthani, 84000
53. Kanchanaburi	15 Moo 1, Thalor, Tha Muang, Kanchanaburi, 71000
54. Phrae	171 Moo 7, Pa Maet, Muang, Phrae, 54000
55. Phutthamonthon Sai 5	198 Moo 1, Bang Toei, Sam Phran, Nakhon Pathom, 73210
56. Saraburi	24/3 Moo 2, Takut, Muang, Saraburi, 18000
57. Phetchabun	151 Moo 1, Chon Phrai, Muang, Phetchabun, 67000
58. Chaiyaphum	164 Moo 7, Nongnasang, Muang, Chaiyaphum, 36000
59. Chiangrai	157 Moo 2, Tasai, Muang, Chiangrai, 57000
60. Loei	117 Moo 9, Na An, Muang, Loei, 42000
61. Lampang	224 Highway-Lampang-Ngaw Rd., Prabart, Muang, Lampang, 52000
62. Prachuapkhirikhan	57 Petchkasem Rd., Prachuapkhirikhan, Muang, Prachuapkhirikhan, 77000
63. Surin	188 Moo 6, Nok Mueng, Muang, Surin, 32000
64. Chiangmai - Sansai	49 Moo 4, Sansai Noi, Sansai, Chiangmai, 50210
65. Hua - Talae	233 Moo 1, Nong Blua Sala, Muang, Nakhon Ratchasima, 30000
66. Sriracha	99/123 Moo 10, Nong Kham, Sriracha, Chonburi, 20230
67. Phuket - Thalang	18 Moo 1, Si Sunthon, Thalang, Phuket, 83110
68. North Pattaya	384/40 Moo 6, Na Kluea, Bang Lamung, Chonburi, 20150
69. Sukhothai	33 Moo 12, Ban-Kluay, Muang, Sukhothai, 64000
70. Samutsongkhram	2/25 Moo 1, Bangkaew, Muang, Samut Songkhram, 75000
71. Phetchaburi	526 Moo 6, Banmo, Muang, Phetchaburi, 76000
72. Phatthalung	219 Moo 1, Kaojiak, Muang, Phatthalung, 93000
73. Chonburi - Amata	108 Moo 12, Napa, Muang, Chonburi, 20000
74. Chaiyaphruek	54/8 Moo 2, Bang Phlap, Pak Kret, Nonthaburi, 11120
75. Rama 3	497/1 Rama 3 Road, Bang Khlo, Bang Kho Laem, Bangkok, 10120
76. Bang Sa-re	133 Moo 8, Na Chom Thian, Sattahip, Chon Buri, 20250
77. Rama 9	903 Rama 9 Road, Suan Luang, Suan Luang, Bangkok, 10250
78. Srinakarin	888/8 Moo 5, Bang Mueang, Mueang, Samut Prakan, 10270
79. Kanlapaphruek	604 Kanlapaphruek Road, Bang Wa, Phasi Charoen, Bangkok 10160
80. Charansanitwong	110/8 Charansanitwong Road, Ban Chang Lo, Bangkok Noi, Bangkok, 10700
81. Mukdahan	45/9 Chayangkun B Road, Mukdahan, Mueang, Mukdahan, 49000
82. Rangsit Khlong 4	98 Moo 2, Bueng Yitho, Thanyaburi, Pathum Thani 12130
83. Suksawat	226 Moo 18, Bang Phueng, Phra Pradeeng, Samut Prakan 10130
84. Bangna KM.1	224 Debaratana Road, Bangna Tai, Bangna, Bangkok, 10260
85. Future Park Rangsit	126 Phahonyothin Road, Prachathipat, Thanyaburi, Pathum Thani, 12130
86. Latkrabang	607 Latkrabang Road, Latkrabang, Latkrabang, Bangkok, 10520
87. Seacon Bangkae	607 Phetkasem Road, Bang Wa, Phasi Charoen, Bangkok, 10160
88. Bang Bua Thong	125 Moo 6, Bang Ruk Phatthana, Bang Bua Thong, Nonthaburi, 11110
89. Phuket Chaofa	90/16 Moo 2, Wichit, Mueng, Phuket, 83000

### Information of HomePro S

1. Gateway Ekamai	982/22 Sukhumvit Road, Phra Khanong, Khlong Toei, Bangkok, 10110
2. Terminal 21 Korat	99 2 <sup>nd</sup> Floor, Mittraphap-Nong Khai Road, Nai Muang, Muang, Nakhonratchasima, 30000
3. Market Place Nanglinchee	27 Nanglinchee Road, Chong Nonsi, Yan Nawa, Bangkok 10120
4. Gateway Bangsue	162/1-2,168/10 2 <sup>nd</sup> Floor, Room 2014-2017, Pracharat 2 Road Bang Sue, Bangkok 10800
5. Samyan Mitrtown	944 Rama 4 Road, Wang Mai, Pathum Wan, Bangkok, 10330

### Information of Mega Home stores

1. Rangsit	49 Moo 5, Khlong Nueng, Khlong Luang, Pathum Thani, 12120
2. Mae Sot	1108 Moo 1, Tasailuad, Mae Sot, Tak, 63110
3. Nong Khai	999 Moo 5, Meechai, Muang, Nong Khai, 43000
4. Bo Win	333/143 Moo 3, Bowin, Sriracha, Chonburi, 20230
5. Kabinburi	61 Moo 8 Muang Kao, Kabinburi, Prachinburi, 25240
6. Minburi	81 Suwinthawong Rd., Minburi, Bangkok, 10510
7. Arunyaprathet	52 Moo 7, Bangmainongsai, Arunyaprathet, Srakaew, 27120
8. Rojana	522 Moo 2, Sam Ruean, Bang Pa-in, Ayutthaya, 13160
9. Hat Yai	89 Moo 1, Liangmuang (saiasia) Road, Khuan Lang, Hat Yai, Songkhla, 90110
10. Nakhonratchasima	668 Moo 8, Muen Wai, Muang, Nakhonratchasima, 30000
11. Nakhonphanom	333/7 Nittayo Road, Nong Yat, Muang, Nakhonphanom, 48000
12. Chiangrai	515 Moo 9 Bandu, Muang, Chiangrai, 57100
13. Ban Chang	76/1 Moo 1, Phla, Ban Chang, Rayong, 21130
14. Bang Na Trad	230 Moo 4, Bang Bo, Bang Bo, Samut Prakan, 10560
15. Pattaya	144 Moo 11, Nongprue, Bang Lamung, Chonburi, 20150
16. Chachoengsao	9/29 Moo 2 Khlong Prawet, Ban Pho, Chachoengsao, 24140
17. Suratthani	129/88 Moo 6 Liang Muang Road, Makhantia, Muang, Suratthani, 84000
18. Khonkaen	177/98 Moo 17, Naimuang, Muang, Khonkaen, 40000
19. Rattanaibet	89/6 Moo 6, Bang Rak Yai, Bang Bua Thong, Nonthaburi, 11110
20. Bang Phli	108 Moo 22, Bang Phli Yai, Bang Phli, Samut Prakan, 10540
21. Tiwanon	74 Moo 5, Ban Mai, Pak Kret, Nonthaburi, 11120
22. Nakhon Pathom	380 Moo 2, Nong Din Daeng, Mueang, Nakhon Pathom, 73000
23. Chiangmai	496 Chiang Mai-Lampang Road, Tha Sala, Mueang, Chiang Mai, 50000
24. Bangsaen	24 Moo 6 Samet, Mueang, Chon Buri, 20000
25. Pluak Daeng	558 Moo 5, Pluak Daeng, Rayong, 21140
26. Thung song	779 Moo 1 Chamai, Thung Song, Nakhon Si Thammarat, 80110
27. Phuket Chaofa	90/16 Moo 2, Wichit, Mueng, Phuket, 83000

### Information of HomePro Malaysia stores

1. IOI City Mall	AT-2, Lower Ground Floor, IOI City Mall, Lebuhr IRC, IOI Resort City, 62502 Putrajaya, Malaysia
2. The Summit Subang USJ	G65B Ground Floor, The Summit Subang USJ, Persiaran Kewajipan USJ 1, 47600 Subang Jaya, Selangor, Malaysia
3. Ipoh	G35, Ground Floor, Lotus Station 18 No.1, Medan Stesen 19/9, Station 18, 31650 Ipoh, Perak, Malaysia
4. Melaka	L1, Ground Floor, Lotus's Melaka, No.1, Jalan Tun Razak, 75400 Peringgit, Melaka, Malaysia
5. Penang	S61, Second Floor, Lotus's Penang, No.1, Lebuhr Tengku Kudin1, Bandar Jelutong, 11700 Gelugor, Pulau Pinang, Malaysia
6. Johor Bahru	BF-10, Basement Floor, Paradigm Mall Johor Bahru, Jalan Skudai, 81200 Johor Bahru, Malaysia
7. Mutiara Damansara	MA1, 8, Jalan PJU 7/4, Lotus's Mutiara Damansara, 47800 Petaling Jaya, Selangor, Malaysia



## Information of Referrals

Auditor	EY Office Limited 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 Ratchadaphisek Rd., Klongtoei, Bangkok, 10110 Tel. +662 264 9090 Fax. +662 264 0789-90
Legal Counsel	Wissen & Co Ltd. 1168/42 17 <sup>th</sup> Floor, Lumpini Tower, Rama 4 Road, Thung Mahamek, Sathorn, Bangkok, 10120 Tel. +662 259 2627-9 Fax. +662 259 2630
Credit Rating and Debtenture Rating Company	TRIS Rating Co., Ltd 24 <sup>th</sup> Floor, Silom Complex Building, 191 Silom Road, Silom, Bangrak, Bangkok, 10500 Tel. +662 098 3000 ext. 3035 Fax. +662 231 3012
Share Registrar	Thailand Securities Depository Co., Ltd 14 <sup>th</sup> Floor, The Stock Exchange of Thailand Building, 93 Ratchadaphisek Rd., Dindaeng, Bangkok, 10400 Tel. +662 099 9999 Fax. +662 099 9001
Bond Registrar	CIMB Thai Bank Plc 44 Langsuan Rd., Lumpini, Patumwan, Bangkok, 10330 Tel. +662 626 7000 Fax. +662 657 3333 <ul style="list-style-type: none"> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 1/2021</li> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 2/2021</li> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 3/2021</li> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 1/2022</li> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 2/2022</li> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 1/2023</li> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 2/2023 (Series 1)</li> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 2/2023 (Series 2)</li> <li>• The Unsubordinated and Unsecured Debtentures of Home Product Center Plc. 3/2023</li> </ul>

## Shareholding Structure and Dividend

### The Company's securities information

as of December 31, 2023

Registered capital	: 13,151,198,025 Baht (13,151,198,025 common shares at 1 baht per share)
Paid-up capital	: 13,151,198,025 Baht (13,151,198,025 common shares at 1 baht per share)
Exchange Market	: The Stock Exchange of Thailand (SET)
Ticker Symbol	: HMPRO

From the information of ordinary shareholders of the company as of September 13, 2023, there were a total of 889,377,963 shares or 6.76% of the issued shares held through Thai NVDR. The ordinary shares held by Thai NVDR will not be able to exercise voting rights in the shareholder's meeting except in the case of exercising voting rights to vote on the delisting of shares from the Stock Exchange of Thailand (Delist). Therefore, the number of shares with voting rights of the Company will decrease which will cause the voting rights of other shareholders to increase naturally. Other shareholders and investors can check the number of shares held by Thai NVDR from the website of the SET for the benefit of further voting.

## ● Shareholding Structure

On the closing date as of September 13, 2023, the Company had registered capital in the total of 13,151,198,025 shares and paid-up capital in the total of 13,151,198,025 shares. Shareholders who hold shares at least 0.5% of the total paid-up-capital consist of:

Rank	Name of Person / Juristic Person	No. of Shares	% of Total Paid-Up Share
1	Land and Houses Public Company Limited	3,975,878,432	30.23%
2	Quality Houses Public Company Limited	2,613,023,098	19.87%
3	Thai NVDR Company Limited	889,377,963	6.76%
4	Mr. Niti Osathanuklor	665,764,862	5.06%
5	THE BANK OF NEW YORK MELLON	423,829,632	3.22%
6	Social Security Office	259,436,812	1.97%
7	Mr. Manit Udomkunnatum	253,989,197	1.93%
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	232,656,736	1.77%
9	STATE STREET EUROPE LIMITED	181,194,126	1.38%
10	Sarasin Co., Ltd	167,557,971	1.27%
11	Mr. Khunawut Thumpomkul	141,620,566	1.08%
12	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	111,467,606	0.85%
13	Mrs. Soontaree Wanavit	71,464,455	0.54%

**Remark:** - As of September 13, 2023, free float rates of the Company were at 41.00% and holding by institutions was at 17.76% The following are top 3 major shareholders:

- Land and Houses Plc., in which Mr. Anant Asavabhokhin is the major shareholder holding 23.93% of paid up capital (as of 25 August 2023)
- Quality Houses Plc., in which Land and Houses Plc. is the major shareholder holding 24.98% of paid up capital (as of 24 August 2023)
- The Social Security Office, a division of the Ministry of Labour and Social Welfare, is classified as an institutional investor and is responsible for managing the social security fund and compensation fund.
- The Company has no governmental institutions owning more than 5% of shares

## ● Foreign Limit

Foreign shareholders are capable of holding shares and make their names appear on the Company's asset registration of totaling not exceeding 30% of the issued shares and paid-up capital. As of December 31, 2023, the shares of the Company held by foreigners were approximately 13.99%.

### Directors who are representative of the group of major shareholders

As of December 31, 2023

Name - Surname	Representative of Shareholder	Position in HomePro
1. Mr. Anant Asavabhokhin	Land and Houses Plc.	Chairman of the Board of Directors
2. Mr. Naporn Sunthornchitcharoen	Land and Houses Plc.	Director
3. Mr. Archawin Asavabhokin	Land and Houses Plc.	Director
4. Ms. Suwanna Buddhaprasart	Quality Houses Plc.	Director

## Debentures

Unsubordinated and Unsecured Debentures							
No.	Tenor	Repayment	Maturity	Units	Amount (Thousand Baht)	Credit Rating	Covenant
1/2564	3 Years	At maturity	12 Jan 2024	1,000,000	1,000,000	AA- Stable Outlook	Maintain Financial D/E ratio to be not more than 2.5 times at the end of each quarter
2/2564	3 Years	At maturity	9 Feb 2024	1,000,000	1,000,000	AA- Stable Outlook	
3/2564	3 Years	At maturity	1 Oct 2024	2,000,000	2,000,000	AA- Stable Outlook	
1/2565	3 Years	At maturity	15 Jul 2025	3,000,000	3,000,000	AA- Stable Outlook	
2/2565	3 Years	At maturity	18 Nov 2025	2,000,000	2,000,000	AA- Stable Outlook	
1/2566	3 Years	At maturity	30 Jan 2026	2,000,000	2,000,000	AA- Stable Outlook	
2/2566 (Series 1)	3 Years	At maturity	25 Sep 2026	1,000,000	1,000,000	AA- Stable Outlook	
2/2566 (Series 2)	3 Years	At maturity	25 Sep 2026	700,000	700,000	AA- Stable Outlook	
3/2566	3 Years	At maturity	15 Dec 2026	3,000,000	3,000,000	AA- Stable Outlook	
<b>Total</b>				<b>15,700,000</b>	<b>15,700,000</b>		

### Remark:

- The debentures: Batch no. 1/2022 and Batch no. 2/2022 have fixed interest rates at between 2.68% - 2.75%.  
Batch no. 1/2023, Batch no. 2/2023 (Series1), and Batch no. 3/2023 have fixed interest rates at between 2.39% - 3.20%
- The debentures: Batch no. 1/2021, 2/2021, 3/2021, and 2/2023 (Series 2) are Zero Coupon Bonds.
- Purpose is to acquire asset or investment related to current business operation and to refinance the debenture.

## ● Dividend Policy

### Dividend Policy of Home Product Center Public Company Limited

The Company has the policy to pay dividend to shareholders not less than 40% of the net profit of each year. However, the consideration for dividend payment will take other factors into account such as the result of operation and financial status of the Company, liquidity, expansion of business and other factors relating to the management of the Company. Each dividend payment is required to obtain approval from shareholders and the Board of Directors.

Dividend payment during 2021 - 2023 is as follows:

	2021 <sup>1</sup>	2022 <sup>2</sup>	2023 <sup>3</sup>
Earnings Per Share (Baht)	0.41	0.47	0.49
Total Dividend Payment (unit: Baht/ Share)	0.32	0.38	0.40
Dividend Payout Ratio (compared to Separate Financial Statement Profitability)	84.42%	83.02%	85.19%

**Remark:**

- 1) Dividend for 2021 amounted to 0.32 Baht/share paying from the first 6-month NPAT of 0.12 Baht/share, according to the resolution of the Board of Directors' Meeting No. 8/2021, and the last 6-month NPAT of another 0.20 Baht/share, according to the Board of Directors' Meeting No.2/2022 approved to propose to the Annual General Meeting of Shareholders 2022
- 2) Dividend for 2022 amounted to 0.38 Baht/share paying from the first 6-month NPAT of 0.17 Baht/share, according to the resolution of the Board of Directors' Meeting No. 8/2022, and the last 6-month NPAT of another 0.21 Baht/share, according to the Board of Directors' Meeting No. 2/2023 approved to propose to the Annual General Meeting of Shareholders 2023
- 3) Dividend for 2023 amounted to 0.40 Baht/share paying from the first 6-month NPAT of 0.18 Baht/share, according to the resolution of the Board of Directors' Meeting No. 8/2023, and the last 6-month NPAT of another 0.22 Baht/share, according to the Board of Directors' Meeting No. 2/2024 approved to propose to the Annual General Meeting of Shareholders 2024

## ● Dividend Policy of Subsidiaries

The subsidiary companies have not determined the dividend payment policy. However, it will consider paying dividends in case of having net profit from operation and sufficient cash flow after statutory reserve as stipulated by law.

## ● Legal dispute

The Company has a lawsuit relating to the main business operation, which is in the middle of prosecution and can be divided into 2 types.

### 1. Lawsuit with supplier

- In the case of damaged claims for breach of the sales and purchase contract with suppliers, which is the case related to the compensation default for returning goods even though the Company has agreed with suppliers to be able to return the goods upon the contract is terminated or including when defective goods are found.

### 2. Lawsuit with tenant

- In the case of rent and services claiming from default payment in leasable space from tenants during validity of contract and after contract expired.

As of December 31, 2023, total claim amount is less than 1% of shareholders' equity and neither directors nor management has legal dispute with the company.

In 2023, the Company has not encountered any legal disputes with commercial competitors.

## 1. Overview of Corporate Governance Policy and Guidelines

The Board of Directors is aware of the importance of corporate governance and believes that good corporate governance is crucial for a business operation to efficiently, effectively, and sustainably manage the business to have stability, continuous growth, and fairness to all stakeholders. For such reasons, the Board of Directors stipulates the corporate governance policy to have the content that covers the vital principle on shareholders' rights, the equitable treatment of shareholders, roles of stakeholders, disclosure and transparency, and the Board's responsibility; this is a guideline for managing business to achieve the Company's objectives and goals set according to business policy adhering to rightness and transparency. The policy of corporate governance of the Company is disclosed at [https://hmpro.listedcompany.com/policy\\_document.html](https://hmpro.listedcompany.com/policy_document.html)

Board of Directors reviewed and updated the policies mentioned above through Strategy and Sustainable Development Committee for completeness, clarity and be in line with the new Corporate Governance Code (CG Code) from The Securities and Exchange Commission, the Guidance of the Thai Institute of Directors (IOD), and the international criteria in region level of ASEAN CG Scorecard.

In compliance with Corporate Governance standard, the Company is continuously developing a comprehensive compliance system to enhance the Board of Director performance and overall corporate governance of the Company. This results in the Company receiving the third party verification through the Board of Director performance assessment, which was conducted by Corporate Governance Report of Thai Listed Companies (CGR). The CGR assessment includes 4 topics: 1) Rights and Equitable Treatment of Shareholders (25% weight) 2) Role of Stakeholders and Business Sustainability (25% weight) 3) Disclosure and Transparency (15% weight) and 4) Board Responsibilities (35% weight).

The compliance system is assessed through questions that verify whether the company has implemented appropriate code of conduct system and proper compliance standards. For example, the establishment of compliance policy, the names of responsible persons on internal control and risk management, the complaint channels provided for stakeholders, etc. As a result, in 2023, the Company received 5-star rating (highest rating) and was classified as "Excellent" in performance compared to all Thai listed companies.

Throughout the entire year 2023, the Company has complied with good corporate governance except the following:

1. The Chairman is not an Independent Director due to the nature of the business that needs a knowledgeable and skillful expert, who possesses thorough long experience in Retail Business. However, the management by the Board of Directors rests upon the Good Governance Policy stipulated by the Stock Exchange of Thailand.
2. The Chairman of the Nomination and Remuneration Committee is not an Independent Director. However, the Nomination and Remuneration Committee consists of independent directors. Additionally, the Nomination and Remuneration Committee's management rests upon the Good Governance Policy stipulated by the Stock Exchange of Thailand.
3. Mr.Boonsom Lerdhirunwong, one of Independent Directors, has assumed this position for more than 9 year as this Independent Director is well-skilled, knowledgeable, and has first-hand experience in corporate governance, auditing, including the Retail Business. Throughout the past while, he has been providing valuable advice both in the capacity of an Independent Director and in the capacity of Audit Committee.

The details of the assuming of the position of Independent Directors are as elaborated below:

Name - Surname	Date of Appointment	Number of Service Years (Date of Appointment - 31 Dec 2023)
Mr. Pornwut Sarasin	1 Oct 2015	8 years 3 months
Mr. Boonsom Lerdhirunwong	1 Oct 2014	9 years 3 months
Mr. Rathian Srimongkol	1 May 2023	8 months
Asst.Prof.Dr. Kessara Thanyalakpark	1 May 2023	8 months

**Remark:**

- Since April 30, 2023, Mr.Thaveevat Tatiyamaneekul and Mr.Chanin Roonsamrarn have resigned from the director position.
- From May 1, 2023 onwards, Mr.Rathian Srimongkol and Asst.Prof.Dr.Kessara Thanyalakpark were appointed to replace the resigned directors.

## 2. Rights of Shareholders

The Board of Directors is well aware of and has always emphasized sustaining the rights of all shareholders in exercising their fundamental rights, such as the right to participate in the shareholder meeting, the rights in casting votes to appoint or remove any particular director, the right in casting votes to appoint the external auditor and determine the remuneration for the auditor, the right to vote in various important matters, the right to express one's opinions in the shareholders' meeting freely, the right to acquire repurchased stocks, the right to be fairly approved of dividend payment, and the right to obtain good company's information in a timely and fair manner. In the previous year, the Company has ensured that shareholders' rights have been enhanced adequately as details below:

- Clearly reveal the shareholding structure to assure shareholders that the Company has a transparent and accountable operation, without any complicated shareholding patterns; no co-shareholders, cross-ownership or pyramid ownership within the group of companies.
- Disseminate the information and details on the exercising of rights in several aspects via the channels of the Stock Exchange of Thailand and the Company's website, with consideration to equality in access to information, the duration and convenience in exercising rights, without any particular actions to limit the access to the source of company information or obstruct communication among shareholders.
- To promote the rights of shareholders, the Company still continuously holds the annual shareholders' meetings. The Annual General Meeting of Shareholders Year 2023 was held on April 7, 2023, which was conducted via online meeting (E-AGM). The broadcast venue was at the meeting room, Q House Lumpini Building, Floor 4, No. 1, South Sathorn Road., Thungmahamek, Sathorn, Bangkok. In addition, the Company has facilitated the shareholders to appoint independent directors to attend the meeting instead of attending the meeting in person and prepared the manual of an electronic meeting system for the shareholders' meeting so that shareholders can vote and receive a timely information about the meeting, details are as follows:

### Before the Meeting

- Before the meeting, shareholders were involved in proposing the meeting agendas and the names of individuals to get nominated to be the directors from October 1, 2022, to January 13, 2023, as well as submit questions to the Company Secretary ahead of the meeting day. Guidelines on meeting agenda and director candidate proposals were posted on the Company's website, as well as on the Stock Exchange of Thailand website. Nevertheless, proposals for neither the meeting agenda nor director candidates were made for the Annual General Meeting of Shareholders 2023.
- Keep shareholders informed 45 days in advance of the meeting date of the Annual General Meeting of shareholder 2023 so that they can prepare before attending the meeting. Communication on the matter was made through the Stock Exchange of Thailand's channels and the Company's website on February 21, 2023, which was also the same day that the Board of Directors agreed upon the meeting date
- Distribution of the invitation letter for the Annual General Meeting of Shareholders both Thai and English versions on the Company's website since March 8, 2023, which is 30 days prior to the meeting date, and the invitation letter will be delivered to shareholders since March 24, 2023 which is 14 days before the meeting date and pre-registration is also open since March 23, 2023. The manual of the electronic meeting system (DAP e-Shareholder Meeting) will be attached with the invitation letter.
- Facilitated shareholders including individual shareholders, juristic and institutional investors, who could not attend the meeting by themselves, by sending the proxy Form A, B, and C together with the meeting notice. These forms can also be downloaded from the Company's website. Moreover, the Company has nominated a list of independent directors' names and backgrounds that shareholders could appoint to be the proxy. For the Annual General Meeting of Shareholders 2023, Mr. Chanin Roonsamrarn, an Independent Director, was appointed as a proxy in casting votes on behalf of the shareholders.

### On the Meeting Day

- Before the meeting commenced, the Chairman of the meeting informed the participating shareholders of their rights according to the Company's rules and regulations, meeting proceedings, guidelines on casting votes as well as the opportunity for shareholders to ask questions and fairly express opinions in the meeting.
- The Company demonstrated how to use the electronic meeting system so that the shareholders know how to vote and how to submit questions before the meeting starts. The voting rights in the meeting are determined according to the number of shares held by the shareholders of which one share is equal to one vote.
- The company uses the vote counting system from DAP e-Shareholder Meeting and clearly displays the summary of the votes in every agenda.
- Arranged an independent, external inspector, who performed a legal counsel role to monitor the meeting and ensure that the meeting was transparent and complied with the laws and the Company's regulations.
- Encouraged the appointment of a particular shareholder as the representative and the witness in the vote-counting process in every agenda.

- The Chairman of the meeting allocated enough time for the meeting and appropriately conducted the meeting with absolute transparency according to the agenda specified in the meeting notice. Neither have there ever been any occasions where documents containing essential information were distributed to the shareholders right in the meeting without prior notice, nor the inclusion of other additional agendas that are not stated in the meeting notice, which can be unfair to shareholders who did not attend the meeting.
  - Shareholders were allowed to join in the meeting even though the meeting had already commenced but they could only vote in the agendas that had not yet been voted.
  - Shareholders were encouraged to express their opinions freely and ask questions. The Chairman of the meeting, the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, Managing Director, top executives, and the external auditor also presented in the meeting to answer shareholders' questions, which includes both the shareholders who submit the questions through the system and ask by themselves.
- 1) Regularly disseminate the information to shareholders via channels supported by the Stock Exchange of Thailand and the Company's website and prepare a channel that shareholders can directly request for any information or make inquiries via the Board of Directors', Independent Directors' and the Investor Relations' Email addresses.
  - 2) Devise internal rules and regulations on the use of information within the organization in coherence with the securities-related laws. Constant reviews are encouraged to promote fairness and equality towards all relevant stakeholders, as follows:
    - Inform the rules, regulations, and policies related to the use of internal information to the Directors, executives, and associates regularly to ensure that those rules, regulations, and policies are well aware of and obliged by everyone.
    - The Company's trading transactions are forbidden one month in advance before the due time that the financial statements are disclosed to the public. The Company Secretary Office will inform the Directors and executives of the said silent period. During that period, there were no shares traded by the Directors and executives.
    - The Directors' and executives' shareholding information is disclosed in the annual report, as regulated by the Securities and Exchange Commission. Furthermore, the Board of Directors has placed the protocols in following up with business ethics compliance on the use of internal information. Directors and executives are advised to submit a copy of the report recording any changes in their shareholding information within 3 days after the change of shareholding to the Company Secretary Office in order to further report to the Board of Directors. The Company Secretary Office will consolidate the information and report to the Board of Directors' meeting on monthly basis.
    - The Company explicitly set regulations concerning related parties transaction and connected transaction to be in alignment with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission by explicitly specifying matters to be reported to the Board of Directors or shareholders, as well as become more cautious to ascertain prevention of related parties' transaction that violates the Stock Exchange of Thailand's regulations or Securities and Exchange Commission's regulations.

#### After the Meeting

- Submitted the meeting's resolutions and accompanying details, i.e. the number of votes in each agenda to the Stock Exchange of Thailand and posted on the Company's website on the date of the meeting so that absent shareholders can immediately reach the information.
- Shareholders can view the video recording of the meeting via the webcast posted on the Company's website.
- Prepared the meeting minutes, in Thai and English, and distributed via the Stock Exchange of Thailand's channels and the Company's website within 14 days after the meeting and submitted a copy to the Stock Exchange of Thailand and the Ministry of Commerce by the indicated due date.

### 3. Equitable Treatment of Shareholders

The Company places great emphasis on fair and equal treatment towards every single shareholder; either major shareholders, individual shareholders, institutional investors, or foreign shareholders. There are regulating guidelines as follows:

## 4. Recognition of the Role of Stakeholders

### Policies on Treatment towards Different Groups of Stakeholders

The Company places a strong emphasis on all stakeholders, adhering on to everyone's mutual and sustainable benefits as the principles. Policies and roles imposed upon stakeholders are clearly written down in "Business Ethics Manual", with details as follows:

#### Shareholders:

Perform one's duties with utmost honesty. Make any decisions to proceed with care and fairness for the sake of shareholders' interests as a whole. The Company shall provide regular, accurate and most updated reports, operating performance, financial information, and any other reports while fairly keeping shareholders well informed of the Company's situation and tendencies based on possibilities and sufficient reasons. Directors, executives, and employees are prohibited to use any Company's information to seek for own benefit or any person's benefit which such information has not yet been disclosed to public, and prohibited to proceed with any matter in the manner which may lead to conflict of interest with the Company.

#### Associates:

Treat associates with fairness in terms of opportunities, remuneration, promotions, relocation, and potential development. Respect every person's individuality and human dignity. Disassociate from human rights violation. Maintain the working environment to be in excellent and safe conditions for associates' physical well-being and properties, as well as open the channels for filing complaints in case there is any unfair treatment as opposed to the system and processes being put in place.

#### Customers:

Deliver good-quality products and services that meet clients' expectations at reasonable prices. Provide adequate, accurate, and timely information to match with clients' organizational contexts. Strictly abide by any conditions towards clients and deal with clients with politeness and effectiveness. Arrange appropriate channels for clients to file complaints regarding quality, quantity and safety of products and services, as well as provide advice on how to use the Company's products and services.

#### Suppliers:

Treat suppliers with equality and always be aware of mutual interests. Develop and maintain healthy relationships with suppliers and nurture trust between both parties. The Company has laid out clear regulations on the procurement process and strictly forbidden the request for or payment of any interests deemed dishonest towards suppliers. Also, the support of Anti-Corruption and operating the business with responsibilities for community, society and environment, including ethical sourcing process and respect of human rights, have been implemented continually.

#### Creditor:

Strictly comply with any conditions required by creditors. Effectively utilize loans for the right purposes and avoid mismanaging the fund on activities that can cause damages to the Company. According to the agreement, monitor the payment of loans and interests to creditors by the due date and completely comply with the loan covenants. If failure to comply with such conditions, the Company will keep creditors informed ahead of time to find solutions mutually.

#### Competitors:

Operate the business under fair competition rules and avoid attempting to seek confidential information of competitors via any dishonest or inappropriate means, and never attempt to damage competitors' reputation by making untrue allegations.

#### Marketing and Advertising:

Provide customers with accurate and complete descriptions of products and services to help them make buying decisions based on actual information. Exaggerated claims about products and services are prohibited in both social and environmental qualification including impacts to avoid misleading consumers. Forbidden negatively alludes or refers to the products and services of competitors or other brands. Deliberate appropriate content of advertisements for customers of all ages. Also, must consider the issue of gender equality, sociocultural issues, and good moral values.

#### Society, Communities, and Environment:

Operate the business that contributes to the benefits of the economy, society, and environment. Place focus on preserving customs and traditions of the locality where the Company's units operate. The Company is firmly determined to behave as a good citizen and comply with the rules of law and relevant regulations. In support of such policies, the Company will continuously hold activities that are beneficial to the public. At the same time, intensively and continually cultivate a sense of responsibility for associates in all levels towards the society, community, and environment to sustain it as the critical element of the corporate culture.



## 5. Data Privacy Policy

The Company is committed to managing personal data concerning privacy information of customers, suppliers, and associates as well as comply with the regulations as stipulated by laws, along with strict supervision of both documents and operating system to ascertain safety, steadiness, and transparency of customers', suppliers', and associates' privacy information. To accommodate the usage of the Personal Data Protection Act B.E. 2562 which was enforceable by law since 2022, the following actions have been taken:

1. The company appointed a Personal Data Protection Committee to manage and prepare the operational framework by analyzing and improving operating procedures and determining the policies and practices as stipulated by laws. The Personal Data Protection Committee consists of the following:

Name - Surname	Position
1. Mr. Weerapan Ungsumalee	Chairman of the Personal Data Protection Committee
2. Ms. Sudapa Chamod	Personal Data Protection Committee
3. Ms. Wannee Juntamongkol	Personal Data Protection Committee
4. Ms. Saowanee Sirariyakul	Personal Data Protection Committee
5. Mr. Nitat Aroontippaitoon	Personal Data Protection Committee
6. Mr. Aryuratas Chai-anan	Personal Data Protection Committee
7. Mrs. Apiradee Thavilap	Personal Data Protection Committee
8. Mrs. Surangkhan Chaiprasart	Personal Data Protection Committee
9. Mrs. Kamonthip Amornariyakul	Personal Data Protection Committee and Data Protection Officer

To elaborate, Mr. Weerapun Ungsumalee, who has knowledge and experience in the field of information technology, is the Chairman of the Corporate Data Privacy Protection and the representative of the Board of Directors in managing data privacy.

2. The Personal Data Protection Committee has a duty to determine policies and operation plans for personal data protection to achieve standard operating procedures and abide by the law.
3. Determine the procedures concerning objectives, conditions, announcements, consent, agreements, gathering, usage, and personal data disclosure as stipulated by laws along with supervising, giving recommendations, supporting, promoting and reviewing policies for implementation.
4. The Personal Data Protection Committee has appointed a Data Protection Officer who has the authority to supervise and audit the collection, usage or disclosure of personal data to comply with the order of the Data Controller including risk assessment, handling of requests and complaints.
5. The Company employs high security systems in both technology and processes to prevent cybercrime of confidential information and develop personnel at all levels to ensure that the Company has standard personal data security with measures such as firewall and intrusion detection software, using Data Encryption technology, installing Scan Virus software for effective virus protection. Including determining the level of the authorization according to the level of associates. Further details can be found in the Personal Data Security Policy on the Company's website, Facebook, and Line Application.

In addition, the Company has organized training on personal data protection to enhance knowledge and understanding for associates, as well as setting data privacy protection as the performance evaluation index of related associates. Additional details of data privacy policy can be found on the Company website at: [https://hmpro.listedcompany.com/policy\\_document.html](https://hmpro.listedcompany.com/policy_document.html). In Addition, customers can contact [data\\_privacy@homepro.co.th](mailto:data_privacy@homepro.co.th) in case of any complaints related to data confidentiality,

### Data Privacy Safety Statistics

	2021	2022	2023
Number of complaints on personal data breach	0	0	0
Number of complaints on personal data breach from third party regulators	0	0	0

## Procedure to manage after Personal Data Breach

The Company has clear procedures in place to respond to the personal data breach. When data breach occurs, the Internal Audit department along with security incident response team will investigate the root cause, prepare risk management plan to mitigate the risk in case the personal data breach may affect all stakeholders, and report to the Personal Data Protection Committee as well as report further to the Audit Committee and take precaution to prevent future breach.

## 6. Policies and Guidelines on Cyber Security and Information Technology

The Company appoints the Risk Management Committee that coordinates with the Personal Data Protection Committee to supervise and prepare the business plans by analyzing and developing the business framework to be aligned with future technology. The Company continually allocates resources and develops information technology relevant to the Company's business. Besides, the Company emphasizes on keeping confidentiality of data as the Company is involved with multi-parties: customers, suppliers, etc., by determining authorization for different levels and responsibilities of associates and setting up security protocol of the information technology such as back up system. Also, the Company determines Policies and Guidelines on information technology as follows:

1. The Company complies with relevant law, regulation, discipline, and standards related to information technology such as National Institute of Standards and Technology (NIST). Also, the Company received the security certification from Payment Card Industry Data Security Standard (PCI/DSS), as well as comply with NNT Security Control Guide which is aligned with the standard of Center of Internet Security.
2. The Company establishes an information technology security system to ensure the confidentiality, creditability, and data availability. Furthermore, the Company has a protocol to prevent the inappropriate usage of data or data editing without authorization by determining authorization for associates' different levels and responsibilities.
3. The Company has considered the risk of information and technology and determined measure to manage the risk such as providing Help Desk and Hotline as part of the problem notification system, training sessions on preliminary problems solving and reporting system

according to the level of severity for the responsible and related persons to ensure business continuity.

4. The Company has Cybersecurity insurance policies, which intend to cover a variety of both liability and property losses that may occur when a business engages in various information technology activities, such as selling on the internet or collecting data within its internal electronic network.
5. The Company properly allocates and manages resources related to information technology by determining criteria to identify information technology priorities, consistent with business strategies, urgency, business model alignment, etc.

The Company focused on responsible marketing communication and respect the privacy of customers' information, particularly through PR activities or online communication through social media. The Company respected customers' privacy and gave them a choice to unsubscribe news (opt-in, opt-out) and data as well as maintained the information accuracy. Moreover, the Company continued to monitor the information to ensure the message is correct.

### Cyber risk prevention and management can be detailed as follows:

- To conduct a screening and access authorization only for authorized persons to ensure proper access, implementation, provision, and information back-up.
- To set forth a cycle of system inspection, task relevant staff with operation system control and unforeseen problem-related solutions, and continually perform state-of-the-art hardware and software development to cope with a new type of cybercrime and prevent access to information responsible by an unauthorized person.
- To perform a Cyber Security Drill and devise an emergency plan in case of system breakdown as Disaster Recovery Plan (DRP). The drill is yearly executed to address an issue promptly, lessen the damage to the Company's information system and ensure the continuation of the Company's operation.
- To formulate the Business Continuity Plan (BCP) mainly related to information and Cyber Security Risk and test semi-annually. A clear escalation process is available for associates to follow if any suspicious event occurs according to the Level of Severity (Abnormalities to Crisis). Alerting systems and communication channels are also in place.

- To install a firewall system and equipment and monitor a threat surveillance system, both at the head office and stores. A monthly meeting ensures that a new threat is monitored and inspected. Simultaneously, an attack report and a solution's outcome are discussed as part of the information to devise a preventive measure.
- To perform a penetration testing and vulnerability assessment regularly to assure the current protection system's effectiveness.
- To roll out an information security management in accordance with international standard such as ISO/IEC 27001 (Information Security), which is a standard guideline of Information Security Management System (ISMS)
- To enhance a continual awareness of cyber security pertaining to a threat, prevention and related IT laws amongst the workforce through all internal communication channels and training. Similarly, E-learning on cyber security training allows associates to access the system regardless of location and time, and an assessment ensures that the online learning tool will be improved for better use. Associates at all levels can partake in this educational program.
- The Company also continuously provides knowledge on data protection and information technology management, as well as cultivating associates to recognize the importance of Cyber Security system. The knowledge and information are disseminated to every associate in the Company through ICT News Email 2 times per month.

#### Statistics of data leakage in Information Security

	2021	2022	2023
Customer data is used for secondary purposes (%)	0	0	0
Amount of leaked data	0	0	0
Amount of leaked customer data	0	0	0
Number of customers affected by data breach	0	0	0
Money amount fined from data breach	0 Baht	0 Baht	0 Baht

For further detail regarding Cyber Security Policy, please find on the Company's website at [https://hmpro.listedcompany.com/policy\\_document.html](https://hmpro.listedcompany.com/policy_document.html)

## 7. Policies and Guidelines on Intellectual Property

The Company has imposed regulations to all associates to perform duties under the rules regarding rights in intellectual property such as trademark or any other intellectual properties identified by law. For instance, the use of licensed computer programs, whereby all programs must pass the qualifications, be copyrighted, and be installed by the Information and Communication Technology (ICT) Department only. Also, associates are advised to thoroughly check before using any information to determine whether it violates rights of others including suppliers in intellectual properties. Moreover, associates are encouraged to have knowledge and understanding regarding legal regulations and potential damage caused by the violation of Intellectual Property rights.

Besides the prevention of intellectual property violations, the Company develops products under the Company's private brands. Thus, the Company has the policy to protect its intellectual property by registering those intellectual properties such as a trademark patent as well as prosecuting those who violated company's intellectual property.

## 8. Policies and Guidelines on Legal Compliance and Human Rights Principle

Complying with the rules of law is the significant foundation of the Company's business operations. This includes domestic law, international law, customs, traditions, and cultures relevant to the operations. The focus is on the enhancement of the standard practice to be above what is regulated by law.

The Company respects the protection of human rights and supports international principles and goals such as the Universal Declaration on Human Rights and the International Labor Organization (ILO)'s Declaration of Fundamental Principles and Rights at Work and, thus, ensures that the Company's business is not involved in any infringements of human rights, e.g. forced labor, child labor and has standard working hour according to labor law. It emphasizes respect and fair treatment towards all groups of stakeholders based on human dignity, regardless of origins, race, gender, age, skin color, religion, physical condition, status, and nobility along with promoting the compliance of human right principle within the organization. The Company has also put an internal monitoring system regarding human rights protection that is up to the international standard to protect all stakeholders from possible damages from violation of human rights caused by the Company's business operations. In case compensation is considered, it will not be lower than the rate determined by law.

## 9. Disclosure and Transparency

The Board of Directors strongly emphasizes that disclosure of accurate, complete, transparent, and timely information is of utmost importance to investors and related parties for financial statements and other critical information that impacts the Company's stock price. Disclosure of information was done via the Stock Exchange of Thailand's channels and the Company's website for investors and all stakeholders both in Thailand and internationally to regularly obtain reliable and adequate information for their decision.

### Analyst Meetings

The Company normally arranges a quarterly session for announcing the operating results to analysts, investors, and interested shareholders. Also, Investor Releases are published quarterly, and extra analyst meetings can be held in case significant matters arise.

### Investors Meetings and Company Visits

The Company opens the opportunity for securities analysts, shareholders and institutional investors, both local and international, to meet with the management team. Also, the Company has arranged both physical meeting and web conference for investors to be informed of operational performance, strategic plans, growth direction and other important situations that may occur throughout the year, as well as having their questions answered.

**In the past year, the Company has organized the following activities:**

1. Investor Meetings or Roadshow, a total of 9 events,
  - 4 International Roadshow in which 3 events were held in Singapore and another event was in Hong Kong
  - 5 Domestic Roadshow, as arranged by The Stock Exchange of Thailand (SET) and the securities firm, for both retail and institutional investors from domestic and overseas.
2. A total of 36 Company visits and Store visits with physical meetings for analysts, retail and institutional investors from domestic and overseas.
3. A total of 47 Virtual Meetings through Virtual Conference Call Event arranged by both domestic and international securities firms.
  - 6 International Virtual Conference (Virtual event)
  - 4 Local Virtual Conference with local institution
  - 37 One on One Virtual Meeting with international investors
4. Opportunity Days (for listed companies to meet with investors) organized by the Stock Exchange of Thailand on March 13<sup>th</sup>, May 8<sup>th</sup>, August 7<sup>th</sup>, and November 9<sup>th</sup>, 2023 with investors and the media in attendance.
5. A total of 4 Analyst Meetings with local analysts in the form of physical meeting and 2 post-result calls with foreign investors on virtual meeting.

## Press Conference and Media Relation

In 2023, the Company arranged one press conference on the annual business results of 2022, business plan and outlook of 2023. There were also 4 press releases provided to the media informing business progress on a quarterly basis as well as business progress and other marketing events throughout the year.

## 10. Training Programs for the Board of Directors

The Board of Directors facilitates and promotes directors to attend training courses and seminars in order to accumulate knowledge that will benefit the Company. The Board of Directors assigned the Company Secretary to collaborate and notify directors of upcoming training courses and seminars as the training schedule. DAP or DCP trainings are considered mandatory in which all directors of the Company have passed. In 2023, there was one director, namely Mrs. Suwana Buddhaprasart, attending the Director Leadership Certification Program (DLCP 9/2566) training course.

## 11. The Board of Directors' Meeting

The Board of Directors and Executive Committee have a regular meeting every month and may have an extra meeting as necessary. The executives could attend the Board of Director Meeting in appropriate agendas. In order to conduct a Board of Directors' meeting and vote in the meeting, the Company requires a quorum of two-third of the directors to participate (66.67%). The schedule of the Board of Director meeting and the sub-committee's meeting for the whole year are defined in advance in which the Board of Director's meeting is scheduled in the last week of every month, and the calling notice for meeting with the agenda of the meeting will be sent at least 5 working days in advance for the directors to prepare prior to the meeting.

During the meetings, the Chairman sufficiently allocates time in explaining important issues, encourages every director to express opinion creatively and independently, and uses discretion carefully. Besides, the Company Secretary will record the minutes of the meetings. The directors, who have a conflict of interest in any issue, will be absent and have no right to vote on that issue. Meeting documents, meeting minutes as well as related information and documents shall be wholly kept in a safe place and recorded into the electronic files along with the original copies.

In addition, the Board of Directors has determined that non-executive directors can conduct meetings among themselves as appropriate. No executive directors participated in such meetings to discuss various issues related to management that have material impact to the Company. In 2023, there was a meeting of non-executive directors 1 time on December 26, 2023. The purpose of this meeting was to examine the overall organization management, material issues that could have impact on the business and required improvement, and self-evaluation of the Board of Directors, Sub-committee, and Managing Director. The key topics and results from the meeting are informed to the managing director for acknowledgement and action.

The Board of Directors shall be updated regularly on any change in laws, rules, and regulations, and important guidelines, movement on industrial information and good corporate governance guidelines so that the performance as the Board is in accordance and keep abreast with the laws, regulations, and sound principles and guidelines.

The Board of Directors supervises the management to monitor and assess the company's financial position as the important agenda to report to the Board of Directors' meeting on a monthly basis. The Board of Directors and Management will jointly find the solution immediately when there is a weak sign of liquidity and debt repayment ability. Nonetheless, the guidance to solve this issue must be reasonable and fair to all concerned, including complying with the concerned rules and regulations such as the disclosure rule.

In 2023, there were 12 Board of Directors meetings, and Sub-Committee meetings: 12 Executive Committee meetings, 12 Audit Committee meetings, 3 Nomination and Remuneration Committee's meetings, and 1 Non-Executive Directors meeting.

## 12. Criteria of Performance Evaluation and Compensation For Associates (Performance Appraisal System)

The company has set the policy to use the Performance Appraisal System to evaluate associates fairly and align the result with the remuneration. The Company also integrates the code of conduct performance as one of the topic in the appraisal system to uplift the importance of the Company's governance. The performance evaluation is separated according to the type of work performed twice a year to regularly reflect the performance results. For example, to

appraise associates involves taking care of corporate image, which includes operation division, customer satisfaction division, and corporate communication. There will be the evaluation of customer satisfaction and engagement toward the Company brand and proportion of PR expense to total sales, which will be taken as the factors to calculate the welfare apart from salary base. Including appropriate treatment for associates in terms of opportunities and compensation that are consistent with the Company's performance both in the short term, such as bonuses according to the Key Performance Indicators (KPI), Objective and Key Results (OKR) and operating results of the Company each year and in the long-term, such as the Employee Joint Investment Program (EJIP) which will ensure that the Company will be able to attract, develop potential, and retain associates with good performance to have the motivation to work. In a market situation with high competition, associates will be offered compensation at appropriate rates and in line with market guidelines for the main compensation component. In addition, the Company also applies Management by objectives, 360 Degree Feedback, team-based performance appraisal, including agile ability to evaluate and rank the performance of associates semi-annually. However, all employees are appraised and coached on an ongoing basis by supervisors, either formally (by documents) or informally (by verbal).

Regarding the remuneration structure, the company provides remuneration at a rate not lower than the minimum wage stipulated by the law. One of the determinants for determining the compensation structure is the principal connectivity between job levels and job value. In addition, range structure, the span between the minimum and maximum base salary an organization will pay for a specific job or group of jobs, has also been applied for the management of remuneration structure with the following rates: lowest, median, and highest.

In determining wage structure, the company conducts surveys and benchmarks compared to organizations in the labor market within the retail and outside retail industry. Furthermore, the company also considers salary proportion and other income so that it is appropriate, competitive to the market, and sufficing the well-being of the associates and their families (Living Wage) Principles.

### **The Company has a policy towards its associates as follows:**

1. The Company treats the associates with politeness and respect to individual and human dignity.
2. The Company has fair remuneration to the associates.

3. Assign and transfer the position, including reward and punishment to the associates shall be made with honesty and based on the associates' knowledge, ability, and suitability.
4. The Company emphasizes the importance of knowledge competency development by providing opportunities for all associates on regular basis.
5. The Company regularly preserves the working environment to be safe for associates' life and properties.
6. The Company opens to associates' opinions and suggestions based on associates' professional knowledge.
7. The Company strictly complies with labor laws and any regulations related to the associates.
8. The associates are allowed to file complaints to the Company if the associates are mistreated through the given specified system and procedure.
9. The Company respects associates' rights in joining collective groups of their free choice and does not prevent associates from forming a union or joining other labor unions.

## **13. Compliance Unit**

According to the notification of Capital Market Supervisory Board regarding Establishing Compliance Unit of Business Operator which applies to the person licensed to undertake the following businesses: (1) securities brokerage, (2) securities dealing, (3) securities underwriting, (4) mutual fund management, (5) private fund management, (6) being derivatives broker, (7) being derivatives dealer, and (8) being a derivatives fund manager. The notification stipulated that the business operator shall arrange to have the compliance unit responsible for monitoring the business operator's compliance with good governance.

The Company have a dedicated Compliance Unit by assigning the legal department for external affairs and Internal Audit for internal activities on top of assigning each department and division to manage on its own. For examples, compliance on business licenses, legal compliance, and compliance related to the Stock Exchange of Thailand and the Securities and Exchange Commission will be taken care by the Legal Department. Compliance on the standard operations of the branches will be the responsibilities of the Branch Operations Center Division; and there is also the Internal Audit Department that will audit each department's operations to ensure standardized practices as a whole.

## 14. Internal Audit Department

To promote the procedures of good governance, the Company has an internal audit to review and follow up the result of work performing to the executives by performing its tasks independently and reporting the results to the Audit Committee directly and regularly. The chief of internal audit is Mr. Aryuratas Chai-anan, Vice President of the Internal Audit department appointed by the Audit Committee.

Moreover, there is an appointment to an auditor who passes a consideration from the Audit Committee to evaluate the effectiveness of the internal control in accounting. The resolution of shareholders' meeting of 2023 approved to appoint Mrs. Gingkarn Atsawarangsalit, the auditor with certified license no.4496 of EY office company limited, to be the Company's and subsidiaries' auditor of 2023. In this regard, the auditor has no direct and indirect benefit or conflict of interest, including not being a debtor, creditor, executives, major shareholder, or does not be related to the aforementioned person. The auditor is independent and has acceptable qualifications as approved from the Securities and Exchange Commission.

## 15. Conflicts of Interest Management

The company's policy is to operate the business with honesty, openness, transparency, and fairness. Directors, executives, and all associates are not allowed to do any business that is considered to compete with the Company's business. They are advised to avoid making transactions related to oneself, individuals, or juristic persons that are prone to have conflicts of interest with the Company. The Board of Directors is responsible for ensuring strict compliance to the criteria, procedures, and disclosure of any inter-related transactions regulated by laws or the Corporate Governance Office.

In case the so-called inter-related transactions are necessary or unavoidable, such transactions must be in line with the condition of a general business transaction as approved by the Board of Directors on a transparent and fair basis. This is to be regarded as if a transaction was always made with the external party with the Company's utmost interest. Stakeholders must not get involved in considering to approve the transactions in which they have conflicts of interest. On the other hand, in case the inter-related transactions which are not in accordance with the general business transaction approved by the Board of Directors, and might possibly generate conflicts of interest, such cases must be investigated and opined by the Audit Committee, prior to the proposal to the Board of Directors or shareholders for approval.

### - Report of related-party transactions:

Directors and executives are required to report for the related-party transactions declaration form for the accounting period ending December 31 every year in order to demonstrate transparency and cautiousness in doing any transactions. The Company Secretary Office will hand out this declaration form and compile all the information.

### - Disclosure of directors, executives, and related parties' conflicts of interest:

The report is due to be prepared within 30 days after the date of assumption of duties and to be reported annually as of December 31. For cases taking place during the year, directors, executives or any related parties have to make transactions, either directly or indirectly, with the Company or its affiliates, such activities must be declared to the Company for the type of contract that being made, name of the partner of the contract and any interests eligible to the directors or executives, in order to ensure transparency in making such transactions. Throughout the year 2023, there were no board of directors, management or related parties who have transactions or conflict of interests with the Company.

### - Report of Conflicts of interest:

Directors and executives are required to report their own and related parties' transactions if the interests are related to the Company's management and administration according to the criteria, conditions, and procedures regulated by the Securities and Exchange Commission. The Company Secretary Office will compile the information and submit a copy of this conflict of interest report to the Chairman of the Board and the Chairman of the Audit Committee, which is to be acknowledged within 7 days after receiving.

### - Disclosure of strategic shareholder information:

The Company is responsible for preparing the share distribution report on a free-float shares held by individual minor shareholders and shareholders who are not involved in directing or managing the Company (Strategic Shareholder). The proportion of the free float shares is considered as a significant factor in determining the Company's liquidity of share trading transactions. This benefits all shareholders and investors so that they can conveniently purchase or sell their shares, reflecting to reasonable price, which is also another appealing factor for those who are interested in investing in the Company.

In 2023, the Company had not received any complaints regarding acts of violation of Conflicts of Interest conducted by directors or executives.

## 16. Code of Conduct

The Company places great emphasis on operating the business with morality, taking business ethics as a way of practice, and an excellent guiding principle for directors, executives, and all associates to follow to encourage effectiveness and transparency. This would create trust and acceptance in the Company's transparent operations, as well as sustainably and fairly create values to all stakeholders. The Board of Directors has initiated the "Code of Conduct" as part of the Company's "Good Corporate Governance" principles, which can be downloaded from the Company's website. Also, it is communicated to all directors, executives, and employees for acknowledgement through the Company's Intranet.

The Code of Conduct comprises policies and practice guideline in 6 different perspectives that reflect the Company's values in business operations. Directors, executives and associates are expected to adhere to and abide by the following topics:

1. Principles of operating business
2. Conflicts of interest and confidentiality
3. Responsibility towards the Company and its assets
4. Stakeholders management
5. Supervision on compliance to business ethics
6. Receipt of complaints regarding corporate governance and business ethics

This manual has been distributed to all directors, executives and associates to encourage the execution of a code of conduct and can be used as a reference. Assuming that everyone has accountability to acknowledge, understand and strictly comply with the policies and protocols stated in the codes of conduct. In Performance Appraisal System, all associates are evaluated based on their compliance to the codes of conduct. The result of the evaluation is used as a part of the consideration for their remuneration. The

Code of conduct was integrated and communicated into the Company's culture (HomePro Culture). The Company has published this manual on the website under the good governance topic for shareholders, investors, and interested individuals' convenient access.

The Company has consistently been placing great significance on equipping knowledge and understanding of good governance and business ethics. The Board of Directors has been working to ensure that communication on such matters is sufficient to encourage adhering with such policies, as seen from incorporating the good governance topic and business ethics as one of the orientation agendas for directors and associates. In 2023, there were 24 orientation sessions for associates.

### Disciplinary Action

In case of wrongdoing by associates, the Company has the following disciplinary action in place as following;

- Verbal warning or warning letter
- Punishment by:
  - Wage reduction or demotion
  - Job suspension
  - Withholding of annual bonus
  - Not providing pay raise
  - Requesting for resignation
  - Dismissal

The Company inspected and monitored associate behavior according to business ethics. In 2023, there was 0 serious violation or legal proceeding found. Nevertheless, the Company focuses on encouraging associates to comply with business ethics, along with inspecting those compliances to code of conduct continuously.



# Report on Key Performance Results of Corporate Governance

## 1. Summary of the Board of Directors' responsibilities performance in the previous year

- **Determining policies and business directions:** The Board of Directors is involved in determining the Company's vision, policies, goals, business plan and budgets which are reviewed and approved annually. The policies and business directions emphasize on ethics and impact to stakeholders apart from financial results. The Board of Directors is also collectively accountable for monitoring the management team to operate the business according to strategies, plan and budget effectively and efficiently. Also, integrating innovation and technology are also applied to the business appropriately.
  - **Risk management:** The Board of Directors is responsible for monitoring any potential risk that can possibly affect the business. The Risk Management Committee has been appointed to take charge of regulating and supporting effective risk management, as well as considering any potential risks and defining execution plan, following up, and constantly improving such plan to minimize risks to be in the acceptable level. The Risk Management Committee's meeting is held quarterly to assess risk level together with solving the issues to reduce the risk and then report to the Board of Directors.
  - **Monitoring the Company's strategy execution:** The Board of Directors is involved in monitoring the execution of the Company's strategy via meetings which are reported on a monthly basis by management.
  - **Avoidance of conflict of interest of Board of directors, Management, and Shareholders:** The Board of Directors will determine the tool to ensure that the Company effectively and transparently operates the business, for the best interests of shareholders, by way of avoiding chances of conflict of interest in business operations. However, in case any Directors or executives are one of the conflicts of interest in any matters, they must be completely disclosed.
  - **Good corporate governance:** The Board of Directors reviewed the good corporate governance policy and code of conduct on a regular basis which is integrated into the Company's culture. The Board of Directors will be a role model in creating and driving a corporate governance and code of conduct. Additionally, the aforementioned policies and code of conduct is communicated and enforced to all directors, executives, and associates as well as monitored the results on a regular basis. These would enhance the Company to be standardized, transparent, effective, and auditable. Furthermore, the Company determines policies and procedures to limit the number of positions in other companies for director, independent director, managing director, and executives. Directors and independent directors must not take more than 5 directors' positions in listed companies. In 2023, directors and independent directors held positions as directors in other listed companies, totaling no more than 4 companies. Managing director and executives must not take more than 2 positions in listed companies that are not in the same group of the Company and must not compete with the Company's business and must not have conflict of interest with the Company.
  - **Nurture of innovation:** The Board of Directors emphasizes the nurture of innovation by supporting the integration of innovation and technology into the business. These would enhance competitiveness and value to the Company under the dynamic change of business environment. It could respond to stakeholder's concerns; the Company, customer, suppliers, social and environment. The Board of Directors appoints executives to integrate innovation as a part of business strategies, operational development, and operation monitoring.
  - **Internal control and audit:** The Board of Directors is well aware of the significance of internal control and audit systems. The Board of Directors determines the protocols to ensure that the Company has an effective internal control system in place and is coherent with the level of risk that the Company is able to accommodate. The Audit Committee has been assigned to review and monitor the internal control results and report to the Board of Directors regularly to create confidence for executives, investors and other stakeholders.
  - **Sustainable Development:** The Board of Directors has the role of support in steering the company's business towards sustainable development; encourage the establishment, evaluation, and execution of policies, strategies, procedures, as well as the sustainable targets company-wide, in order to maintain the balance between operating business and the environmental responsibility with contribution to the better quality of life and well-being of community and society.
- The Company has appointed the Audit Committee which is entirely Independent Directors in order to verify accuracy of disclosed information and ensure reliability of financial statements. The Committee is also responsible for regulating good governance and internal control, with its roles and responsibilities of the Audit Committee detailed

under the topic “Governance Structure and Important Information of the Board of Directors and others”. In case of unusual transactions, the Board of Directors is supposed to consider such transactions with Independent Directors in the meeting. The Company also assigned the Nomination and Remuneration Committee to determine the procedures and criteria in the recruitment of the Company’s Directors and determine remuneration or any other benefits that are fair and reasonable, and propose to the shareholders’ meeting for approval.

## 2. Selection of Directors, Independent Directors, and Managing Director

### 2.1 Selection of Directors and Independent Directors

The Company appointed the Nomination and Remuneration Committee, which consists of 1 Independent Director from totaling of 3 individuals, to determine selection criteria of an appropriate individual in accordance with the Company policy to be nominated as the Director or Sub-committees, by the following methods:

1. Open opportunity for the shareholder to participate in the nomination of candidates to be elected as directors in advance. In 2024, The nomination was available from 16 October 2023 to 19 January 2024 and announced through the SET portal system of the Stock Exchange of Thailand under the News section and the Company’s website, for the nomination method and procedure. In 2024, none of the shareholders nominated any candidate to be elected as director.
2. The consideration is coming from the Director Pool of Thai Institute of Directors or other department that provides such information.

3. Other channels that the Nomination and Remuneration Committee deems appropriate.

The Nomination and Remuneration Committee is responsible for the selection and screening of the qualified candidates in accordance with the Company’s Articles of Association and Board of Directors’ Charter and along with other guidelines that are relevant which can be summarized as follows:

1. Consider the qualified individual in accordance with the laws and must not possess characteristics prohibited by the rules of the Security and Exchange Commission along with other laws, regulations or other associated regulations.
2. The consideration of the appointment of the Independent Director is considered under the rules imposed by the Security and Exchange Commission. In this regard, the Company has set the qualifications for independence to be more stringent than the requirements of the Securities and Exchange Commission, such as holding not more than 0.5 percent of the paid-up capital of the Company. More details are available on the topic of independent directors.
3. Consider the Board Skills Matrix in terms of knowledge, experience, skills, expertise in industry so that it is in accordance with the business strategy of the company.
4. Consider the diversity of the board structure, including gender, age, qualifications, experience, race, nationality, ethnicity, and cultural background (Board Diversity). Furthermore, the company has a policy requiring at least half of its directors to possess expertise or experience in retail business, specifically in consumer products.

Name-Surname	Work experience/ Expertise related to the Company's business	Other Work experience/ Expertise										
	Consumer Discretionary	Consumer Staples	Energy Business	Industrials	Materials	Healthcare	Accounting/ Finance/ Economics	Information Technology	Real Estate	Services	Corporate Governance	Risk Management
1. Mr. Anant Asavabhokhin	Yes						Yes		Yes			
2. Mr. Khunawut Thumpomkul	Yes						Yes	Yes	Yes	Yes		Yes
3. Mr. Boonsom Lerthirunwong	Yes		Yes	Yes		Yes		Yes	Yes		Yes	Yes
4. Mr. Naporn Sunthornnchitchareon	Yes				Yes		Yes		Yes			
5. Mr. Rathian Srimongkol				Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes
6. Asst. Prof. Dr. Kessara Thanyalakpark							Yes		Yes		Yes	Yes
7. Mr. Pornwut Sarasin	Yes	Yes		Yes	Yes		Yes		Yes			
8. Mr. Achawin Asavabhokhin	Yes						Yes		Yes			
9. Mrs. Suwanna Buddhaprasart	Yes						Yes		Yes	Yes		Yes
10. Ms. Vareeporn Udomkunnatum							Yes		Yes	Yes		
11. Mr. Weerapun Ungsumalee	Yes							Yes		Yes		Yes

After that the Nomination and Remuneration Committee proposes the list of candidates to the Board of Directors for their opinions. The Nomination and Remuneration Committee then proposes this matter in the shareholder's meeting for approval in order to elect directors in accordance with the following rules and procedures:

1. Each Shareholder has the vote equivalent to one vote per one share held.
2. Each Shareholder should use all of his/her voting rights under item 1 to elect one or more persons as the Director, but is not able to share his/ her varied voting rights to any person.
3. Individual with the highest votes, follow by votes from other individuals in descending order would be elected as director subject to the number of Directors allowed to be elected in such meeting. In the event of individuals who have been elected that received equal votes but there will be over the number of allowed or elected Directors in such election, the Chairman of such Meeting shall have a casting vote.

In the event of an available position as a result other than the expiration of the term of the director. The Board of Directors shall appoint qualified candidates who do not possess any characteristic that indicates prohibition to be the director for the Board of Directors meeting. The replacement of a director that just has been appointed may only serve for the remaining term of the director whom he/she replaces.

**In 2023, there were 4 following directors who retired by rotation from their positions as their term expired:**

1. Mr. Rutt Phanijphand
2. Mr. Khunawut Thumpomkul
3. Mr. Naporn Sunthornchitcharoen
4. Mr. Achawin Asavabhokin

Mr. Rutt Phanijphand had no desire to return to be a director, so there were only 3 directors remaining to propose in the Meeting of Shareholders for consideration.

The Nomination and Remuneration Committee considered this matter in accordance with the criteria of the selection. This shows that all 3 directors have the qualifications required according to the Public Limited Company Act B.E. 2535. Nonetheless, the qualifications of these directors, such as capability, experience and expertise (Board Skill Matrix) have been analyzed so that these are in line with the Company's operational strategies. Also, in the past two years, all 3 directors have never been an employee or partner of the auditor company as well as they have well performed their obligation with the Company for a long period of time. In this regard, such matter has been proposed through the resolution of the Board of Directors of the Company in order to be presented as an agenda in the 2023 Annual General Meeting of Shareholders. As a result, the meeting approved this matter and to reappoint these directors for another term.

Since April 30, 2023, three directors have resigned from the position; Mr. Manit Udomkunnatum, Mr. Thaveevat Tatiyamaneeekul, and Mr. Chanin Roonsamrarn.

Also, from May 1, 2023 onwards, three new directors have been appointed; Mr. Rathian Srimongkol, Asst. Prof. Dr. Kessara Thanyalakpark, and Ms. Vareeporn Udomkunnatum in accordance with board resolutions No. 4/2023 as approved and proposed by the Nomination and Remuneration committee.

## 2.2 Selection of Managing Director

For the selection of the Managing Director, the Nomination and Remuneration Committee determines the selection of an appropriate candidate from the nomination both external persons and internal successors. The Company has criteria to consider their capability and experience, as well as appropriate skills according to Board Skill Matrix, including the ability to manage the business in order to achieve the company's objectives and goal as stipulated by the Board of Directors. The appropriate candidate would be nominated to be appointed by the Board of Directors.

## Roles and Responsibilities of the Managing Director

As resolved in the Board of Directors Meeting no. 7/2544 on 21st June 2001 and the Board of Directors Meeting no. 9/2544 on 16th August 2001, the Managing Director who has the authority to manage the Company as assigned by the Board of Directors and shall strictly and carefully manage (Duty of Care) the Company according to the framework or budget approved by the Board of Directors, and maintain the best interest of the Company and shareholders (Fiduciary Duty). Authorization of the Directors also covers other matters as follows:

1. Daily Operation and management of the Company to be in accordance with the business plan proposed to the Board of Directors.
2. Approval of operating expenses, selling and administrative expenses and capital expenditure according to the budget approved by the Board of Directors. However, transactions related to loan and guarantee are excluded.
3. Filling the post, appointing, removing, relocating, promoting, reducing or cutting salary or wages, disciplinary punishment to the staff and associates, and ordering the staff and associates to leave from the position according to the regulations as stipulated by the Board of Directors.
4. Other operations as assigned by the Board of Directors, with the following authorities:
  - 4.1 Having the authority to administrate under the objectives, regulations, policy, rules, order, and resolution of the Board of Directors meeting and the resolution of the Shareholders Meeting.
  - 4.2 Having the authority to operate and enter into juristic act, agreement, order or any letter for contacting with the government authority, State

Enterprise, and other individuals, including authority to act when necessary and appropriately so that the above-mentioned acts become successful.

- 4.3 Having the authority to authorize an individual as a proxy to act on specific work, which must be under the rules, regulations, or order made by the Board of Directors or as imposed by the Company.

Nevertheless, the Managing Director is unable to approve any transaction that the Managing Director himself or individual who may have a conflict of interest in any other ways with the Company or its subsidiary.

Since January 1, 2023, Mr. Weerapun Ungsumalee was appointed as a Managing Director of the Company according to the Board of Director's resolution No.9/2022.

### Chairman of the Board and Managing Director's Roles

The Chairman of the Board and the Managing Director are not the same person, so that roles are clearly separated and to balance power in all aspects of operations. Even though the Chairman of the Board is the representative of the shareholders who are not the Independent Directors, the Nomination and Remuneration Committee's resolution with further approval from the Board of Directors is that this particular structure is appropriate for the Company's business operations and has also served as the key strength that accelerates success and growth up until present. Since the Chairman of the Board is knowledgeable and full of experiences and expertise in many fields; housing, real estate and retail, he has consistently been capable of performing duties with consideration to the benefits of all groups of stakeholders.

The Chairman of the Board is supposed to assume duties and responsibilities as a director under the Board of Directors' charter, abide by the Code of Conduct and corporate governance policies to serve as a role model for Directors, executives and associates. In this regard, the Chairman of the Board also takes the role of the chairman of the Board of Directors' meeting and shareholders' meeting, monitors effective proceeding of the meeting, and allows opportunities for Directors and shareholders to express their constructive opinions independently.

The Managing Director is responsible for effectively managing and administering the Company as part of executing the strategic plans, purpose, vision and mission being formulated. The scope of the authority has been specified under the law, objectives and regulations of the Company, as well as resolutions from the Board of Directors' meeting and shareholders' meeting.

In 2022, the Company appointed Mr. Anant Asavabhokhin as the Chairman of the Board of Directors in regards to the resolution of the 2022 Annual General Meeting of Shareholders on April 8, 2022.

For the Board of Directors' meeting in 2023, in case the Chairman of the Board of Directors is not able to perform his duty during the meeting, the Chairman of the Nomination and Remuneration committee and the Chairman of the Audit committee will perform as a Chairman of the meeting.

## 3. Board of Directors' Performance Evaluation

### Procedures and Criteria for the Board of Directors' Performance Evaluation

Performance evaluation of the Board of Directors divided into the following:

- Evaluation of the entire Board
- Evaluation of sub-committees
- Individual Board Assessment

### Process for Evaluation

The Corporate Secretary will submit the evaluation form for the entire Board, sub-Committees, and Individuals in the Board of Directors Meeting. After the evaluation has been completed, the Company Secretary will collect and summarize the results to the Nomination and Remuneration Committee for consideration of the remuneration and the bonus by screening various appropriateness such as business expansion, profit growth, market capitalization of the Company's security, dividend payment, and the number of meeting attendance. In addition, the comparison is also based on the information of other companies in the same industry.

### Performance Evaluation Criteria

The Company has set the criteria and evaluated the performance of the entire Board, sub-committee and individual at least once a year to consider the remuneration and the bonus. The Company has taken the guideline of the performance evaluation form of the Board of Directors, sub-committee, and the individuals of the Stock Exchange of Thailand to apply and to make it comply with the Company criteria. In addition, there are conditions that cover various aspects of evaluation topics including the structure, qualifications, roles, and responsibilities of the Board, the board meeting, and duties performed by the directors. In 2023, the Board of Directors, both individually and collectively, as well as the sub-committee, passed the evaluation criteria. Moreover, the Company has brought all suggestions to further consideration in the development of the Board of Directors.

## 4. Managing Directors' Performance Evaluation

### Criteria of Performance Appraisals and Remuneration Policy for Managing Director

The Company has the Nomination and Remuneration Committee to propose opinion to the Board of Directors in consideration of setting the annual Key Performance Indicators (KPI) to be used in evaluation of working performance of the Managing Directors, such KPI shall be in accordance with the goal of the Company for both short-term and long term concerning the following elements: Same store sales growth (SSSG), Return on Asset (ROA), Return on Equity (ROE), Return on Invested Capital (ROIC), Total Shareholder Return, Tobin's Q, which has been

compared with the data from the Stock Exchange of Thailand, along with performance in relation to the environmental, social, and corporate governance (ESG Goals), such as the increase of ECO Products and the usage of renewable energy and the number of technician. The objective is to create motivation and a sense of participation in the ownership of the Company. The details of compensation and remuneration for Managing Directors are as follows:

**Short-term :** Payment of rewards in the form of salary and bonus based on the performance.

**Long-term :** Employee Joint Investment Program (EJIP), the total of three series; Series 1 - starting from July 1, 2013 to June 30, 2018 Series 2 - starting from July 1, 2018 to June 30, 2023 Series 3 - starting from July 1, 2023 to June 30, 2028.

### Evaluation Criteria of Managing Director's compensation and remuneration

Proportion of Managing Director's compensation	Evaluation Topic and Details	Performance-Based		
		Short-Term	Long-Term	
25%	Operation Index	Same Store Sales Growth Rate	/	
		Cash Conversion Cycle	/	
		Risk Management	/	/
25%	Marketing Management Index	Market Share	/	/
		Brand Index	/	/
		Service Performance	/	
30%	Capital Efficiency Index	Return on Asset	/	/
		Return on Invested Capital	/	/
		Total Shareholder Return	/	/
20%	Corporate Sustainability Index	Employee Engagement	/	/
		Customer Satisfaction	/	/
		Material Issue in the fields of economy, environment, and society (Increase of Sales mix of Eco Product, Utilization of renewable energy, Increase in the number of technician team, waste and circularity management)	/	/

**Remark:** The Company sets the evaluation criteria of each topic in which the Managing Director must achieve scores above 80% in order to pass the minimum criteria.

In 2023, the Nomination and Remuneration Committee proposed to the Board of Directors to approve Managing Director's compensation as he has passed all the evaluation criteria.

In 2023, the Managing Director's pay ratio to the average compensation of all employees was 25 times.

## 5. Meeting and Remuneration of each Director

### Remuneration for the Directors and Executives

The Nomination and Remuneration Committee is responsible for expressing their opinions to the Board of Directors in terms of the criteria for evaluating the performance of the Directors, Executives, and Managing Director.

### Remuneration for the Directors

The remuneration of directors is considered with respect to fairness and appropriateness. The considerations are based on the responsibilities and the performance of the company as a whole, the duties and the responsibilities of each sub-committee, the connectivity between the success of the operation and the business's performance, other related factors including the comparison between our company remuneration and the remuneration of other companies within the same industry or in similar industry, such as the director's remuneration survey conducted by the Stock Exchange of Thailand and Thai Institute of Directors (IOD).

In 2023, the Nomination and Remuneration Committee reviewed the remuneration of directors and proposed to the Board of Directors for approval. The matter was then presented further in the 2023 Annual General Meeting of Shareholders, which took place on 7 April 2023. The shareholders have a resolution to grant the remuneration of directors amounting to but not more than 12,000,000 baht and the bonus in 2022 for the directors amounting to but not more than 35,000,000 baht with the payment structure as follows:

### 1. Cash Remuneration

#### 1.1 Monthly Remuneration

- Chairman	Baht 80,000/ person/ month
- Vice Chairman	Baht 60,000/ person/ month
- Chairman of Executive Director	Baht 60,000/ person/ month
- Director	Baht 40,000/ person/ month

#### 1.2 Meeting Attendance Allowance

- Chairman	Baht 30,000/ person/ time of attendance
- Vice Chairman	Baht 30,000/ person/ time of attendance
- Chairman of Executive Director	Baht 30,000/ person/ time of attendance
- Director	Baht 20,000/ person/ time of attendance

Note: Director who is in the management position will not receive the meeting allowance under article 1.2 above

### 2. Other Remuneration

Directors will receive benefits from purchasing discounted items only. The discount rate will be as specified in the Articles of Association of the company that has been approved in the shareholder's meeting. The benefits mentioned above will not be greater than the benefits provided to the VIP customers which is fixed at no more than 10%. Besides, annual health checkup benefits will also be provided once a year.

No. of Meeting Attend and Details of Monetary Remuneration for directors in 2023 are as follows:

Name - Surname	No. of Meeting Attend (Time)				Remuneration and Meeting Allowances						
	Board of Directors, 12 meetings	Executive Committee, 12 meetings	Audit Committee, 12 meetings	Nomination and Remuneration Committee, 3 meetings	Monthly Remuneration	Remuneration for Board of Directors Meeting	Remuneration for Executive Committee Meeting	Remuneration for Audit Committee Meeting	Remuneration for Nomination and Remuneration Committee Meeting	Bonus (Baht)	Total (Baht)
1. Mr.Anant Asavabhokhin	7/12				960,000	210,000				4,036,145	5,206,145
2. Mr.Manit Udomkunnatum*	4/4				150,000	90,000				3,478,916	3,718,916
3. Mr.Rutt Phanijphand*	3/3	3/3		2/2	129,333	60,000	60,000		60,000	2,748,494	3,057,827
4. Mr.Naporn Sunthornchitcharoen	11/12	11/12		3/3	480,000	220,000	220,000		70,000	2,748,494	3,738,494
5. Mr.Khunawut Thumpomkul	12/12	12/12		1/1	660,000	330,000	360,000		20,000	2,748,494	4,118,494
6. Mr.Achawin Asavabhokhin	11/12	9/9			480,000	220,000	180,000			2,748,494	3,628,494
7. Mr.Chanin Roonsamrarn*	4/4		4/4	3/3	160,000	80,000	80,000	80,000	60,000	2,748,494	3,128,494
8. Mr.Boonsom Lerdirunwong	12/12		12/12		480,000	240,000	360,000			2,748,494	3,828,494
9. Mr.Thaveevat Tatiyamaeekul *	4/4		4/4		160,000	80,000	80,000			2,748,494	3,068,494
10. Mr.Pornwut Sarasin	11/12				480,000	220,000				2,748,494	3,448,494
11. Mrs.Suwanna Bhuddhaprasart	12/12				480,000	240,000				2,748,494	3,468,494
12. Mr.Rathian Srimongkol	8/8		8/8		320,000	160,000	160,000				640,000
13. Asst.Prof.Dr. Kessara Thanyalakpaik	8/8		7/8		320,000	160,000	140,000				620,000
14. Ms.Vareeporn Udomkunnatum	8/8				320,000	160,000					480,000
15. Mr.Weerapun Ungsumalee	12/12				480,000					2,748,494	3,228,494
<b>Total</b>					<b>6,059,333</b>	<b>2,470,000</b>	<b>820,000</b>	<b>820,000</b>	<b>210,000</b>	<b>35,000,000</b>	<b>45,379,333</b>

Remark: \* = A director that has resigned/ retired by rotation

- Regarding Board of Directors' meeting policy, in order to conduct a Board of Directors' meeting and vote in the meeting, the Company requires a quorum of two-third of the directors to participate (66.67%)
- From January 1, 2023 onwards, Mr.Khunawut Thumpomkul has been appointed to be the Chairman of Executive Committee and Mr.Weerapun Ungsumalee has been appointed to be the Managing Director of the Company.
- Since April 7, 2023, Mr.Rutt Phanijphand has retired by rotation and had no desire to return to be a director.
- From April 8, 2023 onwards, Mr.Naporn Sunthornchitcharoen has been appointed to be the Chairman of Nomination and Remuneration Committee, Mr. Khunawut Thumpomkul has been appointed to be the Director of Nomination and Remuneration Committee, and Mr. Achawin Asavabhokhin has been appointed to be the Director of Executive Committee.
- Since April 30, 2023, three directors have resigned from the position; Mr. Manit Udomkunnatum, Mr.Thaveevat Tatiyamaeekul, Mr.Chanin Roonsamrarn.
- From May 1, 2023 onwards, three new directors have been appointed to replace the resigned directors; Mr.Rathian Srimongkol (appointed to be the Independent Director and the Director of Audit Committee), Asst.Prof.Dr.Kessara Thanyalakpaik (appointed to be the Director).
- From May 1, 2023 onwards, Mr.Pornwut Sarasin has been appointed to be the Director of Nomination and Remuneration Committee.
- Mr. Anant Asavabhokhin did not attend the Board of Directors meeting on 8/2023, 9/2023, 10/2023, 11/2023, and 12/2023.
- Mr.Naporn Sunthornchitcharoen did not attend the Board of Directors meeting on 10/2023 and did not attend the Executive Committee meeting on 10/2023.
- Mr.Pornwut Sarasin did not attend the Board of Directors meeting on 2/2023.
- Mr. Achawin Asavabhokhin did not attend the Board of Directors meeting on 12/2023.
- Asst.Prof.Dr. Kessara Thanyalakpaik did not attend the Audit Committee meeting on 11/2023.

## 6. Governance on subsidiaries

The Board of Directors appointed the Company's management to be directors of the subsidiaries. The directors' responsibilities are to ensure the maximum benefits of all subsidiaries, to supervise the subsidiaries to comply with the rules regarding relating to party transactions, asset acquisition and disposition, and other major transactions, to ensure that the subsidiaries apply the same disclosure policy and practices to the aforementioned transactions as the Company, and to supervise the subsidiaries to appropriately retain information and record accounting transactions in order to facilitate the Company in reviewing and gathering subsidiaries' financial statements to be consolidated with the financial statements of the group in an appropriate time frame.

## 7. Disclosure and Financial Integrity

The Board of Directors ensures that any associates involved in the preparation and disclosure of any information such as Executive Vice President of Accounting and Finance, accountant, Internal audit, Company secretary, Investor relation officer, Senior vice president from each department, and etc., have relevant knowledge, skills, experience, and sufficient resources.

The Company splits the account department and finance department as per segregation of duties to increase operating efficiency through optimal workforce management. Furthermore, Executive Vice President of Accounting and Finance, accountant and Company secretary must meet qualification and regulations of the Stock Exchange of Thailand as well as sufficient number of training hours set by Stock Exchange of Thailand's. The training would develop the understanding of accounting and new regulations. In addition, the investor relations department has been trained from the Stock Exchange of Thailand, Securities and Exchange Commission, and etc. The course would enhance the better understanding of law and regulation as well as business impact from both internal and external factors on a regular basis. Moreover, the disclosed information must be accurate, complete, transparent and timely to all stakeholders.

## 8. Supervision on the Use of Internal Information

The Board of Directors has regulated policies governing the use of internal information and the trading transaction of the Company's stocks to promote equality and fairness towards all shareholders and to prevent directors or executives from inappropriately purchasing or selling their shares and dishonestly seeking personal benefits or others.

- **Control of Internal Information:** Directors, executive, and all staff members must never utilize the Company's critical internal information that has not been disclosed to the public for their own and other's benefits and must strictly abide by the confidentiality policy regulated by the Company.
- **Possession of the Company's Shares:** Directors, executives, and staff members are allowed to invest in the Company's shares. However, in order to prevent possible conflicts of interest, directors, executives, and associates who can access insider information, as well as their spouses, cohabitation, or children

not having yet become sui juris are prohibited from purchasing, selling, transferring, or getting transferred the Company's shares during the one-month period before the financial statement is disclosed to the public. In this regard, if any executives or associates violate such regulations on the use of internal information, it is considered as a disciplinary offense and the person can be subjected to legal punishment.

- **Possession of the Company's Shares Report:** The Company Secretary Office is responsible for compiling the information to the Board of Directors' meeting on the shares possessed by directors and executives, as well as their spouses, cohabitation, and children that not having yet become sui juris. This is to be dedicated as one of the agendas in the meeting on a monthly basis. Furthermore, at the end of the accounting period, the Board of Directors and management holding of securities would be reported in the annual report. Moreover, it has been internally regulated that the directors and top executives are required to report to the Company Secretary Office regarding their share transactions at least one day before making any transactions.

In the past year, the Company did not receive any complaints with regard to acts of violation of Conflicts of Interest conducted by directors or executives in using the internal information for inappropriate purposes.

## 9. Policies and Guidelines on Anti-Corruption

The Company commits its determination on anti-corruption practices by issuing an Anti-Corruption policy to ensure that the Company and associates can prevent and counter corruption which was set up according to internal control principles. The Policy will be annually reviewed and can be used as guidance. Related measures and guidelines are as follows:

1. The Company is neutral in political matters and has no political contribution policy and no action to show that the Company is interested in any particular political party or political group.
2. The Company has No-Gift Policy with a written notice to the stakeholders to prohibit receiving or giving any gift or any benefit from any stakeholders in any cases.
3. Donation for Charity or Subsidy must be performed correctly, directly and transparently and not in violation of good morals, laws and practical regulations.
4. The Company has policy and guidance in place for procurement audit and contract agreement.

The company has communicated Anti-corruption policy and measure to person concerned for their acknowledgment which comprise of directors, executives, employees, subsidiaries, affiliates, other companies over which the company has power to control, business agents, and trading partner through communication channels of the Company e.g. Company website, Intranet, Vendor Relationship Management System (VRM), sending official letter via post mail, in-house board announcement, associates orientation, etc. Also, disclosing such a policy



to the public. In addition, as a good example, the Company also supports our directors and executives to provide their knowledge to their associates for the compliance of anti-corruption policy and measures. However, once related policy and measures are prepared or revised, such information should be disseminated and disclosed through appropriate communication channels at all times.

The Company determined that risk management is the responsibility of Company's all employees including directors, executives, and associates. The corruption risk has been used to assess possibility of occurrence in the Company's activities such as procurement process, disbursement, government license, etc. The activities will be appropriately monitored and controlled via the following tools:

1. Determining the transparent working schedule and time frame, planning enough lead time for handle unexpected events.
2. Documents and procedures must be checked and verified for complete and correctness prior to applying for approval from the authority.
3. Budget control and working procedure are clearly specified.
4. The disbursement must be approved and verified according to authority level in all cases.

Furthermore, the Company emphasized ethics and integrity as one of the Company's cultures and cultivated all associates to adopt this practice. In this regard, the Company continued to be certified as a member of Collective Action Coalition (CAC) which was jointly undertaken by the Thai Institute of Directors Association (IOD), Thai Chamber of Commerce, Foreign Chambers of Commerce, Thai Listed Companies Association, and Thai Bankers' Association. This is to ensure that the policy is consistent with anti-corruption measures of the CAC.

## 10. Policies and Guidelines on Anti-Corruption Notification (Whistle-Blowing)

The Company has assigned the Audit Committee and Internal Audit departments as a complaint handling center to receive complaints regarding suspicious or improper activity and monitor the complying of code of conduct. The Company's associates, suppliers, customers, shareholders and stakeholders are able to report any suspicious or improper activity to the Company so that appropriate investigation can be conducted.

### Complaint Handling Procedure

1. Guideline to receive complaint: After the complaint is received through the Company's channel, the Audit Committee will assign the Audit Department to engage and propose to the Audit Committee.
2. Information gathering and investigation: Audit Department gathers and examines the information. The information and solution will be presented to the chief of the relevant department under transparency and fairness to all stakeholders.
3. Reporting: The audit results will be reported to the Board of Directors, the Audit Committee and the Risk Management Committee and complainant.
4. Follow up and prevent: Responsible departments conduct process review to improve working procedure and prevent future violations.

In case of suspecting or seeing any action that may not in accordance with law, regulation, and business ethics including the petition for right violation, stakeholders can inquire, notify, or file a complaint by sending the evidence details to the related person or department through the channels as follows:

<b>Board of Directors :</b>	In case of notifying or communicating about an operation of the Company, the information will be sent to the Managing Director at <a href="https://hmpro.listedcompany.com/contact_board.html">https://hmpro.listedcompany.com/contact_board.html</a>
<b>Audit Committee :</b>	In case of requiring for filing a complaint about violation of laws or ethics, accounting issues, internal control etc, the information will be sent to the Internal Audit Department of the Company in order to be compiled and proposed to the Audit Committee for further consideration at <a href="https://hmpro.listedcompany.com/contact_audit.html">https://hmpro.listedcompany.com/contact_audit.html</a>
<b>Complaints Notification Unit, Human Resources Department :</b>	In case of complaining about associates' offense or associates desires to notify any wrong doing, please contact <a href="mailto:md@homepro.co.th">md@homepro.co.th</a> The Company also provides "Hotline" for associates consultation (HR Clinic) through telephone consultation or in person consultation

The identity of the whistleblower and information will be kept confidential. Only the Managing Director, Executive Vice President, and Senior Vice President in charge of that business unit will be acknowledged with the information of complaints. The management will gather complaints and submit them to the Audit Committee and the Risk Management Committee to investigate and report the plan to prevent a repeated incident to the Board of Directors. In 2023, there were no whistle-blowing complaint cases.

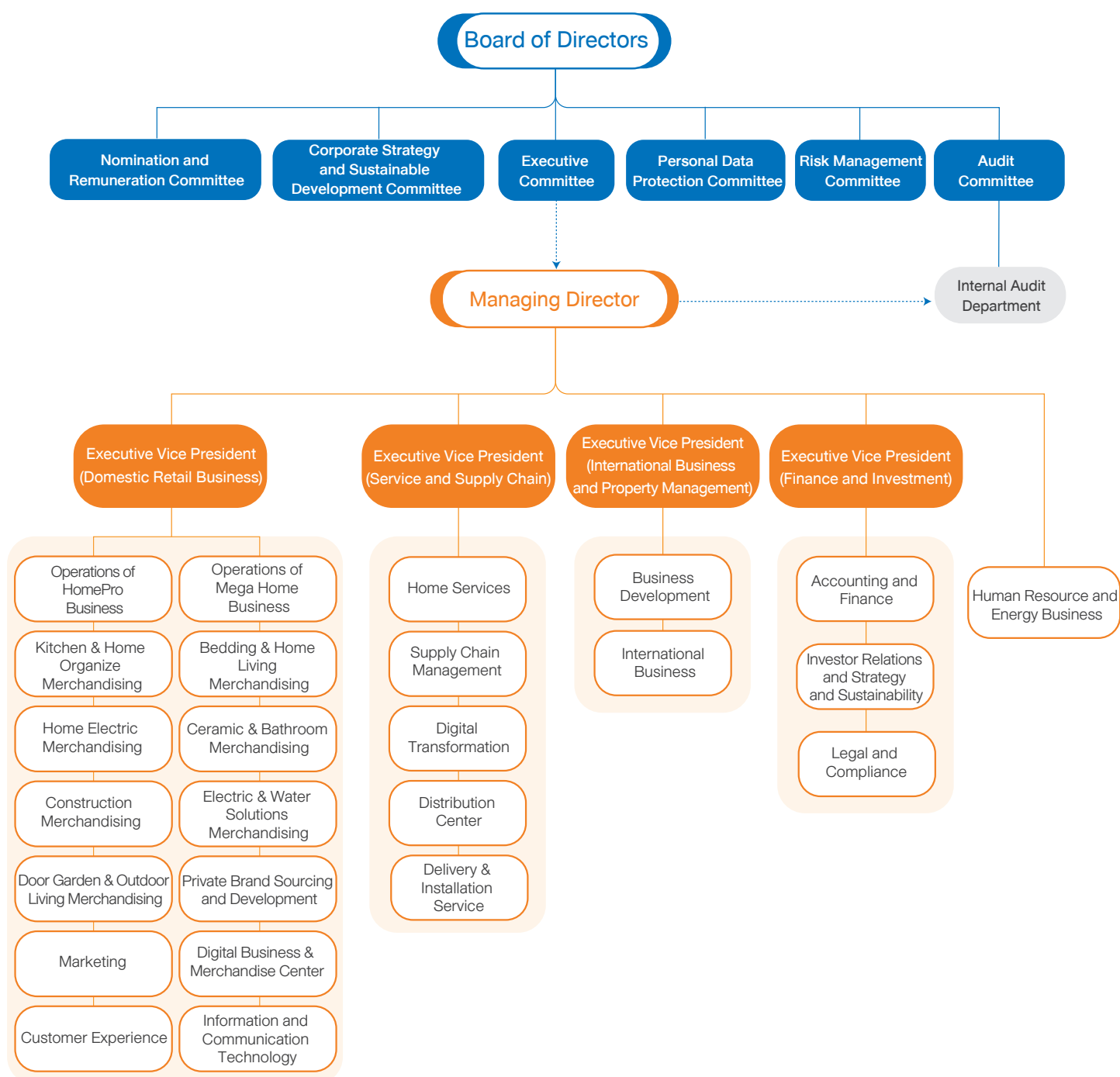
# Corporate Governance Structure and Important Information of the Board of Directors and Others

Important Information of the Board of Directors, Sub Committees, Management, Associates, and others

## 1. Corporate Governance Structure

### Organizational Chart

As of December 31, 2023





## 2. Information of the Board of Directors

The structure of the Company's Management consists of:

1. Board of Directors
2. There are 6 sets of the Sub-Committees:
  - 2.1 Executive Committee
  - 2.2 Audit Committee
  - 2.3 Nomination and Remuneration Committee
  - 2.4 Risk Management Committee
  - 2.5 Strategy and Sustainable Development Committee
  - 2.6 Personal Data Protection Committee

Having details as follows:

### The Board of Directors

The Board of Directors consists of 11 members with the following composition:

- There are 4 Independent Directors accounting for more than one-third of the board members that are independent from the Executives and major shareholders.
- 10 Non-executive Directors and 1 Executive director.
- Over the past 2 years, all directors have neither been employed as associates nor become a shareholder or partner of EY Office Limited, an external audit firm of the Company and its subsidiaries.
- The average board tenure is 8.64 years.

## List and Position of the Board of Directors

Name – Surname	Position	Type of Directors
1. Mr. Anant Asavabhokhin	Chairman of the Board of Directors	Non-executive Director
2. Mr. Khunawut Thumpomkul	Chairman of Executive Committee, Nomination and Remuneration Committee, and Director	Non-executive Director
3. Mr. Boonsom Lerdhirunwong	Chairman of Audit Committee and Independent Director	Independent Director
4. Mr. Naporn Sunthornchitcharoen	Chairman of Nomination and Remuneration Committee, Executive Committee, and Director	Non-executive Director
5. Mr. Rathian Srimongkol	Audit Committee and Independent Director	Independent Director
6. Asst. Prof. Dr. Kessara Thanyalakpark	Audit Committee and Independent Director	Independent Director
7. Mr. Pornwut Sarasin	Nomination and Remuneration Committee and Independent Director	Independent Director
8. Mr. Achawin Asavabhokhin	Executive Committee and Director	Non-executive Director
9. Mrs. Suwanna Buddhapasart	Director	Non-executive Director
10. Ms. Vareeporn Udomkunnatum	Director	Non-executive Director
11. Mr. Weerapun Ungsumalee	Director and Managing Director	Executive Director

### Remarks:

- Ms. Wanee Juntamongkol, Executive Vice President of Accounting and Finance, acts as the Company Secretary.
- From January 1, 2023 onwards, Mr. Khunawut Thumpomkul has been appointed to be the Chairman of Executive Committee and Mr. Weerapun Ungsumalee has been appointed to be the Managing Director of the Company.
- Since April 7, 2023, Mr. Rutt Phaniyiphand has retired by rotation from his position of Director, Executive Committee, including Chairman of Nomination and Remuneration Committee, and had no desire to be reappointed to be a director.
- From April 8, 2023 onwards, Mr. Naporn Sunthornchitcharoen has been appointed to be the Chairman of Nomination and Remuneration Committee, Mr. Khunawut Thumpomkul has been appointed to be the Nomination and Remuneration Committee, and Mr. Achawin Asavabhokhin has been appointed to be the Executive Committee.
- Since April 30, 2023, three directors have resigned from the position; Mr. Manit Udomkunnatum (Vice Chairman and Executive Committee), Mr. Thaveevat Tatiyamaneekul (Independent director and Audit Committee), Mr. Chanin Roonsamrarn (Independent director, Audit Committee, and Nomination and Remuneration Committee)
- From May 1, 2023 onwards, three new directors have been appointed to replace the resigned directors; Mr. Rathian Srimongkol (Independent Director and Audit Committee), Asst. Prof. Dr. Kessara Thanyalakpark (Independent Director and Audit Committee, and Ms. Vareeporn Udomkunnatum (Director).
- From May 1, 2023 onwards, Mr. Pornwut Sarasin has been appointed to be the Nomination and Remuneration Committee.
- The Board of Directors comprises of 3 female and 8 male directors.
- A total of 11 directors consisted of 4 independent directors, 1 executive director, and 6 non-executive directors.
- Executive committee are not the employees of the company.

Authorized Signatory Directors on the Company are as follows:

1. Mr. Anant Asavabhokhin
2. Mr. Naporn Sunthornchitcharoen
3. Ms. Suwanna Buddhapasart
4. Mr. Khunawut Thumpomkul
5. Mr. Weerapun Ungsumalee

Where 2 out of 5 Authorized Signatory Directors mutually signed their names simultaneously with the Company seal.

## Roles and Responsibilities of the Board of Directors

The Company board of directors determines the delegation of authority. The approval authority policy of the Company and its subsidiaries are precisely and clearly stated according to the business transactions. The division of authority encourages the dispersal of authority for decision-making, guidelines for management, and a work manual for the Company's operations levels. The following illustrate the delegation of authority's annual framework, every department's annual budget, across all business units within the organization, and dividend payment policy. The details are as follows;

1. The Board of directors has the authority to deliberately administrate the Company in accordance with the Company's objectives and regulations, the shareholders' meeting resolution, and the law with duty of care of the Company's interest.

2. The Board of directors determines its visions, missions, policies, and operating directions. The Board of directors also supervises management to ensure that the Company policy will be implemented effectively and efficiently by the management in order to maximize the highest value for the Company and its shareholders.
3. The Board of directors has the authority to appoint a certain number of directors to be a sub-committee, which comprises executive committee, nomination and remuneration committee, audit committee, and other sub-committee depending on the situation and the suitability. Having the optimal specific number of directors allows the Board of directors to perform their assigned tasks efficiently.
4. The Board of directors may appoint one or more individuals to perform their assigned tasks; any action can be done only under the Board of Directors' control. The Board of directors may assign authority to any individual who deems as appropriate. However, the Board of directors may revoke, withdraw, or amend the assigned authority at any reasonable time.
5. The Board of directors has the authority to acknowledge and approve any operational goals and evaluate the sub-committee's performance, chairman of sub-committee, specific-purpose committee, and managing director.
6. The Board of directors must hold a meeting at least once every 3 months

7. The Board of directors must not run the similar business as the Company nor attempt to compete against the Company business. The board directors are not allowed to be in the universal partnership nor limited partnership. The Board of directors is restricted to being a director of any private Company or any Company with a similar business. These constraints must not be carried out either for one's benefit or others; unless such has been notified to the shareholder's meeting prior to the resolution of the appointment.
8. The decision-making on high-value investment that is not considered an ordinary business transaction must comply with the laws and regulations of the Securities and Exchange Commission (SEC) and the Stock exchange of Thailand (SET).
9. The Board of directors must manage and govern the Company's operation with morality. The Board of directors must closely supervise in order to avoid any conflict of interests among stakeholders.
10. The Board of directors must immediately notify the Company if the individual has any conflict of interest either from Company contracts, directly or indirectly holding the Company's share or debentures of the Company or its subsidiaries.
11. Any director who has a conflict of interest on any mentioned factors will have no right to vote on such matters.
12. The Board of directors has the authority to arrange the appropriate assessment process for internal control and internal audit for its efficiency and effectiveness.
13. The Board of directors must inclusively set out the risk management guideline and systematically oversee the executives to have an efficient and effective system and process in risk management.
14. The Board of directors shall support the Company to sustainably operate its business in alignment with the Environmental, Social, and Governance (ESG) standards to comply with corporate purpose and the Sustainable Development Goals (SDGs) set by the United Nations including being a membership of United Nations Global Compact (UNGC) with adopting ten Universal Sustainability Principles to implement with corporate sustainability in terms of human rights, labor, environment, including anti-corruption. Also, the Company aims to achieve the Net Zero goal by 2050.
15. If the votes are equal, the Chairman will have a casting vote.

### Roles and Responsibilities of Chairman

1. Ensure the Board's effective operation and its committees in conformity with the highest corporate governance standards.
2. Ensure effective communication with shareholders, government agencies, and other relevant constituencies.
3. Set the agenda, style, and tone of Board discussions to promote constructive debate and effective decision-making.

4. Ensure that steps or recruitment process and appointment of director or sub-committee are appropriate and able to support the Company's business.
5. Ensure comprehensive induction programs for new directors and updates for all directors as and when necessary.
6. Support and advise the Managing Director in the development of strategies.
7. Promote effective relationships and communications between non-executive directors and members of the Executive Directors.

### Terms of the Director of the Company

In every Annual General Meeting of Shareholders, one third of the Directors shall retire from the position; the Director who served the longest shall retire. Nevertheless, a retiring director is eligible for re-election. Apart from the retirement, the Directors may leave from his/her position in the event of:

1. Resignation
2. Death
3. Lack of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535 and Securities and Exchange Act B.E 2535
4. The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
5. Dismissal ordered by the Court

### Independent Director

"Independent Director" means the director, who is independent in expressing his opinion to the Company's operation, must be a person who has no involvement or interest in the result of operation either directly or indirectly.

There are 4 independent directors of the Company which consists of:

Name - Surname	Position
1. Mr. Boonsom Lerdirunwong	Independent Director
2. Mr. Rathian Srimongkol	Independent Director
3. Asst. Prof. Dr. Kessara Thanyalakpark	Independent Director
4. Mr. Pornwut Sarasin	Independent Director

#### Remarks:

- Since April 30, 2023, Mr. Thaveevat Tatiyamaneekul and Mr. Chanin Roonsamrarn have resigned from the position.
- From May 1, 2023 onwards, Mr.Rathian Srimongkol and Asst.Prof. Dr.Kessara Thanyalakpark were appointed to replace the resigned directors.

In this regard, the Company has set the qualifications for independence to be more stringent than the requirements of the Securities and Exchange Commission. The details are as follows:

1. Hold shares less than 0.5% of the Company's paid up capital, associated Company, joint Company, and related Company including the related individual's shares.
2. Being independent either directly or indirectly in both areas, financial and management of the Company or joint Company, subsidiaries, management or major shareholders of the Company. Also, having no benefit or interest within 2 years before being appointed as the Independent Director, unless the Board of Director has carefully considered and sees that such participation in having benefit or interest will not affect the duty performing and the independence in giving an opinion.
3. Must not be a Director who has been appointed as the representative to maintain the benefits of the Director of the Company, major shareholders, or shareholders who are related to the major shareholders of the Company.
4. Must not participate in the management and must not be associates, staff, or consultant who receives a regular salary in the Company, associated Company, joint Company, or Company's major shareholders.
5. Must not relate or be relatives of the executive or major shareholders of the Company.
6. Capable of performing duty and expressing opinions or reporting the result of performed duty as assigned by the Board of Directors, freely and not under control of the Company's Executives or major shareholders, including the related person or close relatives of such person.
7. No other characteristic that causes the inability to give opinions to the Company's operation independently.

## Sub - Committees

Sub – Committees consist of 6 sets of directors: Executive Committee, Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Strategy and Sustainable Development Committee, and Personal Data Protection Committee. Details are as follows:

## 2.1 Executive Committee

The 3 Executive Committee members are not the Company's associates or executives and are not involved in the management of the Company's business. Their names and positions are listed below:

Name – Surname	Position
1. Mr. Khunawut Thumpomkul	Chairman of Executive Committee
2. Mr. Naporn Sunthornchitcharoen	Executive Committee
3. Mr. Achawin Asavabhokhin	Executive Committee

### Remarks:

- Mr. Supachai Boonyavichit, Vice President – Finance, is a secretary of the Executive Committee.
- From January 1, 2023 onwards, Mr. Khunawut Thumpomkul has been appointed to be the Chairman of Executive Committee.
- Since April 7, 2023, Mr. Rutt Phanijphand has retired by rotation and had no desire to be reappointed to be a director.
- From April 8, 2023 onwards, Mr. Achawin Asavabhokhin has been appointed to be the Executive Committee.
- Since April 30, 2023, Mr. Manit Udomkunnatum has resigned from the position.

## Roles and Responsibilities of the Executive Committee

1. Consider and screen the issue that requires primary decision-making before being proposed to the Board of Directors' for approval.
2. Consider investment, branch expansion, annual budget allocation, and propose the strategic plan to the Board of Directors.
3. Consider tasks as assigned by the Board of Directors and execute plans to meet Company objectives under the Company policy.
4. Monitor monthly performance in order to report results and obstacles as well as guiding appropriate solutions for improvement.
5. Consider and approve any advisor appointment within the necessity of business operation.
6. Perform any other tasks as assigned and deemed appropriate by the Chairman of the Board of Directors and/or the Chairman of Executive Committee.

## Terms of the Executive Committee

1. Executive Committee shall retire when
  - 1.1 Completion of term
  - 1.2 Death
  - 1.3 Resignation
  - 1.4 Lack of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535, and Securities and Exchange Act B.E. 2535
  - 1.5 The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
  - 1.6 Dismissal ordered by the Court
  - 1.7 The Board of Director has resolution to remove from the position.
2. In the event of resignation, the resignation letter must be submitted to the Chairman of the Company not less than 30 days in advance, which should be approved by the Board of Director.
3. In the event of an available position as a result other than by the expiration of the term, the Board of Directors shall appoint an individual who is qualified to be Executive Committee, in order to fill up the number of directors as stipulated in the Article of Association determined by the Board of Directors.

## 2.2 Audit Committee

List and position of the Audit Committees

Name - Surname	Position
1. Mr. Boonsom Lerthirunwong	Chairman of Audit Committee and Independent Director
2. Mr. Rathian Srimongkol	Audit Committee and Independent Director
3. Asst. Prof. Dr. Kessara Thanyalakpark	Audit Committee and Independent Director

### Remarks:

- Mr. Aryuratas Chai-anan, Vice President - Internal Audit, is a secretary of the Audit Committee.
- Since April 30, 2023, Mr.Thaveevat Tatiyamaneekul and Mr.Chanin Roonsamrarn has resigned from the position.
- From May 1, 2023 onwards, Mr.Rathian Srimongkol and Asst.Prof. Dr.Kessara Thanyalakpark were appointed to replace the resigned directors.
- Asst.Prof.Dr.Kessara Thanyalakpark is knowledgeable in Accounting and Finance.

## Roles and Responsibilities of the Audit Committee

1. Review the financial transactions of the Company so that it is accurate and complete according to the Generally Accepted Accounting Principle Standard with sufficient disclosure.
2. Review the internal audit system, manage risks, and corporate governance throughout the operating activities of each business unit to ensure that the Company achieves the business goals. In addition, the Audit Committee also manages current and emerging risks to an acceptable level such as cyber security risk and emerging regulations by placing importance on having a sufficient and efficient internal audit system as well as complying to the corporate governance code.
3. Review the Company operations so that it is in compliance with good corporate governance policy and have appropriate, effective and efficient business ethics.
4. Review the Company operations so that it is in compliance with the laws regarding the securities and Stock Exchange of Thailand, regulations imposed by the Stock Exchange of Thailand, or laws applicable to the business of the Company.
5. Consider the related-party transactions or transactions that may have any conflict of interest and make those transactions to be in compliance with the relevant laws and regulations.
6. Review the Company's operations and ensure that it has an appropriate, effective and efficient risk management system as well as communicating with the Risk Management Committee in order to understand the risks that are important.
7. Jointly review and consider with the auditors on the financial report, remarks and suggestions.
8. Consider, select, nominate an individual, who is independent, to be in charge as an auditor of the Company, along with the consideration of the dismissal of the auditor and then propose the remuneration of the auditor to the Board of Directors of the Company.
9. Consider the independence of the internal audit department, along with the consideration of the appointment, relocation and termination of employment, which includes the evaluation of the annual performance of the chief of internal audit.
10. Monitor the internal audit department's operation in both areas, policy and working process, by considering the charter of the internal audit office for approval.
11. Consider an annual internal audit plan for approval, as well as to consider the scope of audit, audit plan of internal audit department and the auditor of the Company, in order to have supportive relations.
12. Coordinate and ensure that the Audit Committee, Executives, Internal Auditor Department and External Auditor are on the same page. In addition to this, a follow up is done to ensure that the Executives operate in accordance with the suggestion sufficiently, effectively and timely done.
13. Jointly review and consider with the internal audit department regarding the audit results, remarks and recommendations.
14. Review and amend the Audit Committee Charter once a year or when necessary in order to make it up-to-date and suitable with the organizational environment. Then propose this matter to the Board of Directors for approval.
15. Conduct examination on matters notified by the external auditor. In the case that the auditor finds any suspicious behavior that the Managing Director, manager or individual who is responsible for the operation of the Company may have committed an offense as stipulated in the Securities and Stock Exchange Act (No. 5th) B.E. 2535, and report the preliminary results of the examination to the Office of the Securities Exchange Commission and auditor of the Company within 30 days from the date of receiving notification from the auditor.
16. Investigate clues or complaints by assuring the whistleblowers that the investigation procedure is independent and properly monitored. In this regard, the information provided by the whistleblowers and the matter informed will be kept confidential in order to prevent the right being violated.
17. Implement other matters as stipulated by law or as assigned by the Board of Directors as per the approval of the Audit Committee.
18. Conduct the Audit Committee's report and reveal the report in the Company's annual report, which such report must be signed by the Chairman of the Audit Committee and must contain the following information:
  - 18.1 Opinion on the accuracy, completeness, reliability of the financial report of the Company according to the Generally Accepted Accounting Principle and reveal important information sufficiently and on time.

- 18.2 Opinion on the sufficiency of the internal control system of the Company.
- 18.3 Opinion on practices complied with the laws of the securities and the Stock Exchange of Thailand and regulations of the Stock Exchange of Thailand or laws related to business of the Company.
- 18.4 Opinion on transactions that may have conflict of interest.
- 18.5 Opinion on the suitability of the external auditor.
- 18.6 Number of the Audit Committee's meeting, and the number of meeting attendance of each Audit Committee.
- 18.7 Overall opinion or remarks that the Audit Committee have performed in accordance with the charter.
- 18.8 Other matters that the shareholders and general investors should be informed, under the scope of duty and responsibility assigned by the Board of Directors of the Company.

### Terms of the Audit Committee

1. The term of the Audit Committee should be for a period of up to 3 years.
2. In the event of retiring from the position, such an individual may be re-appointed.
3. Audit Committee shall leave from the position when:
  - 3.1 Completion of term
  - 3.2 Death
  - 3.3 Resignation
  - 3.4 Lack of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535, and Securities and Exchange Act B.E. 2535
  - 3.5 The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
  - 3.6 Dismissal ordered by the Court
  - 3.7 The Board of Director has resolution to remove from the position.
4. In the event of resignation, the resignation letter must be submitted to the Chairman of the Board of Directors not less than 30 days in advance, the approval should be made by the Board of Directors who shall then send a copy of the resignation letter to the Stock of Exchange of Thailand.
5. In the event of an available position as a result other than the term's expiration, the Board of Directors shall appoint an individual who is qualified to be an Audit Committee to fill up the number of the Audit Committee as stipulated in the Article of Association within 3 months from the date of vacancy. Individuals that will be appointed as an Audit Committee shall be in a position only for the remaining period of the former Audit Committee.

## 2.3. Nomination and Remuneration Committee

List, and position of Nomination and Remuneration Committee

Name - Surname	Position
1. Mr. Naporn Sunthornchitcharoen	Chairman of Nomination and Remuneration Committee
2. Mr. Khunawut Thumpomkul	Nomination and Remuneration Committee
3. Mr. Pornwut Sarasin	Nomination and Remuneration Committee

#### Remarks:

- Mr. Nitat Aroontippaitoon, Senior Vice President - Human Resource and Energy Business is a secretary of the Nomination and Remuneration Committee.
- Since April 7, 2023, Mr.Rutt Phanijphand has retired by rotation and had no desire to be reappointed to be a director.
- From April 8, 2023 onwards, Mr.Naporn Sunthornchitcharoen has been appointed to be the Chairman of Nomination and Remuneration Committee and Mr. Khunawut Thumpomkul has been appointed to be the Nomination and Remuneration Committee.
- Since April 30, 2023, Mr.Chanin Roonsamrarn has resigned from the position.
- From May 1, 2023 onwards, Mr.Pornwut Sarasin has been appointed to be the Nomination and Remuneration Committee.

### Roles and Responsibilities of the Nomination and Remuneration Committee

1. Select individuals who deserve to be nominated as the new Directors or search for a Managing Director.
2. Specify the procedures and regulations of selecting the directors or the managing director to ensure transparency.
3. Specify the remuneration and compensation procedures and criteria that are fair and reasonable to the Board of Directors and Sub-Committee appointed by the Board of Directors, and then propose to the Shareholders meeting for approval.
4. Consider and provide a recommendation on the determination of the remuneration and other benefits concerning duties and responsibilities of the Managing Director. Furthermore, the Company considers the criteria for setting remuneration and the evaluation of the Managing Director's performance to determine the annual remuneration.
5. Evaluate the structure and regulations on remuneration, according to topics 3 and 4, as appropriate with personal responsibility, Company's performances, and market trends.
6. Consider the salary increase budget and annual rewards, welfare, structure, and criteria related to the staff remuneration, including other benefits obtained by the Company and its subsidiary personnel.
7. Prepare the operational reporting and present it to the Board of Directors at least once a year.
8. Determine the overall policy of Employee Stock Option Plan and/or Employee Joint Investment plan as proposed by the Managing Director.
9. Perform other duties as assigned by the Board of Directors.



## Terms of the Nomination and Remuneration Committee

1. The Nomination and Remuneration Committee appointment should be for a period of up to 3 years.
2. In the event of retiring from the position, such an individual may be re-appointed.
3. Nomination and Remuneration Committee shall leave from the position when:
  - 3.1 Completion of term
  - 3.2 Death
  - 3.3 Resignation
  - 3.4 Lack of qualifications or possess prohibited character under Section 68 of the Public Company Act B.E. 2535, and Securities and Exchange Act B.E. 2535
  - 3.5 The Shareholders Meeting resolved to dismiss under Section 76 of the Public Company Act B.E. 2535
  - 3.6 Dismissal ordered by the Court
  - 3.7 The Board of Director has a resolution to remove from the position.
4. In the event of resignation, the resignation letter must be submitted to the Chairman of the Company not less than 30 days in advance and must get approval from the Board of Directors as well as submitting the resignation form to the Stock Exchange of Thailand.
5. In the event of an available position as a result other than by the expiration of the term, the Board of Directors shall appoint an individual who is qualified to be the Nomination and Remuneration Committee to fill up the number as stipulated in the Article of Association by the Board of Directors.

## 2.4 Risk Management Committee

Comprises two representatives from the Board of Directors who have been appointed as Risk Management Committee: Mr. Khunawut Thumpomkul (Non-executive Director) and Mr. Weerapun Ungsumalee (Executive Director), as well as the representatives from the Company management or Risk Owner of the specific department. Apart from this, the director also coordinates with the internal audit department. The structure of the Risk Management Committee is independent of the management. In 2023, the Risk Management Committee held a total of four meetings, with all members in attendance at every session. The list of committee members are as follows:

Name - Surname	Position
1. Mr. Khunawut Thumpomkul	Chairman of the Risk Management Committee (Director)
2. Mr. Weerapun Ungsumalee	Risk Management Committee (Managing Director)
3. Ms. Wannee Juntamongkol	Risk Management Committee (Executive Vice President Accounting and Finance Representative)
4. Ms. Jarusopha Thumkathikanon	Risk Management Committee (Merchandising Representative)
5. Mr. Nitat Aroonthipaitoon	Risk Management Committee (Human Resource and Energy Business Representative)
6. Ms. Sudapa Chamod	Risk Management Committee (Information and Communication Technology Representative)
7. Ms. Sannipa Swangpuen	Risk Management Committee (Inventory Management Representative)

**Remark:** Mr. Aryuratas Chai-anan, Vice President - Internal Audit, is the Risk Management Committee secretary.

## Roles and Responsibilities of the Risk Management Committee

1. Formulate the policy and risk management framework of the Company to seek endorsement from the Board of Directors. Besides, give advice to the Board of directors and management team in regard to enterprise risk management.
2. Determine the Company's acceptable risk level (Risk Appetite) as well as specify criteria and risk boundary, along with regular monitoring.
3. Consider significant risks that may impact the business's objectives, directions, and continuity of business, which are both existing and emerging risks. In addition, monitor and assess risk levels as well as improve operational plans and management measures or reduce the risk to an acceptable level of the organization.
4. Report risk assessment governance and risk mitigation actions to the Board of Directors at least once quarterly after being reviewed and overseen by Audit committee. In case of any important matters which may significantly impact the Company arise, a report must be made for urgent consideration.
5. Provide support to ensure that risk management procedures and plans will be effectively implemented. Furthermore, encourage continuous development of appropriate procedures and plans regarding the change of business conditions in order to achieve business objectives.
6. Review the risk management policy regularly to ensure that the risk management framework is up-to-date and appropriately covers the overall business operation.
7. Provide up-to-date knowledge and procedures regarding risk management to the Board of Directors on quarterly basis.
8. Disclose the report of the Risk Management Committee in the Company's annual report.

## 2.5. Strategy and Sustainable Development Committee

The Company prioritizes sustainability, therefore, the Company appointed Strategy and Sustainable Development Committee to set strategy and policy to drive operations of the Company towards sustainability goals that cover every aspect, including Environmental, Social and Governance (ESG) to be aligned with Sustainable Development Goals (SDG). The Company gives support to United Nations Global Compact (UNGC) and also participates as a member. In addition, the Company has set an objective for net-zero emissions within 2050 by reducing greenhouse gas emission from Company activities as well as driving sustainability policy towards the vision that has been set by the Company. In 2023, the Strategy and Sustainable Development Committee held a total of four meetings, with all members in attendance at every session.

The list and the roles of the Sustainable Development Committee. Those consisted of Mr. Khunawut Thumpomkul and Mr. Weerapun Ungsumalee, who are the representative of the Board of Directors.

Name - Surname	Position
1. Mr. Khunawut Thumpomkul	Chairman of Strategy and Sustainable Development Committee
2. Mr. Weerapun Ungsumalee	Strategy and Sustainable Development Committee
3. Mr. Vathunyu Visuthikosol	Strategy and Sustainable Development Committee
4. Mr. Chaiyuth Karunyasopon	Strategy and Sustainable Development Committee
5. Mr. Nitat Aroontippaitoon	Strategy and Sustainable Development Committee
6. Ms. Wannee Juntamongkol	Strategy and Sustainable Development Committee
7. Ms. Ittaporn Srisukwattana	Strategy and Sustainable Development Committee
8. Ms. Jarusopha Thumkathikanon	Strategy and Sustainable Development Committee
9. Ms. Sudapa Chamod	Strategy and Sustainable Development Committee
10. Ms. Saowanee Sirariyakul	Strategy and Sustainable Development Committee

**Remark:** Mr. Rakpong Aroonwatdhana, Senior Vice President – Strategy and Sustainable Development, is a Strategy and Sustainable Development Committee secretary.

### Roles and Responsibilities of the Strategy and Sustainable Development Committee

1. Set out and review the Company policy, strategy, objective, and sustainable development goals.
2. Supervise, advise, support, promote and review the operation of sustainable development of the Company for practical use.
3. Create a balance between business practices based on good governance, environmental care, and creating a good living for society and community.
4. Monitor the results from the sustainable operation to ensure it is aligned with the sustainability policy and goals as well as report the sustainable development progress to the stakeholders.

### 2.6 Personal Data Protection Committee

The Company is fully aware of the importance of personal data and respects customers' privacy. The Personal Data Protection Committee was set to supervise personal data and implemented the policy and measure. The committee also govern the operation to comply with the Personal Data Protection Act B.E. 2562. In 2023, the Personal Data Protection Committee held a total of two meetings, with all members in attendance at every session. The list and the roles of the Personal Data Protection Committee. Those consisted of Mr. Weerapun Ungsumalee, which is the representative of the Board of Directors.

Name - Surname	Position
1. Mr. Weerapun Ungsumalee	Chairman of Personal Data Protection Committee
2. Ms. Sudapa Chamod	Personal Data Protection Committee
3. Ms. Wannee Juntamongkol	Personal Data Protection Committee
4. Ms. Saowanee Sirariyakul	Personal Data Protection Committee
5. Mr. Nitat Aroontippaitoon	Personal Data Protection Committee
6. Mr. Aryuratas Chai-anan	Personal Data Protection Committee
7. Ms. Apiradee Thavilap	Personal Data Protection Committee
8. Mrs. Surangkha Chaiprasart	Personal Data Protection Committee
9. Mrs. Kamonthip Amornariyakul	Personal Data Protection Committee and Data Protection Officer (DPO)

**Remark:** Mr. Weerapun Ungsumalee, knowledgeable and specialize in Information and Technology, was appointed as the Chairman of Personal Data Protection Committee as well as the representative of the Board of Directors to manage data protection.

## Roles and Responsibilities of the Personal Data Protection Committee

1. Determine the policy, operation plan, and objectives for personal data protection to comply with the Personal Data Protection Act B.E. 2562.
2. Oversee, advise, promote, and review personal data protection operations for practices.
3. Monitor the personal data protection performance and report it to the stakeholders.
4. The Committee has the authority to appoint a Sub Committee to consider or perform as assigned by the Committee.

## 3. Directors and executives with authority to control the Company, subsidiaries, and associate Company.

Name - Surname	Home Product Center Plc's Position	Market Village Co., Ltd.	Mega Home Center Co., Ltd.	DC Services Center Co., Ltd.	Home Product Center (Malaysia)	Home Product Center (Vietnam)	Onestockhome Co.,Ltd.
1. Mr. Anant Asavabhokhin	Chairman	-	-	-	-	-	-
2. Mr. Khunawut Thumpomkul	Chairman of Executive Committee/ Nomination and Remuneration Committee/ Director	Chairman	Chairman	Chairman	Chairman	-	-
3. Mr. Boonsom Lerdhirunwong	Chairman of Audit Committee/ Independent Director	-	-	-	-	-	-
4. Mr. Naporn Sunthornchitcharoen	Chairman of Nomination and Remuneration Committee/ Executive Committee/ Director	-	-	-	-	-	-
5. Mr. Rathian Srimongkol	Audit Committee/ Independent Director	-	-	-	-	-	-
6. Asst. Prof. Dr. Kessara Thanyalakpark	Audit Committee/ Independent Director	-	-	-	-	-	-
7. Mr. Pornwut Sarasin	Nomination and Remuneration Committee/ Independent Director	-	-	-	-	-	-
8. Mr. Achawin Asavabhokhin	Executive Committee/ Director	-	-	-	-	-	-
9. Mrs. Suwana Buddhapasart	Director	-	-	-	-	-	-
10. Ms. Vareeporn Udomkunnatum	Director	-	-	-	-	-	-
11. Mr. Weerapun Ungsumalee	Managing Director/ Director	Director	Managing Director and Director	Director	Director	-	Director

#### 4. Details of changes in the Company's shareholding by the Directors in 2023

No.	Name - Surname	Position	No. of shares as at 1 Jan 23	Changes in no. of shares	No. of shares as at 31 Dec 23	Shareholding (%)	Value as at 31 Dec 23 (Baht)
1	Mr. Anant Asavabhokhin	Chairman	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
2	Mr. Khunawut Thumpomkul	Chairman of Executive Committee/ Nomination and Remuneration Committee/ Director	142,122,189	-	142,122,189	1.08%	1,662,829,611.30
	Spouse and minor children		-	-	-	-	-
3	Mr. Boonsom Lerdhirunwong	Chairman of Audit Committee/ Independent Director	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
4	Mr. Naporn Sunthornchitcharoen	Chairman of Nomination and Remuneration Committee/ Executive Committee/ Director	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
5	Mr. Rathian Srimongkol	Audit Committee/ Independent Director	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
6	Asst. Prof. Dr. Kessara Thanyalakpark	Audit Committee / Independent Director	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
7	Mr. Pornwut Sarasin	Nomination and Remuneration Committee/ Independent Director	503,446	-	503,446	0.004%	5,890,318.20
	Spouse and minor children		-	-	-	-	-
8	Mr. Achawin Asavabhokhin	Executive Committee/ Director	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
9	Mrs. Suwanna Buddhapasart	Director	-	-	-	-	-
	Spouse and minor children		-	-	-	-	-
10	Ms. Vareeporn Udomkunnatum	Director	8,408,200	-	8,408,200	0.06%	98,375,940
	Spouse and minor children		-	-	-	-	-
11	Mr. Weerapun Ungsumalee	Managing Director/ Director	5,359,201	138,469	5,497,670	0.04%	64,322,739
	Spouse and minor children		-	-	-	-	-

**Remarks:**

- The closing price of HMPRO stock as at 31 December 2023 was 11.70 Baht.
- Mr. Pornwut Sarasin has reported the buy transaction of structured notes for 20,000 units.

## 5. Management Information

As of 31 December 2023, the Company has 26 executives, in which the position was defined by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) with the details as follows:

Name - Surname	Position
1. Mr. Weerapun Ungsumalee	Managing Director
2. Mr. Chaiyuth Karunyasopon	Executive Vice President - Service and Supply Chain
3. Mr. Vathunyu Visuthikosol	Executive Vice President - International Business and Property Management
4. Ms. Wannee Juntamongkol	Executive Vice President - Finance and Investment
5. Mrs. Uraiwan Tantipiriyakij	Senior Vice President - Operations of HomePro Business
6. Mr. Wichian Jiamwijitkul	Senior Vice President - Operations of Mega Home Business
7. Mr. Vorapot Techathadakul	Senior Vice President - Kitchen & Home Organize Merchandising
8. Ms. Jarusopha Thumkathikanon	Senior Vice President – Bedding & Home Living Merchandising
9. Ms. Somjai Maturaporn	Senior Vice President - Home Electric Merchandising
10. Mr. Tanawat Klangsoontornrangsi	Senior Vice President - Ceramic & Bathroom Merchandising
11. Mr. Teerapong Sampan	Senior Vice President - Construction Merchandising
12. Mr. Sangsak Sorakit	Senior Vice President - Electric & Water Solutions Merchandising
13. *Ms. Siriwan Paimsethasin	Senior Vice President - Electric & Water Solutions Merchandising
14. Ms. Ittaporn Srisukwattana	Senior Vice President - Door Garden & Outdoor Living Merchandising
15. Mrs. Nongrat Chatrattanapong	Senior Vice President - Private Brand Sourcing and Development
16. Ms. Saowanee Sirariyakul	Senior Vice President - Marketing
17. Ms. Apiradee Thavilap	Senior Vice President - Digital Business & Merchandise Center
18. Mrs. Surangkha Chaiprasart	Senior Vice President - Customer Experience
19. Ms. Sudapa Chamod	Senior Vice President – Information and Communication Technology
20. Ms. Monaphat Phongreedachit	Senior Vice President – Home Service
21. Ms. Sannipa Swangpuen	Senior Vice President – Supply Chain Management
22. Ms. Pornsook Damrongsiri	Senior Vice President - Digital Transformation
23. *Ms. Petchompoo Theppipidh	Senior Vice President - Distribution Center
24. Mr. Wichan Worasittanon	Senior Vice President - Finance and Accounting
25. Mr. Rakpong Aroonwatdhana	Senior Vice President - Investor Relations, Strategy, and Sustainability
26. Mr. Nitat Aroontippaitoon	Senior Vice President - Human Resource and Energy Business

### Remarks:

- In 2023, two executives retired from the position; Ms. Siriwan Paimsethasin (Senior Vice President - Electric & Water Solutions Merchandising) and Ms. Petchompoo Theppipidh (Senior Vice President - Distribution Center), effective from December 31, 2023 onwards.
- During 2023, three new executives have been appointed; Mrs. Surangkha Chaiprasart (Senior Vice President - Customer Experience), Mr. Sangsak Sorakit (Senior Vice President - Electric & Water Solutions Merchandising), and Mrs. Nongrat Chatrattanapong (Senior Vice President - Private Brand Sourcing and Development).
- Ms. Ittaporn Srisukwattana was rotated from the position of Senior Vice President – Design & Product Development to Senior Vice President - Door Garden & Outdoor Living Merchandising.

● Executives with authority to control of the Company, subsidiaries, and associate company

Name - Surname	Home Product Center Plc.	Subsidiaries					Associate company
		Market Village Co., Ltd.	Mega Home Center Co., Ltd.	DC Services Center Co., Ltd.	Home Product Center (Malaysia)	Home Product Center (Vietnam)	Onestockhome Co., Ltd.
1. Mr. Chaiyuth Karunyasopon	Executive Vice President	-	-	Managing Director and Director	-	-	-
2. Mr. Vathuny Visuthikosol	Executive Vice President	Managing Director and Director	Director	-	Managing Director and Director	Managing Director and Director	-
3. Ms. Wannee Juntamongkol	Executive Vice President	Director	Director	Director	Director	-	-
4. Mrs.Uruiwan Tantipiriyakij	Senior Vice President	-	-	-	-	-	-
5. Mr. Wichian Jiamwijitkul	Senior Vice President	-	-	-	-	-	-
6. Mr. Vorapot Techathadaku	Senior Vice President	-	-	-	-	-	-
7. Ms. Jarusopha Thumkathikanon	Senior Vice President	-	-	-	-	-	-
8. Ms. Somjai Maturaporn	Senior Vice President	-	-	-	-	-	-
9. Mr. Tanawat Klangsoonthornrangsi	Senior Vice President	-	-	-	-	-	-
10. Mr. Teerapong Sampan	Senior Vice President	-	-	-	-	-	-
11. Mr. Sangsak Sorakit	Senior Vice President	-	-	-	-	-	-
12. *Ms. Siriwan Paimsethasin	Senior Vice President	-	-	-	-	-	-
13. Ms. Ittaporn Srisukwattana	Senior Vice President	-	-	-	-	-	-
14. Mrs. Nongrat Chatrattanapong	Senior Vice President	-	-	-	-	-	-
15. Ms. Saowanee Sirariyakul	Senior Vice President	-	-	-	-	-	-
16. Ms. Apiradee Thavilap	Senior Vice President	-	-	-	-	-	-
17. Mrs. Surangkha Chaiprasart	Senior Vice President	-	-	-	-	-	-
18. Ms. Sudapa Chamod	Senior Vice President	-	-	-	-	-	-
19. Ms. Monaphat Phongpreedachit	Senior Vice President	-	-	-	-	-	-
20. Ms. Sannipa Swangpuen	Senior Vice President	-	-	-	-	-	-
21. Ms. Pornsook Damrongsiri	Senior Vice President	-	-	-	-	-	-
22. *Ms. Petchompoo Theppipidh	Senior Vice President	-	-	-	-	-	-
23. Mr. Wichan Worasittanon	Senior Vice President	-	-	-	-	-	-
24. Mr. Rakpong Aroonwatdhana	Senior Vice President	-	-	-	-	-	-
25. Mr. Nitat Aroontippaitoon	Senior Vice President	Director	Director	Director	-	-	-

**Remark:**

- In 2023, two executives retired from the position; Ms. Siriwan Paimsethasin (Senior Vice President - Electric & Water Solutions Merchandising) and Ms. Petchompoo Theppipidh (Senior Vice President - Distribution Center), effective from December 31,2023 onwards.

## Details of changes in the Company's shareholding by the Executives in 2023

No.	Name - Surname	Position	No. of shares as at 1 Jan 23	Changes in no. of shares	No. of shares as at 31 Dec 23	Shareholding (%)	Value as at 31 Dec 23 (Baht)
1	Mr. Chaiyuth Karunyasopon	Executive Vice	2,000,666	-	2,000,666	0.02%	23,407,792
	Spouse and minor children	President	134,400	-	134,400	0.001%	1,572,480
2	Mr. Vathuny Visuthikosol	Executive Vice	10,031,251	29,110	10,060,361	0.08%	117,706,224
	Spouse and minor children	President	-	-	-	-	-
3	Ms. Wannee Juntamongkol	Executive Vice	11,187,255	50,880	11,238,135	0.09%	131,486,180
	Spouse and minor children	President	-	-	-	-	-
4	Mrs. Uraiwan Tantipiriyakij	Senior Vice	505,677	16,229	521,906	0.004%	6,106,300
	Spouse and minor children	President	-	-	-	-	-
5	Mr. Wichian Jiamwijitkul	Senior Vice	46,699	27,099	73,798	0.001%	863,437
	Spouse and minor children	President	-	-	-	-	-
6	Mr. Vorapat Techathadaku	Senior Vice	73,213	28,590	101,803	0.001%	1,191,095
	Spouse and minor children	President	-	-	-	-	-
7	Ms. Jarusopha Thumkathikanon	Senior Vice	10,804,190	39,984	10,844,174	0.08%	126,876,836
	Spouse and minor children	President	-	-	-	-	-
8	Ms. Somjai Maturaporn	Senior Vice	285,682	54,853	340,535	0.003%	3,984,260
	Spouse and minor children	President	-	-	-	-	-
9	Mr. Tanawat Klangsoonthornrangsi	Senior Vice	656,582	13,766	670,348	0.005%	7,843,072
	Spouse and minor children	President	-	-	-	-	-
10	Mr. Teerapong Sampan	Senior Vice	70,000	31,696	101,696	0.001%	1,189,843
	Spouse and minor children	President	12,000	-12,000	0	-	-
11	Mr. Sangsak Sorakit	Senior Vice	-	-	-	-	-
	Spouse and minor children	President	-	-	-	-	-
12	*Ms. Siriwan Paimsethasin	Senior Vice	525,400	-	525,400	0.004%	6,147,180
	Spouse and minor children	President	-	-	-	-	-
13	Ms. Ittaporn Srisukwattana	Senior Vice	95,736	55,946	151,682	0.001%	1,774,679
	Spouse and minor children	President	-	-	-	-	-
14	Mrs. Nongrat Chatrattanapong	Senior Vice	-	-	-	-	-
	Spouse and minor children	President	-	-	-	-	-
15	Ms. Saowanee Sirariyakul	Senior Vice	77,035	54,303	131,338	0.001%	1,536,655
	Spouse and minor children	President	-	-	-	-	-
16	Ms. Apiradee Thavilap	Senior Vice	241,670	17,285	258,955	0.002%	3,029,774
	Spouse and minor children	President	-	-	-	-	-
17	Mrs. Surangkana Chairasart	Senior Vice	386,430	7,986	394,416	0.003%	4,614,667
	Spouse and minor children	President	-	-	-	-	-
18	Ms. Sudapa Chamod	Senior Vice	266,178	27,214	293,392	0.002%	3,432,686
	Spouse and minor children	President	-	-	-	-	-
19	Ms. Monaphat Phongpreedachit	Senior Vice	221,172	23,512	244,684	0.002%	2,862,803
	Spouse and minor children	President	-	-	-	-	-
20	Ms. Sannipa Swangpuen	Senior Vice	277,171	33,172	310,343	0.002%	3,631,013
	Spouse and minor children	President	-	-	-	-	-
21	Ms. Pornsook Damrong Siri	Senior Vice	265,107	18,539	283,646	0.002%	3,318,658
	Spouse and minor children	President	-	-	-	-	-
22	*Ms. Petchompoo Theppipidh	Senior Vice	112,268	18,591	130,859	0.001%	1,531,050
	Spouse and minor children	President	-	-	-	-	-
23	Mr. Wichan Worasittanon	Senior Vice	1,286,231	27,976	1,314,207	0.01%	15,376,222
	Spouse and minor children	President	-	-	-	-	-
24	Mr. Rakpong Aroonwatdhana	Senior Vice	77,689	25,046	102,735	0.001%	1,202,000
	Spouse and minor children	President	-	-	-	-	-
25	Mr. Nitat Aroontippatooon	Senior Vice	5,709,101	39,215	5,748,316	0.04%	67,255,297
	Spouse and minor children	President	-	-	-	-	-

### Remarks:

- The closing price of HMPRO stock as at 31 December 2023 was 11.70 Baht.
- The increase in the number of shares is driven mainly by the Employee Joint Investment Program (EJIP).
- In 2023, two executives retired from the position; Ms. Siriwan Paimsethasin (Senior Vice President - Electric & Water Solutions Merchandising) and Ms. Petchompoo Theppipidh (Senior Vice President - Distribution Center), effective from December 31, 2023 onwards.

## Remuneration for the Managing Director and Executives

The Company considered remuneration to the managing director and executives in consideration of fairness and appropriateness to the assigned responsibilities that are in line with the Company's performance. Additionally, the Company compares its remuneration to the other companies' remuneration within the same industry or similar industry, along with environmental, social, and governance operational performances such as increased Eco Product sales mix, renewable energy consumption, and the number of Tao Kae Noi technicians. Apart from this, each executive's performance is analyzed with respect to the objectives that align with its purpose, vision, mission, and annual strategic plan. The purpose is to drive the Executives to build stability and long-term sustainable growth for the organization. The details are as follows:

### Remuneration for the Managing Director

The remuneration for the Managing Director is determined appropriately and indicates transparent criterias. The Nomination and Remuneration Committee reviewed the remuneration of the managing director in order to propose this matter to the Board of Directors for approval by deciding whether the individual performance corresponds to the Company's objectives both in short and long-terms. Also, the overall Company's operating results and the Environmental, Social, and Governance (ESG) performance are considered. The objective of remuneration is to encourage motivation and the sense of entrepreneurship. The details are as follows:

#### Short-term

Remuneration in the form of salary and bonus based on the performance.

#### Long-term

- The first Employee Joint Investment Program (EJIP) started from 1 July 2013 to 30 June 2018, the second Employee Joint Investment Program (EJIP) started from 1 July 2018 to 30 June 2023, and the third Employee Joint Investment Program (EJIP) started from 1 July 2023 to 30 June 2028.
- For long-term compensation, the Company has a strong commitment to aligning long-term goals with the performance of the Managing Director. By setting 5-year strategic goals directly linked to key performance indicators such as sales, number of stores, and market share, and designing a compensation structure that includes a deferred bonus upon achieving the set targets.

## Remuneration for the Executives

The Managing Director evaluates each executive's performance and the department's performance under each executive annually. The evaluation of these assessments is used to determine executives' remuneration in the form of salary and bonus. The details are as follows:

#### Short-term

Remuneration in the form of salary, bonus, and other compensation based on the performance in the year 2023 and 2022 of the Managing Director and executives amounted to Baht 153.07 million and Baht 164.30 million respectively, representing 2.92% of the total compensation of the Company. In 2023, the difference between total compensation for male and female executives was lower than 10%.

#### Long-term

The first Employee Joint Investment Program (EJIP) started from 1 July 2013 to 30 June 2018, the second Employee Joint Investment Program (EJIP) started from 1 July 2018 to 30 June 2023, and the third Employee Joint Investment Program (EJIP) started from 1 July 2023 to 30 June 2028.

#### The details are as follows:

1. Employee Joint Investment Program (EJIP) Series 1 - The Employee Joint Investment Program first began on 1 July 2013. The management and associates who joined the program will receive a contribution for buying the Company's stock starting from 1 July 2013 to 30 June 2018.
2. Employee Joint Investment Program (EJIP) Series 2 - The Employee Joint Investment Program first began on 1 July 2018. The management and associates who joined the program will receive a contribution for buying the Company's stock starting from 1 July 2018 to 30 June 2023.
3. Employee Joint Investment Program (EJIP) Series 3 - The Employee Joint Investment Program began on 1 July 2023. The management and associates who joined the program will receive a contribution for buying the Company's stock starting from 1 July 2023 to 30 June 2028.



## 6. Human Resources

Details of the number of associates and their total compensation during the year 2021 - 2023 are as follows:

Number of Associates	31 Dec 2021	31 Dec 2022	31 Dec 2023
<b>Associates of the Company</b>			
- Head Office (persons)	1,820	1,933	1,985
- Branches (persons)	6,305	6,454	6,596
Associates of subsidiaries (persons)	2,476	2,972	3,196
<b>Total (persons)</b>	<b>10,601</b>	<b>11,359</b>	<b>11,777</b>
Salaries, wages, and other associates benefits (million Baht)	4,639	4,925	5,242
Profit (million Baht)	5,441	6,217	6,442
Profit per associates (million Baht)	0.51	0.55	0.55

**Remark:**

- The table contains information of the permanent associates only. Further details on the Associate Profile can be found in the Sustainable Development Report on page 134.
- Number of associates was counted by the Human Resources Management System (HRMS).
- The number of workers who are not employees is 17,195 people and their main duties are Security Guards, Cleaners, Loss Preventions, Sales, Administrators and Customer Services.
- In 2023, the mean gender pay gap was 3.56%, while the median gender pay gap was 5.69%. Regarding bonuses, the mean bonus gap was 0.91%, and the median bonus gap was 1.70%.

### The Employee Joint Investment Program (EJIP)

The Employee Joint Investment Program Series 3 (EJIP) was approved in the Board of Directors meeting on 25<sup>th</sup> April 2023. The details of the program are as follows:

The company eligible under EJIP	Home Product Center Public Company Limited
The Period of EJIP	July 1, 2023 to June 30, 2028, with a total duration of 5 years.
Eligible associates under EJIP	Associates at Division Manager or above, up to Managing Director level on the voluntary basis. Director and advisors of the company are excluded from this program.
EJIP arrangement	The Company will make deduction from the payroll of eligible associates who voluntarily join the EJIP, at the rate of 5% of the monthly salary. Also, the Company will contribute full amount contributed by EJIP participants on a monthly basis or another 5%. For key employees identified by the Company will receive double contribution or 10%.
EJIP buying schedule	Monthly basis.
Vesting schedule	<ul style="list-style-type: none"> <li>- In the first 3 years is the silent period.</li> <li>- Complete 3 years but less than 4 years, can sell 25% of the existing shares</li> <li>- Complete 4 years but less than 5 years, can sell 50% of the existing shares</li> <li>- Completed the project for 5 years, associates can sell all shares</li> </ul>
EJIP program manager	Phillip Securities (Thailand) Public Company Limited

**Note:** Within 3-5 years, Managing Director (CEO) has to build up a share ownership of 5 times the annual base salary of the Managing Director (CEO). Other members of the executive committee excluding the Managing Director (CEO) has to build up a share ownership of 3 times the annual base salary. In 2023, the total of participants was accounted to 89.64% of the eligible associates.

### Provident Fund Program

The Company set up a provident fund, in which 10,398 associates have participated. Those account for 88% of total associates.

### Clawback Provision

The Company's clawback provision is in compliance with the Securities and Exchange Act B.E 2535. Under section 89/7, it is stated that the board of directors, management, and associates should perform their duties with full responsibilities as well as cautiousness and integrity (Fiduciary Duties), and comply according to the law, the Company's objectives, the Company's Articles of Association, and resolutions of the board of directors and shareholder's meeting. In case that the Board of directors, management and associates has conducted any act against the section 89/7, the Company may reclaim the incentives back to the Company according to the section 89/18 and 89/19.

## 7. The Board Orientation

The Company has the policy to organize an orientation to every newly appointed Director to acknowledge the roles, duty, and responsibility, including providing knowledge, understanding the business, and operating in every part of the Company. The purpose is to prepare the readiness to perform the Directors' duties by presenting the documents and the information that will assist the newly appointed Directors in performing their roles such as the Directors' Handbook, Company's Good Corporate Governance and Business Code of Conduct Handbook, Company's Articles of Association, capital and shareholding structures, annual report, Form 56-1 (One Report), business performance, laws and best practices guidelines, training programs for directors as well as other information related to the business operation to create a better understanding about the Company and its operation to the newly appointed Directors. In 2023, the Company arranged an orientation for newly appointed directors; Mr. Rathian Srimongkol (Audit Committee and Independent Director), Asst. Prof. Dr. Kessara Thanyalakpark (Audit Committee and Independent Director), and Ms. Vareeporn Udomkunnatum (Director), on May 11, 2023.

## 8. Succession Development Plan

The Company is aware of the importance of running the business efficiently and continuously. Therefore, a succession development plan is made to find the right fit for the category to continue running the business. The position can immediately be filled or within 1-2 years according to the following procedures:

1. Identify Key Positions which are core to the Company's business to uphold the purpose, corporate vision, mission, strategies, and goals by the following criterion:
  - Managing director and key positions in the core business
  - The positions requiring candidates with fields of expertise that are scarce and take up a long time to recruit and develop
  - The positions requiring special skill or expertise to perform
2. Design a clear set of Core Competencies for each Key Position in order to ensure effective and on-point recruiting training procedures and competency development plan.
3. Set up guidelines and criteria for evaluating the potential successors, including the consideration in terms of knowledge, skills, career background, potential, as well as the managerial and strategic vision, in line with the Core Competency crafted for each particular position.
4. Select the successors in accordance with the set criteria, evaluate the readiness of selected candidates on both strong traits and areas for improvement.
5. Establish and execute Individual Development Plan to ensure that each of the selected successors is always ready to take on the designated role.
6. Monitor and reassess the Succession Development Plan annually and propose to the Board of Directors for approval and endorsement. Further details can be found in the Sustainable Development Report on page 69-182.

## 9. Company Secretary

On 20 March 2008, the Board of Directors had the resolution to appoint Ms. Wannee Juntamongkol as the Company Secretary to comply with the "Securities and Stock Exchange Act B.E. 2551" and subsequently revised in B.E. 2559 (5th issue). The Company has already informed the name and the location where the Company kept the documents to the Securities and Exchange Commission on 26 August 2008.

### Company Secretary Profile

#### Ms. Wannee Juntamongkol (59 years old)

- Executive Vice President of Accounting and Finance, and Investor Relations Strategy and Sustainability.
- Company Secretary
- Director of Market Village
- Director of Home Product Center (Malaysia)
- Director of Mega Home Center
- Director of DC Service Center

### Educations

- B.A., Accounting, Faculty of Commerce and Accountancy of Chulalongkorn University
- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University

### Trainings

- 2023
  - TLCA course for CFO 1) What's the Future of the CFO roles 2) RPA in Finance
  - IOD training The Business Case and Ethics of AI
- 2022
  - CFO Refresher class 3/2022, Capital Market Knowledge Development of Promotion Center, The Stock Exchange of Thailand (SET)
- 2021
  - Company Secretary Program, Thai Listed Companies Association
  - CFO Refresher class 2/2021, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)
- 2020
  - Top Executive Program in Commerce and Trade class 13, School of Business, UTCC
  - Advance for Corporate Secretary Program, Institute of Director Association (IOD)
- 2019
  - Attended the following seminars by Thai Listed Companies Association:
    - The CFO's role in stakeholder communications
    - Automation & RPA (Robot Process Automation) for Accounting

- The Securities and Exchange Commission's policy of capital market development and operational support for listed companies
- 2017 - Director Accreditation Program class 140/2017
- 2016 - Capital Market Academy class 22
- 2015 - Strategic CFO class 1 by Stock Exchange of Thailand (SET)
- 2008 - Laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) Program for the Company Secretary by Faculty of Law of Chulalongkorn University
- 2005 - Company Secretary Program, Institute of Directors Association (IOD)
- 8. Manage other matters as stipulated by the Capital Market Supervisory Board.
- 9. Organise the Board Orientation Program and advise when there is an appointment of a new director. Also, support the board of directors in terms of relevant training courses to widen knowledge related to their duties.
- 10. Regularly monitor and ensure that the Board of Directors considers any opinion given by the shareholders.
- 11. Arrange to have the report on important Corporate Sustainable Development issues that the Board of Directors shall monitor.
- 12. Take care of Directors and officers' liability insurance.
- 13. Provide the performance evaluation of the board of directors and sub-committees.
- 14. Perform other duties as assigned by the Board of Directors.

## Responsibilities of Secretary of the Company

1. Facilitate activities of the Board of Directors
2. Make a summary of the matters under the decision of the Board of Directors, follow up, and coordinate with related parties to ensure compliance with the resolutions of the Board of Directors and the resolution of the shareholders' meeting along with reporting the results of such operations closely.
3. Arrange schedules of the Board of Directors meeting and Sub-Committees meetings, including conducting the Board of Directors meeting and shareholder meeting in accordance with the Company's Articles of Association.
4. Keep information according to the law, including prepare and maintain the following documents:
  - List of shareholders
  - Director registration
  - The Board of Directors meeting invitation, the Board of Directors Meeting Minutes, and the Company's annual report
  - Shareholders Meeting invitation and the Shareholders Meeting minutes
5. Maintain the report concerning conflicts of interest reported by the directors or the executives and summaries those matters under the director's authority.
6. Coordinate with a relevant organization such as the Securities and Exchange Commission to ensure that all the Company's relevant information is disclosed and reported accurately and transparently to the relevant department and the public.
7. Giving legal advice and related regulations that are relevant to the business as well as the principles of Good Corporate Governance to the Board of Directors and the Sub-Committees in accordance with the laws and Good Corporate Governance.

## 10. Head of Internal Audit

On January 9, 2014, the Audit Committee Meeting No.1/2014 has appointed Mr. Aryuratas Chai-anan, Vice President - Internal Audit to be the Head of Internal Audit, since he has experience in internal audit for the Company for 19 years and experience in similar business, total of 23 years. He has passed the Certified Professional Internal Audit of Thailand (CPIAT) test. He has trained in related internal audit courses such as Audit Standard, Information Technology Auditing, Risk Management, etc. Besides, he has a good understanding of the Company's operation. As a result, it is appropriate to appoint him to perform such duties. The Audit Committee is responsible for approving the appointment, removal, and transfer of the Head of Internal Audit.

### Head of Internal Audit's Profile

**Mr. Aryuratas Chai-anan (56 years old)**

- Vice President of Internal Audit

#### Relationship with the Management:

- None

#### Educations

- Bachelor of Accounting, University of the Thai Chamber of Commerce

#### Trainings

- 2023 - The Importance of Audit Committee and Confidence Level to the Thai Capital Market
- Mini MBA course for middle management, Chulalongkorn University

- 2019 - Economic Outlook
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance
- Data Protection Law
- Communication and Coaching
- 2018 - Current Trend in Strategy
- 2017 - Understanding and Navigating Risks in Emerging Market
- The role of the listed Company's Board of Director in reducing business risk in cyber, challenge, and solution
- AC Hot Update: Ready for Next Gen CG
- Bright Spots: Lighting the way to a corruption free society National Conference CAC
- Practice for the Board to supervise the prevention and response to cyber threats.
- Communication Strategy for Modern IA
- 2016 - How to Develop a Risk Management Plan
- Cyber Operation Contest and trend on information system
- Seminar "Internal Auditor and value creation in currency economy situation"
- CG Forum 3/2016 "The way to prevent corporate corruption"
- Seminar "Internal control to prevent the inappropriate offers to a government official"
- The training of upcoming New Financial Reporting Standards
- 2015 - COBIT 5 for enterprise framework and CG forum "Risk oversight: High priority roles of the Board
- 2014 - Going from 'Good' to 'Great
- 2013 - Certified Professional Internal Auditor of Thailand (CPIAT)
- 2012 - Mini Master of Business Administration NIDA
- 2011 - Internal Auditing for the certified internal auditor
- 2010 - Risk Management - Action
- 2006 - Skill for new Auditor-In-charge
- 2005 - Operation Audit
- 2003 - Internal Audit Standards vol. 2

## Work Experience

- 2014 - Present - Vice President Internal Audit
- 2014 - Present - Vice President - Risk Management Committee's secretary
- 2010 - Present - Audit Committee's secretary
- 2003 - 2014 - Assistant Vice President - Internal Audit (Home Product Center Plc.)
- 2000 - 2003 - Inventory Management Consultant (Karat Sanitary Ware Plc.)
- 1997 - 2000 - Head of Internal Audit (Siam City Cement Plc.)

## The Roles and Responsibilities of Chief of Internal Audit

1. Prepare the audit plan according to the Risk-Based Approach and internal audit guidelines. Then propose to the Audit Committee for approval. In case of revision, amendment or change of such plan, it should be proposed to the Audit Committee for approval as well.
2. Conduct internal audit according to the annual audit plan, which has been approved, and perform other duties as assigned by management and the Audit Committee.
3. Review the accuracy and accountability of accounting data, financial report, operational reports and other key business operations to be accurate and reliable.
4. Examine related transactions or any transaction that may lead to conflict of interest. Review if such items are disclosed accurately and thoroughly in compliance with the Thai Securities and Exchange Commission.
5. Review the internal audit system, manage risks, and corporate governance throughout the operating activities of each business unit to ensure that the Company achieves the business goals. In addition, the Audit Committee also manages current and emerging risks to an acceptable level such as cyber security risk and emerging regulations by placing importance on having a sufficient and efficient internal audit system as well as complying to the corporate governance code.
6. Review measures and set out guidelines for countering corruption and misconduct that may occur in the operating systems. Coordinate with management to investigate any concerns, presumptions, clues or complaints about possible corruption practice in the Company. Then report the results of the investigation to management and the Audit Committee. However, the identification of the individual reporting the alleged corruption will be kept confidential to protect their rights.

7. Advice, counsel, and recommend guidelines to management and business units or measures to improve risk management, internal audit and corporate governance to ensure that the operation of each business unit is accurate and efficient.
8. Report the audited results to the management and the Audit Committee in a timely manner, and in the case the audit findings are prone to the fraud, the Head of Internal Audit would immediately report the findings to management and the Audit Committee.
9. Conduct other ad hoc audit operations provided that such assignment does not affect efficiency and effectiveness of the audit operational plan.
10. Communicate and coordinate with auditors to the audit of their operation.
11. Develop and ensure that audit officers possess adequate knowledge, competency, and experience to execute the audit operations.
12. Continuous self-improvement to increase knowledge, skills and professional competency levels to perform their duties. They shall participate in professional training courses and workshops continuously.
13. In case that the internal audit tasks or other related operations require more advanced, specialized knowledge of an expert on specific matters. Chief of internal audit can propose to the Audit Committee for further considerations.
14. Conduct internal audit quality assessment after the audit process ends by conducting the post-audit questionnaire to business units where the audit was performed.

Moreover, the Company has disseminated important information to reach out to target audiences in an accurate, complete, timely, and fair manner via 3 main channels:

1. The annual information disclosure report Form 56-1 (One Report), detailing key topics such as overall business operations, risk factors, shareholding structure, management, related transactions, corporate governance etc. This report will be distributed within 90 days after the closing date of the fiscal year, respectively, to investors to be timely informed of the operating results in the previous year.
2. The Management Discussion and Analysis (MD&A), quarterly and annually, and Investor Release, which details the operational and financial performance with analysis and explanation of causes for changes, considers factors that affect the change of operating results through the SET and electronic mail channels.
3. The Company's website under the Investor Relations section. This is to facilitate investors and interested individuals to study the Company's information, which is regularly updated. The information displayed on the website is available both in Thai and English, comprising of the nature of business operations, historical and updated financial statements, press releases, shareholding structure, organization chart, the structure of business groups, Directors' and executives' information, information on Investor Relations, Sustainability Report, the Company's Article of Association, annual reports and related policies which are all downloadable through [https:// hmpo. listedcompany.com/policy\\_document.html](https://hmpo.listedcompany.com/policy_document.html)

## 11. Investor Relations Department

The Company has a dedicated Investor Relations Department to fully take charge of providing information and collecting opinions from shareholders, analysts, and investors regularly, as well as presenting operating performance and compiling comments from shareholders, analysts, and investors to the Board of Directors at least 4 times annually. The Company expects that the Investor Relations Department is an essential medium in providing information, giving clarification, answering questions, and collecting and exchanging comments or concerns with shareholders, investors, securities analysts, and interested individuals. The Assistant Vice President of the Investor Relations Department is Ms.Rujirada Kongros. The Company information can be inquired via 3 channels as follows:

- 1) Telephone: 0 2832 1049
- 2) Fax: 0 2832 1066
- 3) Email: [ir@homepro.co.th](mailto:ir@homepro.co.th)
- 4) Website: [https://hmpo-th.listedcompany.com/ir\\_contact.html](https://hmpo-th.listedcompany.com/ir_contact.html)

# Internal Control and Related Transactions



## ● Risk Management

To support the Board of Director in managing the good corporate governance with optimal risk, in consistent with the situation that keeps changing over period of time, the Company continuously and systematically recognizes the importance of risks management that risk may occur and affect the business operation and operating results. A Risk Management Committee has been established to track and set guidelines on how to manage and maintain risks within the acceptable level. The Risk Management Committee consists of the Managing Director, who chairs the Committee, Executive Vice Presidents and Senior Vice Presidents from 5 departments as Committee members, who cover major risks within the Company. In 2023, the process is as follow:

1. Set risk management policy for the Company according to international standard by focusing risk management on 5 aspects: strategy, operation, finance and compliance to related regulations, and the new risk related to the change in business environment (Emerging Risk).
2. Review major risks at the corporate level. The process includes the analysis, assessment, and summary of Corporate Risk Profile by taking into account the dynamic of external factors with regards to economic, social, and climate change, and innovation technology that impact consumers' lifestyle and behavior amidst of competition with both the existing peers in the same industry and the new entrances. Set Key Risk Indicator as the precaution alarm for risks and monitor risk management plan effectively.
3. Track and review the mentioned level of risks quarterly in accordance with the ever-changing business environment. Monitor and manage risks to remain within the acceptable level
4. Report the risk assessment to the Board of Directors every quarter.

## ● Internal Control

In the Board of Directors Meeting No.12/2023 on December 26, 2023, the Board of Directors has reviewed the sufficiency of the internal control system with the Audit Committee and Top Management according to the 5 aspects of 17 COSO principles. It is concluded that the internal control system of the Company is sufficient and appropriate for the operational objective and good corporate governance. Key summaries are as follows:

### 1. Control Environment

The Board of Directors and the management support organizational culture that upholds morality and ethical business values and ensure that the operation meets the visions and missions. The Company also fosters internal control that is proper and beneficial to internal control policy compliance as set out below:

- 1.1 The Company formulates good corporate governance, the code of ethics, regulations, internal control policies, and anti-corruption policies as practice guidelines for the Board of Directors, the Management and associates. All associates are expected to be honest in adhering this policy. Similarly, Organizational structure, the boundaries of authority and the responsibilities of a job position is appropriately outlined to ascertain sufficiency, effective and efficient performance and follow up processes and to avoid conflict of interest against the Company.
- 1.2 The Company's Board of Directors is the experts at the Company's retail business with the valuable competencies. Besides, they are independent from the Management and they oversee the overall operation and develop internal control activities. The Board of Directors also monitors the establishment of clear and measurable business goals as the practical guidelines for executives and associates. This is to ensure the achievement of the designated targets.
- 1.3 The Company establishes the business unit and department organizational structures so that the Company's administration achieves effectiveness and alignment. The formulated areas range from suitable reporting lines, authorization and responsibility. This is to ensure the Company's objective fulfillment and imbue associates with awareness of roles, authorization, duties and responsibilities.
- 1.4 Support the Company's objectives by ensuring that all associates are aware of their roles, duties, and responsibilities.

- 1.5 Apart from key role succession, the Company determines the qualifications of a job position as recruitment and human development criteria. Standard and transparent appraisal ensures fair remuneration and effective staff motivation for outstanding performance. Competitive benefits help retain associates.
- 1.6 Concerning risks and internal control, a range of risk awareness and understanding campaigns are targeted at the Management and associates and, thus, became part of appraisal. That is, a penalty is imposed on those who violate the Company's regulations. On the contrary, the encouragement of moral support is fulfilled through the HomePro Role Model Award.

### 2. Risk Assessment

To boost the confidence in target accomplishment, both in short and long-term dimensions, the Board of Directors and the Management highlight the importance of risk management by appointing the Risk Management Committee. The duties are to monitor the Company's risk management to ascertain appropriateness and effectiveness. The following administration guidelines are as follow:

- 2.1 As guided by the COSO Enterprise Risk Management, the Company executes risk management companywide by communicating the risk management policies that are acknowledged by the Management and associates at all levels. As risk management is embedded as part of our organizational culture, the financial report meets the established accounting standards and is reviewed by external certified public accountants. This is a testimony of our risk-related activities.
- 2.2 The Company's scope of risk profiles is fully implemented at the organizational, business units and section levels. Risk management involves investment and processes by taking into account changes posed by both internal external factors. Risk management guidelines seek to ensure that risks are curbed at an acceptable degree. On top of this, a monthly risk review helps fulfill the attempt and risk management activities must be responsible by all business units.
- 2.3 Key Risk Indicators (KRI) tracks the progress of evolving changes in risk factors, assesses the possibility of corruption activities in various forms and assists in preventive actions. Communication is imparted amongst associates across rankings for acknowledgement and compliance.

2.4 The Company closely monitors the latest external news and situations in a bid to assess changes in operational models and emerging trends that could affect the Company's targets. Related suitable measures are on hand in advance to deal with a challenge.

### 3. Control Activities

Our effective and efficient control activities lessen a risk of unsuccessful objective achievement as set out by the Company and ensure that risks will not exceed an established threshold as detailed below:

3.1 Based on good internal control principles such as policy formulation and practice guidelines, the Company maps out control activities in written forms that fit the Company's business characteristic and job functions. Segregation of duties and approval authorization are systematically dispersed to groups of personnel, approvers, those who record, keepers etc. to ensure that there is a checking-balancing system.

3.2 The Company has devised safety measures of information system through automatic control tools for key priorities such as SAP GRC Access Control to ensure an effective conformity between job positions and SAP access performance rights. In addition, the system is well updated with prompt inspection and maintenance to be taken by relevant associates upon receiving an irregular notification.

3.3 A transaction executed by major shareholders, directors, executives, and related people is traced by the Company's cautious policy and undergoes a predefined approval process responsible by a third party with the Company's highest interest. In addition, the guideline for subsidiaries are in place aligning to the corporate strategies. Similarly, the Company has provided a monitoring and follow-up measure to subsidiaries on a regular and constant basis as well as policies and working processes are also regularly reviewed so that they operate as planned.

### 4. Information & Communication

The Company determines efficient and effective control activities to reduce the risk of inability to achieve purpose to be at acceptable level as follows:

4.1 Correct, detailed, sufficient, and timely information are key to our decision making and a critical discussion at a meeting where internal and external sources are taken into account. The Company insists that only proper and verified information is used. In addition, information security, confidential level, important documents and controlled documents are under

supervision of softwares that gather and process input in all areas to lessen an overlap while expediting a report to the Management.

4.2 The Company appropriately communicates with the Board of Directors, the Management, associates and stakeholders. Important documents related to the Company's financial results and meeting agendas are prepared for the Board of Directors in advance of a meeting so that they are equipped with sufficient information analysis before making a decision. Our internal communication is disseminated through various channels ranged from the Town Hall activities whereby top management address all associates, the Intranet, an e-mail, mobile application, an orientation that hands over key messages to new associates, and Digital Learning that provides beneficial knowledge for carrying out tasks. In addition, HomePro ME application has been developed to offer a wider range of internal communications for our associates, which is accessible from anywhere at anytime.

4.3 A website, call center, an e-mail, or social media, including Line and Facebook, act as the Company's communication tools that address external stakeholders. The Company assigns task to a special working unit with particularly overseeing constant key message communication with stakeholders. Besides, our whistleblowing system fosters associates and stakeholders' confidence over transparency, morality, fairness and confidentiality within a reasonable timeframe. More information is available in the corporate governance section.

### 5. Monitoring Activities

The Company employs monitoring and assessment process of the adequateness of internal control and improvement process for the purpose of effectiveness and efficiency. The following are our practices:

5.1 The Company evaluates internal control both at the organizational and process levels. In this, associates in each business unit also perform a yearly self-appraisal. Furthermore, the Internal Control Department ensures adequateness and appropriateness, provides some advice on improvement and presents the Audit Committee with reviewing results. This aims to achieve the independency of audits' performance and result reporting. Trainings and professional development of audit-related knowledge are also provided to internal audit team.



5.2 In case of fraud, the Management must immediately report a case to the Board of Directors. A similar prompt action also concerns a suspected serious corruption, an unlawful practice and any other irregularity that can significantly affect the Company's reputation and financial position. Within a timely manner, an issue summary and a solution are required to be ready for the consideration of the Board of Directors or the Audit Committee.

In 2023, the Company found no major mistake related to internal control that could significantly derail the key organizational objective accomplishment, nor significant error with regards to a transaction that could lead to a conflict of business or violation of securities and exchange laws, regulations of the Stock Exchange of Thailand or laws involving the operation of the Company.

Miss Kingkarn Asawangsarit, who is the certified public accountant no. 4496 of EY Office Limited, as the external auditor of the Company's for the year-end on December 31, 2023, as well as the auditor approved by the Office of the Securities and Exchange Commission, has given her comment on the assessment of the efficiency of the internal control of the Company's accounting by reporting that no significant weak point arose.

## 6. Chief Financial Officer and Chief Accountant

In accordance with the Office of the Securities and Exchange Commission's regulations on the qualification of Chief Financial Officer (CFO) and Chief Accountant, the profile of both persons who have fulfilled the financial and accounting trainings requirements as regulated by the Office of the Securities and Exchange Commission, is set out below:

### 6.1 Chief Financial Officer

#### Ms. Wannee Juntamongkol (59 Years Old)

- Executive Vice President of Accounting and Finance and Investor Relations Strategy and Sustainability
- Company Secretary
- Director of Market Village Co., Ltd.
- Director of Home Product Center (Malaysia)
- Director of Mega Home Center
- Director of DC Service Center
- She has been working with the Company since 2005

#### Educations

- MBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- B.A., Accounting, Faculty of Commerce and Accountancy of Chulalongkorn University

#### Trainings

- |             |   |
|-------------|---|
| <b>2023</b> | <ul style="list-style-type: none"> <li>- TLCA CFO CPD 1) What's the Future of the CFO roles 2) RPA in Finance</li> </ul>  |
|             | <ul style="list-style-type: none"> <li>- IOD training The Business Case and Ethics of AI</li> </ul>   |
| <b>2022</b> | <ul style="list-style-type: none"> <li>- CFO Refresher class 3/2022, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)</li> </ul>  |
| <b>2021</b> | <ul style="list-style-type: none"> <li>- Program for the Company Secretary by Thai Listed Companies Association</li> <li>- CFO Refresher class 2/2021, Capital Market Knowledge Development of Promotion Center, Stock Exchange of Thailand (SET)</li> </ul>  |
| <b>2020</b> | <ul style="list-style-type: none"> <li>- Top Executive Program in Commerce and Trade class 13, School of Business, UTCC</li> <li>- Advance for Corporate Secretary Program, Institute of Director Association (IOD)</li> </ul>  |
| <b>2019</b> | <ul style="list-style-type: none"> <li>- Attended the following seminars by Thai Listed Companies Association:               <ul style="list-style-type: none"> <li>- The CFO's role in stakeholder communications</li> <li>- Automation &amp; RPA (Robot Process Automation) for Accounting</li> <li>- The Securities and Exchange Commission's policy of capital market development and operational support for listed companies</li> </ul> </li> </ul> |

<b>2017</b>	- Director Accreditation Program class 140/2017 2016 - Capital Market Academy class 22
<b>2015</b>	- Strategic CFO class 1 by the Stock Exchange of Thailand (SET)
<b>2008</b>	- Laws and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) Program for the Company Secretary by Faculty of Law of Chulalongkorn University
<b>2005</b>	- Company Secretary Program, Institute of Directors Association (IOD)

## 6.2 Chief Accountant

### Mr. Wichan Worasittanon (55 years old)

- Senior Vice President of Accounting and Finance
- He has been working with the Company since 2006

#### Educations

- Bachelor of Commerce and Accountancy, Thammasart University

#### The Registration as the Company Accountant

- Registered as the Company's Accountant since 3 October 2006 under the notification of Department of Business Development, Ministry of Commerce

#### Trainings

<b>2023</b>	- Accounting review techniques course to prepare financial statements efficiently
	- Accounting course for recording TAS16, TAS2 and TAS23 correctly according to accounting standards
<b>2022</b>	- Accounting courses by Dharmniti Seminar and Training Co., Ltd. subject: 1) Issues on Receipt and Payment document, 2) Recording guidance for business impacted from 2022 economic situation.

<b>2021</b>	- Tax consideration for outbound investment to keep pace, understand, and adapt to the International Taxation Measures with BEPS 2.0 to set up an appropriate overseas investment structure by EY Thailand.
	- Trends, direction of conducting M&A, and the strategies for making M&A successful by the Stock Exchange of Thailand
	- Summary of important issues related to TFRS for PAEs that must be applied and the transition in 2021 by the Stock Exchange of Thailand.
	- Analysis of the risk of investigation on transfer pricing seminar by EY Thailand
	- Financial Reporting Trends 2021 by EY Thailand
	- Robotic Process Automation Seminar to elevate accounting occupation to the Digital Accounting era by the Federation of Accounting Professions
	- Adaptive System Design EP:1 by the Federation of Accounting Professions
<b>2020</b>	- Keep track of the Disclosure Form with the transfer pricing criteria by Dharmniti Seminar and Training Co., Ltd.
	- Delve into accounting records case study to be in accordance with the financial reporting standards by Dharmniti Seminar and Training Co., Ltd.
<b>2019</b>	- TFAC Conference 2019: Future of Finance
	- Digital Disruption by the Federation of Accounting Professions
	- Issues on accounting information items for financial statements closing prior to submitting 2019 financial statements by Dharmniti Seminar and Training Co., Ltd
<b>2016</b>	- Strategic CFO class 2 by the Stock Exchange of Thailand (SET)

Remarks: The Committee has verified that the following experiences would benefit directly to the Company's operation and the following duration is in accordance with the requirement.

## ● Related Transaction

In 2023, the Company and its subsidiaries had significant business transactions with related parties (related by means of having common shareholding or co-directors), which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those companies. Furthermore, the Company has no related transaction neither by way of financial support nor guarantee other than in subsidiaries of the Company.

As of December 31, 2023 and 2022, the Company had outstanding balance with the related transaction, which can be summarized as follows:

Name of Company	Transaction	Amount		Audit Committee and Management's Opinion
		31 Dec 22	31 Dec 23	
<b>1. Land and Houses Plc</b>				
<ul style="list-style-type: none"> <li>Being a major shareholder of the Company by holding 30.23% of total paid-up capital, as of September 14, 2022</li> <li>Having 2 co-directors                             <ol style="list-style-type: none"> <li>Mr. Naporn Sunthornchitcharoen</li> <li>Mr. Achawin Asawabhokin</li> </ol> </li> </ul>	Sales income	34,477	49,006	Such value was the appropriate selling price as it was the same as the market price, which the Company sells to the other manufacturers or sellers.
	Trade and other receivables	2,601	4,394	
<b>2. Quality Houses Plc.</b>				
<ul style="list-style-type: none"> <li>Being a major shareholder of the Company by holding 19.87% of total paid-up capital, as of September 14, 2022</li> <li>Having 4 co-director                             <ol style="list-style-type: none"> <li>Mr. Boonsom Lerthirunwong</li> <li>Mrs. Suwanna Buddhapasart</li> <li>Mr. Naporn Sunthornchitcharoen</li> <li>Mr. Achawin Asawabhokin</li> </ol> </li> </ul>	Sales income	12,723	20,054	Such value was the appropriate selling price as it was the same as the market price, which the Company sells to the other manufacturers or sellers.
	Trade and other receivables	14	1,243	
<b>3. Company that has common major shareholders, Company that has common shareholders, and Company that has individuals related to the Board of Directors</b>	Sales income	6,513	7,832	<ul style="list-style-type: none"> <li>Market price</li> <li>Contract price</li> <li>Contract price</li> <li>0.15%-0.65% per annum (2021: 0.15%-0.40% per annum) (2020: 0.15%-1.00% per annum)</li> <li>Percentage of revenue but not less than a minimum rate</li> <li>As mutually agreed upon comparing market price</li> <li>Contract price</li> </ul>
	Rental and service expenses	8,614	9,659	
	Other income	49,543	40,459	
	Interest income	3,430	116	
	Rental and service expenses	39,214	43,793	
	Purchases of goods and assets	384,834	588,761	
	Purchases of leasehold rights	-	-	
	Deposits with financial institution	572,280	30,149	
	Trade and other receivables	11,799	15,049	
	Rental guarantee deposits	7,436	7,436	
Trade and other payables	51,036	130,602		

\* Historical related transaction information can be on found in the website [www.homepro.co.th](http://www.homepro.co.th)

## Necessity and Appropriate Reason of Transaction

The Related transaction made was necessary and reasonable to create the highest benefit to the Company. The Audit committee concluded that such was in accordance with business and the general ordinary course of received and paid consideration by and from the Company was fair.

## Measure/Procedure of Approval of Related Transaction

The Related transaction being made at present and expectedly in the future, e.g. sales of goods to Land and Houses Plc. and Quality Houses Plc., renting space in the Wave Place building of Quality Houses Leasehold Property Fund, leasing space and deposit transaction with Land and Houses Bank Plc.

For the sale of goods transaction, the Company determined the price according to the market price which was the price that buyer could buy them from other manufacturers or sellers. Generally, the specification and price of goods would be determined earlier. For the purchase of goods transactions, the Company purchased them at the market price which it could purchase from other manufacturers or sellers. The Audit Committee considered the Related transactions and concluded that the Company received and paid remuneration in the fair price according to the general ordinary course of business.

## Policy or Tendency of Related Transaction

The Company has policy to specify the trade conditions for entering into Related Transaction to be as normal business operation. Price of products to be sold shall be prescribed at the level that can be competed to other vendors. As for Related Transaction that may be occurred in the future, the Board of Directors shall comply with the laws on Securities and Stock Exchange, and Regulations, Announcement, Order, or Regulations of Stock Exchange of Thailand, and including compliance with the regulations on disclosure of information of connected transaction and acquiring or disposing of material assets of the Company or the Subsidiary.

However, if there will be Related Transaction of the Company or its subsidiary occurred to person or stakeholder who may have conflict of benefit, or may have conflict of interest in the future, the Company shall have the Audit Committee give the opinion on necessity and appropriateness for such transactions. In case the Audit Committee is not skillful in considering the Related Transaction that may be occurred, the Company shall arrange for an Independent expert or auditor of the Company to give opinion on such Related Transaction in order to bring such information to support for the decision making of the Board of Directors or shareholders as the case may be. However, the Company shall disclose Related Transaction in the note of the financial statement audited by the Auditor of the Company.

# Report of the Board of Directors's Responsibilities in the Financial Statements

## Dear Shareholders

The consolidated financial statements of Home Product Center Public Company Limited and its subsidiaries have been prepared in conformity with the requirements of the Public Company Act B.E. 2535 (1992), the Securities and Exchange Act B.E. 2535 (1992), the Announcement of the Department of Commercial Registration dated September 14, 2001, and the accounting standards prescribed by the Federation of Accounting Professions.

In compliance with the stated regulations, the Company has appointed the Audit Committee, which consists of independent directors, to take charge in reviewing the accounting policy. The Committee is also responsible for the quality of financial reports, review process, internal control, internal auditing and risk management systems, as well as for the consideration of sufficient and accurate financial information disclosure. Audit Committee Report can be found in the assigned section within the Annual Report.

The Board of Directors have the opinion that the Company's overall internal control system is at an acceptable and satisfactory level, sufficient to maintain its assets and protect against fraud. The Board of Directors take full responsibility of the financial report of the Company and its subsidiaries in order to ensure that it report the accurate result of the statement of comprehensive income, financial position, and Cash flow. There are proper recordings of accurate and complete accounting information. Appropriate accounting policy has been considered and selected in the preparation of the financial report. The selected policy is practiced regularly in compliance with the generally accepted accounting principles. Important information was also disclosed sufficiently in the notes to financial statements.



(Mr. Anant Asavabhokhin)

*Chairman of the Board of Directors*



(Mr. Weerapun Ungsumalee)

*Managing Director*

# Independent Auditor's Report

To the Shareholders of Home Product Center Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of Home Product Center Public Company Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2023, 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 Home Product Center 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 Home Product Center Public Company Limited and its subsidiaries and of Home Product Center Public Company Limited as at 31 December 2023, 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 including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Key Audit Matters

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

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

Key audit matters and how audit procedures respond to each matter are described below.

### *Recognition of revenue from sales*

The amount of revenue from sales that the Group recognises in each period forms a significant portion of total revenue and the Group is engaged in retail business and has a large number of retail stores. I therefore determined as a key audit matter by focusing on the timing of the recognition of revenue from sales. The accounting policy for recognition of revenue from sales is disclosed in Note 4.1 to the consolidated financial statements.

I performed audit procedures on the recognition of revenue from sales of the Group including:

- Assessed and tested the Group's IT general controls and internal controls with respect to the revenue cycle.
- Applied a sampling method to select sales documents to examine whether the revenue recognition was in compliance with the Group's policy, and, on a sampling basis, examined supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Performed analytical procedures on disaggregated data of sales transactions throughout the period.

### *Allowance for diminution in value of inventories*

Estimating the allowance for diminution in value of inventories, as disclosed in Note 5 and Note 9 to the consolidated financial statements, is an area of significant management judgement, particularly with regard to the estimation of allowance for lost, damaged or obsolete inventories.

I evaluated the determination of allowance for diminution in value of inventories. The procedures that I performed included:

- Gained an understanding of the methods and assumptions applied by the management in determining the allowance for diminution in value of inventories and reviewed the consistency of the application of that basis.
- Compared inventory holding periods with inventory movements to identify product groups with indicators of lower than normal inventory turnover.
- Compared details of sales transactions occurring after the date of the financial statements with the cost of inventory for each group of products, and, on a sampling basis, examined relevant supporting documents.

### **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.



Gingkarn Atsawarangsalit  
Certified Public Accountant (Thailand) No. 4496

EY Office Limited  
Bangkok: 27 February 2024

# ● Statement of financial position

## Home Product Center Public Company Limited and its subsidiaries

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6, 7	6,428,673,946	5,420,297,816	5,817,145,116	5,104,397,838
Trade and other receivables	6, 8	2,114,685,537	2,068,894,152	2,201,687,016	2,157,313,935
Inventories	9	13,965,274,444	13,630,078,729	13,540,648,336	13,158,045,981
Value added tax receivable		1,467,561	135,209,801	-	134,178,841
Other current assets	10	148,845,925	175,489,834	124,397,819	153,298,573
<b>Total current assets</b>		<b>22,658,947,413</b>	<b>21,429,970,332</b>	<b>21,683,878,287</b>	<b>20,707,235,168</b>
<b>Non-current assets</b>					
Investments in subsidiaries	11	-	-	1,798,088,649	2,028,088,649
Investment in associate	12	65,894,075	66,756,396	68,705,866	68,705,866
Investment properties	13	4,346,001,950	4,262,560,070	4,346,001,950	5,315,489,965
Property, building and equipment	14	31,178,914,482	29,468,563,882	28,451,685,071	25,646,298,443
Right-of-use assets	18	9,353,245,483	8,447,269,483	9,150,509,130	8,540,678,953
Computer software	15	484,256,062	470,915,908	482,770,593	469,157,469
Property foreclosed		10,706,335	3,229,639	10,706,335	3,229,639
Rental guarantee deposits	6	62,460,851	70,692,216	53,550,486	61,211,884
Value added tax receivable expect to be refunded					
more than one year		-	39,747,806	-	-
Deferred tax assets	27	670,654,652	662,641,754	648,697,870	636,282,372
Other non-current assets		216,807,955	262,396,790	145,233,242	140,583,694
<b>Total non-current assets</b>		<b>46,388,941,845</b>	<b>43,754,773,944</b>	<b>45,155,949,192</b>	<b>42,909,726,934</b>
<b>Total assets</b>		<b>69,047,889,258</b>	<b>65,184,744,276</b>	<b>66,839,827,479</b>	<b>63,616,962,102</b>

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

# ● Statement of financial position (continued)

## Home Product Center Public Company Limited and its subsidiaries

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	16	2,039,946,500	1,074,199,750	2,000,000,000	1,000,000,000
Trade and other payables	6, 17	15,224,701,136	15,811,877,626	15,073,622,471	15,577,279,542
Current portion of lease liabilities	18	178,176,589	189,013,541	638,277,485	665,947,156
Current portion of long-term loan	19	37,542,342	46,029,791	-	-
Current portion of debentures	20	3,982,355,617	5,127,658,469	3,982,355,617	5,127,658,469
Income tax payable		552,247,787	612,129,292	534,980,880	580,572,441
Advances received from customers		1,087,362,754	1,205,041,160	1,065,276,549	1,186,938,341
Other current liabilities		476,927,087	419,081,393	454,538,384	403,512,285
<b>Total current liabilities</b>		<b>23,579,259,812</b>	<b>24,485,031,022</b>	<b>23,749,051,386</b>	<b>24,541,908,234</b>
<b>Non-current liabilities</b>					
Lease liabilities - net of current portion	18	6,611,201,923	5,840,958,219	6,235,991,085	5,976,839,313
Long-term loan - net of current portion	19	100,396,259	122,624,850	-	-
Debentures - net of current portion	20	11,642,119,562	8,933,139,921	11,642,119,562	8,933,139,921
Provision for long-term employee benefits	21	628,048,753	589,457,915	570,163,784	533,450,392
Rental received in advance - net of current portion		196,347,435	213,916,555	196,347,435	213,916,555
Other non-current liabilities		731,728,782	753,734,154	686,602,364	704,327,226
<b>Total non-current liabilities</b>		<b>19,909,842,714</b>	<b>16,453,831,614</b>	<b>19,331,224,230</b>	<b>16,361,673,407</b>
<b>Total liabilities</b>		<b>43,489,102,526</b>	<b>40,938,862,636</b>	<b>43,080,275,616</b>	<b>40,903,581,641</b>

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

# ● Statement of financial position (continued)

## Home Product Center Public Company Limited and its subsidiaries

As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Shareholders' equity</b>					
Share capital					
Registered share capital					
13,151,198,025 ordinary shares of Baht 1 each		13,151,198,025	13,151,198,025	13,151,198,025	13,151,198,025
Issued and fully paid-up					
13,151,198,025 ordinary shares of Baht 1 each		13,151,198,025	13,151,198,025	13,151,198,025	13,151,198,025
Premium on ordinary shares		646,323,076	646,323,076	646,323,076	646,323,076
Retained earnings					
Appropriated - Statutory reserve	23	1,315,120,000	1,315,120,000	1,315,120,000	1,315,120,000
Unappropriated		10,470,799,317	9,158,041,977	8,646,910,762	7,600,739,360
Other components of shareholders' equity		(24,655,925)	(24,803,707)	-	-
Equity attributable to owners of the Company		25,558,784,493	24,245,879,371	23,759,551,863	22,713,380,461
Non-controlling interests of the subsidiaries		2,239	2,269	-	-
<b>Total shareholders' equity</b>		<b>25,558,786,732</b>	<b>24,245,881,640</b>	<b>23,759,551,863</b>	<b>22,713,380,461</b>
<b>Total liabilities and shareholders' equity</b>		<b>69,047,889,258</b>	<b>65,184,744,276</b>	<b>66,839,827,479</b>	<b>63,616,962,102</b>
		-	-	-	-

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

# ● Statement of comprehensive income

## Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers	24	68,283,311,263	65,090,884,337	67,042,953,702	60,042,433,467
Rental income		1,882,230,885	1,720,584,615	1,867,848,030	1,740,341,968
Dividend income	6, 11	-	-	224,999,970	407,999,240
Other income		2,656,227,909	2,577,961,968	2,598,430,443	2,539,586,381
<b>Total revenues</b>		<b>72,821,770,057</b>	<b>69,389,430,920</b>	<b>71,734,232,145</b>	<b>64,730,361,056</b>
<b>Expenses</b>					
Cost of sales and service		50,117,636,688	48,077,695,198	49,243,410,941	44,441,717,584
Cost of rental		786,389,606	704,951,949	778,994,562	696,362,888
Selling, distribution and service expenses		10,964,079,913	10,247,644,676	10,956,520,293	9,705,062,446
Administrative expenses		2,437,180,957	2,271,253,647	2,559,191,407	2,147,390,149
Other expenses		1,729,111	270,654	994,948	148,099
<b>Total expenses</b>		<b>64,307,016,275</b>	<b>61,301,816,124</b>	<b>63,539,112,151</b>	<b>56,990,681,166</b>
<b>Operating profit</b>		<b>8,514,753,782</b>	<b>8,087,614,796</b>	<b>8,195,119,994</b>	<b>7,739,679,890</b>
Share of loss from investment in associate		(862,321)	(1,949,470)	-	-
Finance income		27,728,804	16,952,978	22,531,073	33,379,094
Finance cost	26	(567,460,919)	(444,578,753)	(562,988,016)	(434,249,557)
<b>Profit before income tax expenses</b>		<b>7,974,159,346</b>	<b>7,658,039,551</b>	<b>7,654,663,051</b>	<b>7,338,809,427</b>
Income tax expenses	27	(1,532,603,485)	(1,440,950,286)	(1,479,693,128)	(1,317,144,569)
<b>Profit for the year</b>		<b>6,441,555,861</b>	<b>6,217,089,265</b>	<b>6,174,969,923</b>	<b>6,021,664,858</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent period:</i>					
Exchange differences on translation of financial statements in foreign currency		147,782	4,299,491	-	-
		147,782	4,299,491	-	-
<b>Other comprehensive income for the year</b>		<b>147,782</b>	<b>4,299,491</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>6,441,703,643</b>	<b>6,221,388,756</b>	<b>6,174,969,923</b>	<b>6,021,664,858</b>

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

# ● Statement of comprehensive income (continued)

## Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit attributable to:</b>					
Equity holders of the Company		6,441,555,861	6,217,089,265	6,174,969,923	6,021,664,858
Non-controlling interests of the subsidiaries		-	-		
		<u>6,441,555,861</u>	<u>6,217,089,265</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		6,441,703,643	6,221,388,756	6,174,969,923	6,021,664,858
Non-controlling interests of the subsidiaries		-	-		
		<u>6,441,703,643</u>	<u>6,221,388,756</u>		
<b>Earnings per share</b>					
28					
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.49</u>	<u>0.47</u>	<u>0.47</u>	<u>0.46</u>

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



# Cash flow statement

## Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before tax	7,974,159,346	7,658,039,551	7,654,663,051	7,338,809,427
Adjustments to reconcile profit before tax to net cash provided by (paid for) operating activities:				
Depreciation and amortisation	3,431,395,956	3,156,130,752	3,593,512,389	3,052,816,604
Loss (gain) from reduction of rental period and adjustment	-	(19,800)	46,739,270	(19,800)
Decrease of inventories to net realisable value	76,875,300	40,774,394	70,414,399	69,811,911
Loss (gain) from sales and written-off of assets	(1,472,292)	3,014,186	(2,075,584)	(652,467)
Allowance for expected credit losses (reversal)	3,278,523	(4,303,219)	(644,920)	(2,045,719)
Reversal allowance for impairment of assets	-	(10,347,612)	-	(10,300,000)
Allowance for impairment of investment	-	-	230,000,000	-
Share of loss from investment in associate	862,321	1,949,470	-	-
Provision for long-term employee benefits	56,522,934	49,617,731	49,676,498	43,642,771
Transfer deferred interest expense to finance cost	71,557,229	166,533,586	71,557,229	166,533,586
Unrealised exchange loss (gain)	1,883,075	(11,223,187)	(1,407,632)	(4,795,275)
Loss on fair value of derivative instrument	7,405,178	18,867,227	7,405,178	18,867,227
Dividend income from subsidiaries	-	-	(224,999,970)	(407,999,240)
Interest income	(27,728,804)	(16,952,978)	(22,531,073)	(33,379,094)
Interest expenses	485,595,330	267,640,521	481,611,925	257,826,244
Profit from operating activities before changes in operating assets and liabilities	12,080,334,096	11,319,720,622	11,953,920,760	10,489,116,175
<b>Decrease (increase) in operating assets</b>				
Trade and other receivables	(49,137,312)	(389,810,525)	(43,795,565)	(479,042,653)
Inventories	(412,071,015)	(1,098,651,579)	(453,016,754)	(2,978,005,034)
Value added tax receivable	173,490,046	71,255,578	134,178,841	(134,178,841)
Other current assets	26,643,909	(48,668,485)	28,900,754	(60,433,872)
Rental guarantee deposits	8,231,365	5,143,014	7,661,398	3,863,280
Other non-current assets	45,588,835	46,932,197	(4,649,548)	30,823,116
<b>Increase (decrease) in operating liabilities</b>				
Trade and other payables	(389,093,865)	1,197,055,129	(302,337,928)	2,612,950,511
Value added tax payable	22,702,877	(22,155,856)	22,707,540	(22,153,883)
Advances received from customers	(117,678,406)	193,923,610	(121,661,792)	236,390,838
Other current liabilities	27,522,806	5,198,925	20,698,548	33,274,868
Rental received in advance	(17,569,120)	(25,501,022)	(17,569,120)	(25,501,022)
Other non-current liabilities	11,956,803	34,745,027	15,047,432	36,193,230
Cash flows from operating activities	11,410,921,019	11,289,186,635	11,240,084,566	9,743,296,713
Cash paid for provision for long-term employee benefits	(17,932,096)	(6,053,597)	(12,963,106)	(5,411,274)
Cash paid for corporate income tax	(1,600,497,888)	(1,331,149,206)	(1,537,700,187)	(1,217,501,903)
<b>Net cash flows from operating activities</b>	<b>9,792,491,035</b>	<b>9,951,983,832</b>	<b>9,689,421,273</b>	<b>8,520,383,536</b>

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

# Cash flow statement (continued)

## Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from investing activities</b>				
Short-term loans to related party	-	-	-	(2,190,000,000)
Cash received from short-term loans to related party	-	-	-	3,424,000,000
Dividend income from subsidiaries	-	-	224,999,970	407,999,240
Investment in associate	-	(68,705,866)	-	(68,705,866)
Acquisitions of investment properties	(16,252,165)	(8,508,129)	(16,252,165)	(8,508,129)
Acquisitions of property, building and equipment	(4,532,716,595)	(4,424,262,501)	(4,526,318,436)	(4,479,701,318)
Payment of right-of-use assets	(600,468,039)	(1,109,662,088)	(600,468,039)	(1,109,662,088)
Acquisitions of computer software	(97,709,059)	(53,505,005)	(97,709,059)	(59,442,822)
Increase (decrease) in construction retention	(33,962,175)	127,900,475	(32,772,294)	129,808,881
Proceeds from sales of investment properties' equipment	29,720	11,215	29,720	11,215
Proceeds from sales of equipment	8,733,607	10,518,832	8,398,841	9,477,442
Cash received from interest income	27,796,208	17,045,852	22,598,477	33,471,968
<b>Net cash flows used in investing activities</b>	<b>(5,244,548,498)</b>	<b>(5,509,167,215)</b>	<b>(5,017,492,985)</b>	<b>(3,911,251,477)</b>
<b>Cash flows from financing activities</b>				
Cash received from short-term loans from financial institutions	12,107,636,900	1,720,562,000	12,100,000,000	1,700,000,000
Repayment of short-term loans from financial institutions	(11,139,309,480)	(1,869,880,500)	(11,100,000,000)	(1,700,000,000)
Payment of lease liabilities	(599,634,050)	(413,225,978)	(1,086,183,093)	(617,523,176)
Cash received from long-term loan	-	122,273,170	-	-
Repayment of long-term loan	(21,040,704)	(14,442,519)	-	-
Proceeds from the issuance of debentures	6,636,435,912	5,000,000,000	6,636,435,912	5,000,000,000
Cash paid for redemption of debentures	(5,150,000,000)	(3,170,000,000)	(5,150,000,000)	(3,170,000,000)
Cash paid for interest expenses	(241,342,750)	(77,075,054)	(230,850,141)	(67,808,280)
Dividend paid	(5,128,583,718)	(4,865,800,886)	(5,128,583,688)	(4,865,800,126)
<b>Net cash flows used in financing activities</b>	<b>(3,535,837,890)</b>	<b>(3,567,589,767)</b>	<b>(3,959,181,010)</b>	<b>(3,721,131,582)</b>
<b>Translation adjustments</b>	<b>(3,728,517)</b>	<b>(895,328)</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,008,376,130</b>	<b>874,331,522</b>	<b>712,747,278</b>	<b>888,000,477</b>
Cash and cash equivalents at beginning of year	5,420,297,816	4,545,966,294	5,104,397,838	4,216,397,361
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>6,428,673,946</b>	<b>5,420,297,816</b>	<b>5,817,145,116</b>	<b>5,104,397,838</b>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash items consist of				
Purchases of equipment that have not yet been paid	626,144,378	896,110,078	696,072,949	895,984,460
Transfer land and land improvement to investment properties	-	824,685,997	-	824,685,997
Transfer right-of-use assets to investment properties	309,169,919	-	309,169,919	-
Transfer investment properties to property, building and equipment	299,869	-	843,279,644	-
Transfer investment properties to right-of-use assets	-	-	202,584,967	-
Transfer right-of-use assets to motor vehicles	2,765,858	4,095,116	2,765,858	4,095,116
Dividend payable	2,453,847	2,239,014	2,453,847	2,239,014

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



# Statement of changes in shareholders' equity

## Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements						Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total		
			Appropriated - statutory reserve	Unappropriated			
Note	share capital	ordinary shares	- statutory reserve	Unappropriated	shareholders' equity		
<b>Balance as at 1 January 2022</b>	13,151,198,025	646,323,076	1,315,120,000	6,445,013,644	21,557,654,745		
Profit for the year	-	-	-	6,021,664,858	6,021,664,858		
Other comprehensive income for the year	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	6,021,664,858	6,021,664,858		
Dividend paid	-	-	-	(4,865,939,142)	(4,865,939,142)		
<b>Balance as at 31 December 2022</b>	13,151,198,025	646,323,076	1,315,120,000	7,600,739,360	22,713,380,461		
<b>Balance as at 1 January 2023</b>	13,151,198,025	646,323,076	1,315,120,000	7,600,739,360	22,713,380,461		
Profit for the year	-	-	-	6,174,969,923	6,174,969,923		
Other comprehensive income for the year	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	6,174,969,923	6,174,969,923		
Dividend paid	-	-	-	(5,128,798,521)	(5,128,798,521)		
<b>Balance as at 31 December 2023</b>	13,151,198,025	646,323,076	1,315,120,000	8,646,910,762	23,759,551,863		
	-	-	-	-	-		

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

# ● Notes to consolidated financial statements

## Home Product Center Public Company Limited and its subsidiaries

For the year ended 31 December 2023

### 1. General information

Home Product Center Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders are Land and Houses Public Company Limited and Quality Houses Public Company Limited, which were incorporated in Thailand. The Company is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences place, and provision for related services to retail business, together with space rental and provide utilities service. Its registered address is at 31 Prachachuennonthaburi Rd., Bangkhen, Amphoe Muang, Nonthaburi.

As at 31 December 2023, the Group has a total of 128 branches (2022: 116 branches) (the Company only: 121 branches, 2022: 109 branches).

### 2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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 Home Product Center 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	
			2023	2022
			Percent	Percent
Market Village Company Limited	Management of leasing space together with provision of facilities services	Thailand	100.00	100.00
Home Product Center (Malaysia) Sdn. Bhd.	Retailing of home improvement products as One Stop Shopping	Malaysia	100.00	100.00
Mega Home Center Company Limited	Retailing and wholesaling of construction and home improvement products	Thailand	99.99	99.99
DC Service Center Company Limited	Warehousing management and distribution service	Thailand	99.99	99.99
Home Product Center Viet Nam Company Limited	Retailing and wholesaling of construction and home improvement products	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 has been eliminated from the consolidated financial statements.
- g) Non-controlling interests represents the portion of profit or loss and net assets of the subsidiaries that is 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 associate under the cost method.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The 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 2024**

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 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements except for the following standard, which involves changes to key principles, as summarised below.

##### **TAS 12, *Income Taxes* - International Tax Reform - Pillar Two Model Rules**

The amendment requires that entities shall neither recognise nor disclose information about deferred taxes related to Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). This mandatory temporary exemption applies immediately.

The amendment also includes disclosure requirements for affected entities to help users of financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. These disclosure requirements apply for annual reporting periods beginning on or after 1 January 2024, but not for any interim periods ending on or before 31 December 2024.

The Group has applied the mandatory exception by not recognising and not disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes. The management of the Group is currently in the process of assessing the potential exposure to Pillar Two income taxes on the financial statements.

## 4. Significant accounting policies

### 4.1 Revenue and expense recognition

#### *Sale 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 discounts.

#### *Sales of goods - Customer loyalty programmes*

The Group operates a loyalty programme which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can then be redeemed for discount of goods purchase in the future. Certain sales consideration is allocated to the points issued, at their fair value. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed and the Group fulfill their obligations.

#### *Vendors income*

The Group has agreements with vendors as normal business practice, for volume-related allowances, and sale promotion campaign and marketing allowances. Vendors income is recognised when all obligations are met and can be measured reliably based on the terms of the contract. Portion of vendors income is recognised as a reduction in cost of sales and inventory. Uncollected amount are presented in the statements of financial position as "Other receivables" or otherwise are offset with "Trade account payables" depending on the condition in the contracts.

#### *Rendering of services*

Service revenue is recognised when services have been rendered.

Service revenue is recognised in the amount to which the Group has a right to invoice as it corresponds directly with the value to the customer of the Group's performance completed to date.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### *Finance income*

Finance income is interest income on debt instruments measured at amortised cost and recognised on an accrual basis using the effective interest method. 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.

#### **4.2 Cash and cash equivalents**

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

#### **4.3 Inventories**

Inventories are valued at the lower of cost (under the weighted average method) and net realisable value.

Volume incentives received from the supplier are accounted for as a reduction of the value of inventories and recognised in profit or loss when the related inventories are sold.

#### **4.4 Investments in subsidiaries and associate**

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

Investments in subsidiaries and associate are accounted for in the separated financial statements using the cost method, net of allowance for impairment loss (if any).

#### **4.5 Investment properties**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated economic useful lives of 3 - 48 years. No depreciation is provided on land and assets under installation and under construction. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

#### 4.6 Property, building and equipment/Depreciation

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

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

Building	-	20 - 30 years
Building on lease land and building improvement	-	useful lives but not over lease periods
Equipment and machine	-	1 - 10 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation and under construction.

An item of property, building 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 the profit or loss when the asset is derecognised.

#### 4.7 Borrowing costs

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

#### 4.8 Intangible assets

Intangible assets are initially 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 (computer software) with finite lives are amortised on the straight-line basis over the economic useful life (10 years) and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

## 4.9 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 and land improvement	-	2 - 32	years
Building	-	2 - 30	years
Motor vehicles	-	2 - 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.

Right-of-use assets which are classified as investment properties are presented as part of investment properties in the statement of financial position.

### ***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 is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

#### **4.10 Related party transactions**

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

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

#### **4.11 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's 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 rates ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, building and equipment, right-of-use assets, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

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

#### **4.13 Employee benefits**

##### ***Short-term employee benefits***

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

##### ***Employee Joint Investment Program (EJIP)***

The Group has established an Employee Joint Investment Program (EJIP). The program is monthly contributed by eligible employees and by the Group to EJIP participant. The detail of the program are as described in Note 22. The Group's contributions 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 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.

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

## **4.14 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.

## **4.15 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

### **Current tax**

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

### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The 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.

#### **4.16 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, 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 statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives 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 discounts or premiums on acquisition and 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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).



The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **4.17 Derivative**

The Group uses derivative, forward currency contracts, to reduce its foreign currency risks.

Derivative is initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivative is carried as financial asset when the fair value is positive and as financial liability when the fair value is negative.

Derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

#### **4.18 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.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **Allowance for diminution in value of inventories**

The determination of allowance for diminution in the value of inventories with regard to lost, damaged or obsolete inventories, requires management to make judgements and estimates. This requires detailed analysis of the product life cycle, useful life of each type of inventory, the competitive environment, economic circumstances and the situation within the industry.

### **Leases**

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

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

#### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### ***Lease classification - The Group as lessor***

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

### **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.

### **Investment properties, property, building and equipment and right-of-use assets/ Depreciation/Impairment**

In determining depreciation of investment properties, building and equipment and right-of-use assets, the management is required to make estimates of the useful lives and salvage values of the Group's investment properties, building and equipment and right-of-use assets and to review estimate useful lives and salvage values when there are any changes.

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

### **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.

## Allowance for impairment of investment in subsidiaries and associate

In determining allowance for impairment of the investment in subsidiaries and associate, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, its value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

## 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.

## Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore, no contingent liabilities are recorded as at the end of reporting period.

## 6. 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: Thousand Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	2023	2022	2023	2022	
<b>Transactions with subsidiary companies</b>					
(eliminated from the consolidated financial statements)					
Sales income	-	-	85,366	251,197	Cost plus margin
Management service income	-	-	-	19,769	Actual cost and contract price
Service income	-	-	45	74,694	Actual cost and contract price
Dividend income	-	-	225,000	407,999	As declared
Interest income	-	-	-	18,079	3% per annum
Rental and service expenses	-	-	602,452	304,021	Actual cost and contract price
Management service expenses	-	-	783,826	563,334	Actual cost and contract price
Other expenses	-	-	-	3,495	Cost plus margin
Purchases of assets	-	-	-	2,217,123	Net book value plus margin

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2023	2022	2023	2022	
<b>Transactions with related companies</b>					
Sales income	76,892	53,713	76,892	53,020	Market price
Rental and service income	9,659	8,614	9,659	8,762	Contract price
Other income	40,459	49,543	40,459	48,434	Contract price
Interest income	116	3,430	102	3,421	0.15% - 0.65% per annum
Rental and service expenses	43,793	39,214	40,396	36,065	Percentage of revenue but not less than a minimum rate
Purchases of goods and assets	588,761	384,834	588,761	368,020	As mutually agreed upon comparing market price

Rental income, rental expense and service expense with subsidiaries were described in Note 32.3.

As at 31 December 2023 and 2022, the Group had the outstanding balances with related parties which had been included in the following accounts:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Deposits with financial institution</b>				
(included in cash and cash equivalents)				
Related company <sup>(2)</sup>	30,149	572,280	22,449	550,910
<b>Trade and other receivables</b>				
Subsidiaries	-	-	140,629	130,202
Related companies <sup>(1)</sup>	5,638	2,615	5,638	2,615
Related companies <sup>(2)</sup>	3,509	3,230	3,509	3,230
Related companies <sup>(3)</sup>	3,345	435	3,345	435
Related companies <sup>(4)</sup>	8,194	8,134	8,194	8,134
Total	20,686	14,414	161,315	144,616
<b>Rental guarantee deposits</b>				
Related company <sup>(2)</sup>	5,921	5,921	5,921	5,921
Related company <sup>(3)</sup>	1,515	1,515	1,515	1,515
Total	7,436	7,436	7,436	7,436

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
<b><u>Trade and other payables</u></b>				
Subsidiaries	-	-	162,041	28,662
Related company <sup>(2)</sup>	2,193	2,152	2,193	2,152
Related company <sup>(3)</sup>	3,037	-	3,037	-
Related companies <sup>(4)</sup>	125,372	48,884	125,372	48,884
Total	130,602	51,036	292,643	79,698

Relationship with the related companies

(1) the major shareholders

(2) has common major shareholders

(3) has common shareholders

(4) has shareholders who related to director

#### **Directors and management's benefits**

During the year ended 31 December 2023 and 2022, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
Short-term benefits	213,213	225,549	192,296	204,135
Post-employment benefits	4,192	5,512	3,854	4,887
Total	217,405	231,061	196,150	209,022

## 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	142,663	96,992	137,674	92,188
Bank deposits	6,262,400	4,813,306	5,679,471	4,502,210
Fixed deposits	23,611	510,000	-	510,000
<b>Total</b>	<b>6,428,674</b>	<b>5,420,298</b>	<b>5,817,145</b>	<b>5,104,398</b>

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests between 0.10% - 3.70 % per annum.

## 8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade accounts receivable	303,719	374,493	429,647	489,401
Other receivables	1,801,625	1,685,748	1,763,604	1,659,514
Income receivables	9,342	8,653	8,436	8,399
<b>Total trade and other receivables</b>	<b>2,114,686</b>	<b>2,068,894</b>	<b>2,201,687</b>	<b>2,157,314</b>

### Trade accounts receivable

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade accounts receivable	157,479	288,111	290,648	411,550
Credit card and coupon receivable	149,830	86,382	138,999	77,851
<b>Total</b>	<b>307,309</b>	<b>374,493</b>	<b>429,647</b>	<b>489,401</b>
Less: Allowance for expected credit losses	(3,590)	-	-	-
<b>Total trade accounts receivable - net</b>	<b>303,719</b>	<b>374,493</b>	<b>429,647</b>	<b>489,401</b>

The outstanding balances of trade accounts receivable as at 31 December 2023 and 2022 are aged as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Aged on the basis of due dates</b>				
Not yet due	231,784	275,643	223,650	272,492
Past due				
Up to 3 months	62,962	82,922	68,629	118,654
3 - 6 months	4,111	14,653	5,879	49,158
6 - 12 months	781	554	64,032	47,338
Over 12 months	7,671	721	67,457	1,759
Total	307,309	374,493	429,647	489,401
Less: Allowance for expected credit losses	(3,590)	-	-	-
Total trade accounts receivable - net	303,719	374,493	429,647	489,401

The normal credit term of trade accounts receivable is 30 to 90 days.

Set out below is the movements in the allowance for expected credit losses of trade accounts receivable.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning balance	-	-	-	-
Allowance	3,590	-	-	-
Ending balance	3,590	-	-	-

### Other receivables

Other receivables mainly consist of receivables from sale support operation and area rental and related service receivables.



The outstanding balances of other receivables as at 31 December 2023 and 2022 are aged as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Aged on the basis of due dates</b>				
Not yet due	886,224	930,400	860,306	919,042
Past due				
Up to 3 months	893,271	723,736	881,916	711,352
3 - 6 months	23,943	13,295	23,467	12,930
6 - 12 months	-	20,308	-	19,667
Over 12 months	8,723	8,856	8,010	7,262
Total	1,812,161	1,696,595	1,773,699	1,670,253
Less: Allowance for expected credit losses	(10,536)	(10,847)	(10,095)	(10,739)
Total other receivables - net	1,801,625	1,685,748	1,763,604	1,659,514

The normal credit term of other receivables is 30 to 60 days.

Set out below is the movements in the allowance for expected credit losses of other receivables.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning balance	10,847	15,150	10,739	12,785
Amount written off	(752)	(3,734)	(644)	(2,046)
Allowance (Reversal)	441	(569)	-	-
Ending balance	10,536	10,847	10,095	10,739

## 9. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Inventories	16,764,208	16,249,354	16,319,251	15,759,775
Less: Reduce cost to net realisable value	(590,916)	(594,390)	(570,585)	(576,906)
Net	16,173,292	15,654,964	15,748,666	15,182,869
Less: Inventories - repaid its cost when sold	(1,545,836)	(1,418,703)	(1,545,836)	(1,418,641)
Purchase discount	(662,182)	(606,182)	(662,182)	(606,182)
Inventories - net	13,965,274	13,630,079	13,540,648	13,158,046

During the current year, the Group reduced cost of inventories by Baht 77 million (2022: Baht 41 million) (the Company only: Baht 70 million, 2022: Baht 70 million), to reflect the net realisable value. This was included in administrative expenses. In addition, the Group reversed the write-down of cost of inventories by Baht 80 million (2022: Baht 101 million) (the Company only: Baht 76 million, 2022: Baht 95 million), and reduced the amount of inventories recognised as expenses during the year.

## 10. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Prepaid expenses	68,619	75,168	47,835	54,079
Suspend input value added tax	51,101	74,554	47,670	73,861
Others	29,126	25,768	28,893	25,359
Total other current assets	148,846	175,490	124,398	153,299

## 11. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the year	
	2023	2022	2023	2022	2023	2022	2023	2022
			(%)	(%)				
Market Village Company Limited	5,000	5,000	100.00	100.00	5,000	5,000	-	8,000
Home Product Center (Malaysia) Sdn. Bhd.	538,448	538,448	100.00	100.00	538,448	538,448	-	-
Mega Home Center Company Limited	1,500,000	1,500,000	99.99	99.99	1,500,000	1,500,000	225,000	300,000
DC Service Center Company Limited	2,500	2,500	99.99	99.99	2,500	2,500	-	99,999
Home Product Center Viet Nam Company Limited	32,340	32,340	100.00	100.00	32,340	32,340	-	-
Total					2,078,288	2,078,288	225,000	407,999
Less: Allowance for impairment of investment					(280,199)	(50,199)		
Investments in subsidiaries - net					1,798,089	2,028,089		

On 3 April 2023, the Board of Directors' Meeting of Mega Home Center Company Limited passed a resolution to approved an interim dividend amounting to Baht 225 million. The Subsidiary has fully set aside a statutory reserve.

## 12. Investments in associate

### 12.1 Details of associate

Company's name	Nature of business	Country of incorporation	(Unit: Thousand Baht) Consolidated financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2023	2022	2023	2022	2023	2022
OneStockHome Company Limited	Online sale and service	Thailand	30.00	30.00	68,706	68,706	65,894	66,756

Company's name	Nature of business	Country of incorporation	(Unit: Thousand Baht) Separate financial statements							
			Shareholding percentage		Cost		Allowance for impairment of investments		Carrying amounts based on cost method - net	
			2023	2022	2023	2022	2023	2022	2023	2022
OneStockHome Company Limited	Online sale and service	Thailand	30.00	30.00	68,706	68,706	-	-	68,706	68,706

In February 2022, the Company has entered into an agreement on share purchase and subscription with the current shareholders of OneStockHome Company Limited. The Company has paid Baht 68.7 million for 37,792 preferred shares at Baht 1,818 per share (par value of Baht 10 per share) on 8 March 2022 and 3 May 2022.

The preferred shares of this company have right to receive dividends equal to the ordinary shares. In addition, the preferred shareholders have right to receive any payments either from a key person as identified or from the capital or assets of this company first, in accordance with the Articles of Association of this company when the liquidation occurs.

### 13. Investment properties

The net book value of investment properties as at 31 December 2023 and 2022 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statement				
	Land and land improvement	Building and equipment	Right-of-use assets for rent	Assets under installation and under construction	Total
As at 31 December 2023					
Cost	974,686	5,112,747	1,211,784	7,822	7,307,039
Less: Accumulated depreciation	-	(2,727,100)	(233,937)	-	(2,961,037)
Net book value	<u>974,686</u>	<u>2,385,647</u>	<u>977,847</u>	<u>7,822</u>	<u>4,346,002</u>
As at 31 December 2022					
Cost	974,686	5,107,549	886,991	1,470	6,970,696
Less: Accumulated depreciation	-	(2,518,998)	(189,138)	-	(2,708,136)
Net book value	<u>974,686</u>	<u>2,588,551</u>	<u>697,853</u>	<u>1,470</u>	<u>4,262,560</u>

(Unit: Thousand Baht)

	Separate financial statement				
	Land and land improvement	Building and equipment	Right-of-use assets for rent	Assets under installation and under construction	Total
As at 31 December 2023					
Cost	974,686	5,112,747	1,211,784	7,822	7,307,039
Less: Accumulated depreciation	-	(2,727,100)	(233,937)	-	(2,961,037)
Net book value	<u>974,686</u>	<u>2,385,647</u>	<u>977,847</u>	<u>7,822</u>	<u>4,346,002</u>
As at 31 December 2022					
Cost	1,817,666	5,107,549	1,165,684	1,470	8,092,369
Less: Accumulated depreciation	-	(2,518,998)	(257,881)	-	(2,776,879)
Net book value	<u>1,817,666</u>	<u>2,588,551</u>	<u>907,803</u>	<u>1,470</u>	<u>5,315,490</u>

A reconciliation of the net book value of investment properties for the years 2023 and 2022 is presented below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Net book value at beginning of year	4,262,560	3,674,704	5,315,490	4,737,481
Additions	16,252	8,508	16,252	8,508
Transfer from property, building and equipment - net book value (Note 14)	-	824,686	-	824,686
Transfer from right-of-use assets - net book value (Note 18)	309,170	-	309,170	-
Transfer to property, building and equipment - net book value (Note 14)	(300)	-	(843,280)	-
Transfer to right-of-use assets - net book value (Note 18)	-	-	(202,585)	-
Disposals and written-off - net book value	(355)	(17)	(355)	(17)
Depreciation (included in administrative expenses)	(241,325)	(245,321)	(248,690)	(255,168)
Net book value at end of year	<u>4,346,002</u>	<u>4,262,560</u>	<u>4,346,002</u>	<u>5,315,490</u>

During the year 2023 and 2022, the Company has transferred between investment properties, the property, building and equipment and right-of-use assets according to the change of usage objective.

The fair value of the investment properties as at 31 December 2023 and 2022 stated below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Fair value	8,437	8,252	8,437	9,469

The fair value of most of the above investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of land has been determined using marketing approach. The fair value of the building and right-of-use assets held for rent has been determined using the income approach. Key assumptions used in the valuation include yield rate, inflation rate, occupancy rate and long-term growth in real rental rates.

## 14. Property, building and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Land and land improvement	Building and building improvement	Equipment and machine	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>							
As at 1 January 2022	9,055,646	32,533,749	1,678,042	8,751,281	6,663	138,317	52,163,698
Additions	589,568	151,819	85,888	349,134	785	3,900,724	5,077,918
Transfer to investment properties (Note 13)	(824,686)	-	-	-	-	-	(824,686)
Transfer from right-of-use assets (Note 18)	-	-	-	-	9,423	-	9,423
Disposals and written-off	-	(81,826)	(42,809)	(366,495)	(9,486)	-	(500,616)
Transfers in (out)	110,062	1,692,805	59,534	211,428	-	(2,073,829)	-
Translation adjustment	-	(6,639)	(481)	(6,171)	-	-	(13,291)
31 December 2022	8,930,590	34,289,908	1,780,174	8,939,177	7,385	1,965,212	55,912,446
Additions	250	228,927	147,322	489,649	-	3,466,602	4,332,750
Transfer from investment properties (Note 13)	-	-	-	598	-	-	598
Transfer from right-of-use assets (Note 18)	-	-	-	-	6,519	-	6,519
Disposals and written-off	-	(413,749)	(14,732)	(63,421)	(8,180)	-	(500,082)
Transfers in (out)	14,400	4,522,184	4,971	509,905	-	(5,051,460)	-
Translation adjustment	-	(14,992)	(1,126)	(13,910)	-	-	(30,028)
As at 31 December 2023	8,945,240	38,612,278	1,916,609	9,861,998	5,724	380,354	59,722,203
<b>Accumulated depreciation:</b>							
As at 1 January 2022	-	15,797,810	973,113	7,762,372	5,983	-	24,539,278
Depreciation for the year	-	1,731,779	184,502	449,061	331	-	2,365,673
Transfer from right-of-use assets (Note 18)	-	-	-	-	5,327	-	5,327
Depreciation on disposals and written-off	-	(75,460)	(42,723)	(362,424)	(5,365)	-	(485,972)
Translation adjustment	-	(2,549)	(445)	(5,577)	-	-	(8,571)
As at 31 December 2022	-	17,451,580	1,114,447	7,843,432	6,276	-	26,415,735
Depreciation for the year	-	1,868,480	191,129	550,209	306	-	2,610,124
Transfer from investment properties (Note 18)	-	-	-	298	-	-	298
Transfer from right-of-use assets (Note 18)	-	-	-	-	3,753	-	3,753
Depreciation on disposals and written-off	-	(406,021)	(14,726)	(63,020)	(4,739)	-	(488,506)
Translation adjustment	-	(6,432)	(1,046)	(12,902)	-	-	(20,380)
As at 31 December 2023	-	18,907,607	1,289,804	8,318,017	5,596	-	28,521,024
<b>Allowance for impairment loss:</b>							
As at 1 January 2022	9,400	29,758	-	1,090	-	-	40,248
Decrease during the year	(9,400)	(948)	-	-	-	-	(10,348)
Written-off	-	(800)	-	(400)	-	-	(1,200)
Translation adjustment	-	(553)	-	-	-	-	(553)
As at 31 December 2022	-	27,457	-	690	-	-	28,147
Written-off	-	(3,950)	-	(690)	-	-	(4,640)
Translation adjustment	-	(1,242)	-	-	-	-	(1,242)
As at 31 December 2023	-	22,265	-	-	-	-	22,265
<b>Net book value:</b>							
As at 31 December 2022	8,930,590	16,810,871	665,727	1,095,055	1,109	1,965,212	29,468,564
As at 31 December 2023	8,945,240	19,682,406	626,805	1,543,981	128	380,354	31,178,914
<b>Depreciation for the year</b>							
2022 (Baht 2,258 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,365,673
2023 (Baht 2,304 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,610,124

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvement	Building and building improvement	Equipment and machine	Furniture, fixtures and office equipment	Motor vehicles	Assets under installation and under construction	Total
<b>Cost:</b>							
As at 1 January 2022	8,063,166	27,666,721	1,613,443	7,464,050	5,585	130,533	44,943,498
Additions	589,568	172,575	86,892	397,716	984	3,890,745	5,138,480
Transfer to investment properties (Note 13)	(824,686)	-	-	-	-	-	(824,686)
Transfer from right-of-use assets (Note 18)	-	-	-	-	9,423	-	9,423
Disposals and written-off	-	(69,166)	(41,785)	(291,569)	(9,486)	-	(412,006)
Transfers in (out)	110,062	1,679,004	59,534	207,466	-	(2,056,066)	-
As at 31 December 2022	7,938,110	29,449,134	1,718,084	7,777,663	6,506	1,965,212	48,854,709
Additions	250	226,682	146,113	486,760	-	3,466,602	4,326,407
Transfer from investment properties (Note 13)	842,980	-	-	598	-	-	843,578
Transfer from right-of-use assets (Note 18)	-	-	-	-	6,519	-	6,519
Disposals and written-off	-	(399,386)	(14,732)	(63,270)	(8,180)	-	(485,568)
Transfers in (out)	14,400	4,522,185	4,970	509,905	-	(5,051,460)	-
As at 31 December 2023	8,795,740	33,798,615	1,854,435	8,711,656	4,845	380,354	53,545,645
<b>Accumulated depreciation:</b>							
As at 1 January 2022	-	14,026,896	912,846	6,580,141	5,144	-	21,525,027
Depreciation for the year	-	1,479,804	182,719	412,672	291	-	2,075,486
Transfer from right-of-use assets (Note 18)	-	-	-	-	5,327	-	5,327
Depreciation on disposals and written-off	-	(67,231)	(41,699)	(287,774)	(5,365)	-	(402,069)
As at 31 December 2022	-	15,439,469	1,053,866	6,705,039	5,397	-	23,203,771
Depreciation for the year	-	1,627,805	189,933	543,022	306	-	2,361,066
Transfer from investment properties (Note 13)	-	-	-	298	-	-	298
Transfer from right-of-use assets (Note 18)	-	-	-	-	3,753	-	3,753
Depreciation on disposals and written-off	-	(392,579)	(14,726)	(62,884)	(4,739)	-	(474,928)
As at 31 December 2023	-	16,674,695	1,229,073	7,185,475	4,717	-	25,093,960
<b>Allowance for impairment loss:</b>							
As at 1 January 2022	9,400	5,650	-	1,090	-	-	16,140
Decrease during the year	(9,400)	(900)	-	-	-	-	(10,300)
Written-off	-	(800)	-	(400)	-	-	(1,200)
As at 31 December 2022	-	3,950	-	690	-	-	4,640
Written-off	-	(3,950)	-	(690)	-	-	(4,640)
As at 31 December 2023	-	-	-	-	-	-	-
<b>Net book value:</b>							
As at 31 December 2022	7,938,110	14,005,715	664,218	1,071,934	1,109	1,965,212	25,646,298
As at 31 December 2023	8,795,740	17,123,920	625,362	1,526,181	128	380,354	28,451,685
<b>Depreciation for the year</b>							
2022 (Baht 1,969 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,075,486
2023 (Baht 2,279 million included in selling, distribution and service expenses, and the balance in administrative expenses)							2,361,066

As at 31 December 2023, certain building and equipment items have been 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 12,989 million (2022: Baht 10,793 million) (the Company only: Baht 12,532 million, 2022: Baht 10,536 million).

## 15. Computer software

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
<b>Cost</b>		
As at 1 January 2022	1,094,282	1,040,846
Acquisitions during the year	53,505	59,443
Written-off	(401)	(401)
Translation adjustment	(32)	-
As at 31 December 2022	1,147,354	1,099,888
Acquisitions during the year	97,709	97,709
Translation adjustment	(73)	-
As at 31 December 2023	1,244,990	1,197,597
<b>Accumulated amortisation</b>		
As at 1 January 2022	589,123	546,132
Amortisation for the year (included in administrative expenses)	87,740	84,999
Amortisation on written-off	(401)	(401)
Translation adjustment	(24)	-
As at 31 December 2022	676,438	630,730
Amortisation for the year (included in administrative expenses)	84,348	84,096
Translation adjustment	(52)	-
As at 31 December 2023	760,734	714,826
<b>Net book value</b>		
As at 31 December 2022	470,916	469,158
As at 31 December 2023	484,256	482,771



## 16. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(% per annum)		financial statements		financial statements	
	2023	2022	2023	2022	2023	2022
Bill of exchange - Baht	2.65	0.76	2,000,000	1,000,000	2,000,000	1,000,000
Bill of exchange - Foreign currency	COF* + 0.75	COF* + 0.75	39,947	74,200	-	-
Total short-term loans from financial institutions			<u>2,039,947</u>	<u>1,074,200</u>	<u>2,000,000</u>	<u>1,000,000</u>

\*The Bank's cost of fund ("COF")

As at 31 December 2023, the Group had unused overdraft lines from banks totaling Baht 340 million and MYR 2.5 million (2022: Baht 370 million and MYR 2.5 million) (the Company only: Baht 310 million, 2022: Baht 340 million) and other credit facilities totaling Baht 10,934 million, USD 27 million and MYR 109 million (2022: Baht 11,201 million, USD 44 million and MYR 91 million) (the Company only: Baht 10,685 million and USD 27 million, 2022: Baht 10,964 million and USD 44 million).

## 17. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade accounts payable	12,782,788	13,189,785	12,589,501	12,986,144
Other payables	591,815	558,268	620,625	534,372
Other payables for purchase of assets	696,144	896,110	696,073	895,985
Accrued expenses	1,153,954	1,167,715	1,167,423	1,160,779
Total trade and other payables	<u>15,224,701</u>	<u>15,811,878</u>	<u>15,073,622</u>	<u>15,577,280</u>

## 18. Leases

### 18.1 The Group as a lessee

The Group has lease contracts for various items of property, building, and equipment used in its operations. Leases generally have lease terms between 2 - 32 years.

#### a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and land improvement	Building	Motor vehicles	Total
As at 1 January 2022	4,795,435	1,849,147	14,632	6,659,214
Acquisitions	1,917,895	339,942	3,407	2,261,244
Transfer to property, building and equipment - net book value (Note 14)	-	-	(4,095)	(4,095)
Depreciation for the year	(248,694)	(204,667)	(4,036)	(457,397)
Written-off - net book value	-	(83)	-	(83)
Decrease from rental period reduction and adjustment	-	(10,864)	-	(10,864)
Translation adjustment	-	(750)	-	(750)
As at 31 December 2022	6,464,636	1,972,725	9,908	8,447,269
Acquisitions	659,323	1,044,760	10,067	1,714,150
Transfer to investment properties - net book value (Note 13)	(309,170)	-	-	(309,170)
Transfer to property, building and equipment - net book value (Note 14)	-	-	(2,766)	(2,766)
Depreciation for the year	(291,650)	(201,162)	(2,787)	(495,599)
Translation adjustment	-	(639)	-	(639)
As at 31 December 2023	6,523,139	2,815,684	14,422	9,353,245

(Unit: Thousand Baht)

	Separate financial statements			
	Land and land improvement	Building	Motor vehicles	Total
As at 1 January 2022	3,859,985	1,781,862	14,632	5,656,479
Acquisitions	1,937,033	1,595,966	3,407	3,536,406
Transfer to property, building and equipment - net book value (Note 14)	-	-	(4,095)	(4,095)
Depreciation for the year	(214,328)	(418,800)	(4,036)	(637,164)
Written-off - net book value	-	(83)	-	(83)
Decrease from rental period reduction and adjustment	-	(10,864)	-	(10,864)
As at 31 December 2022	5,582,690	2,948,081	9,908	8,540,679
Acquisitions	659,323	1,044,760	10,067	1,714,150
Transfer from investment properties - net book value (Note 13)	202,585	-	-	202,585
Transfer to investment properties - net book value (Note 13)	(309,170)	-	-	(309,170)
Transfer to property, building and equipment - net book value (Note 14)	-	-	(2,766)	(2,766)
Depreciation for the year	(256,756)	(640,116)	(2,787)	(899,659)
Decrease from rental period reduction and adjustment	-	(95,310)	-	(95,310)
As at 31 December 2023	5,878,672	3,257,415	14,422	9,150,509

The movements of right-of-use assets exclude the right-of-use assets which are classified as investment property and presented in Note 13.

## b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Lease payments	10,972,805	9,775,289	10,853,783	10,192,147
Less: Deferred interest expenses	(4,183,426)	(3,745,317)	(3,979,514)	(3,549,361)
Total	6,789,379	6,029,972	6,874,269	6,642,786
Less: Current portion	(178,177)	(189,014)	(638,278)	(665,947)
Lease liabilities - net of current portion	<u>6,611,202</u>	<u>5,840,958</u>	<u>6,235,991</u>	<u>5,976,839</u>

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning balance	6,029,972	5,112,730	6,642,786	4,654,433
Additions	1,714,150	2,261,244	1,714,150	3,536,405
Increase from amortisation of deferred interest in the year	246,045	190,566	252,554	190,017
Payments	(1,200,102)	(1,522,887)	(1,686,650)	(1,727,185)
Decrease from rental period reduction and adjustment	-	(10,884)	(48,571)	(10,884)
Translation adjustment	(686)	(796)	-	-
Ending balance	<u>6,789,379</u>	<u>6,029,972</u>	<u>6,874,269</u>	<u>6,642,786</u>

A maturity analysis of lease payments is disclosed in Note 34.2 under the liquidity risk.

### c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	527,440	483,984	959,459	673,597
Interest expense on lease liabilities	246,045	190,566	252,554	190,017
Expense relating to short-term leases	2,143	30,206	-	28,237
Expense relating to leases of low-value assets	30,455	26,409	28,525	23,128
Expense relating to variable lease payments that do not depend on an index or a rate	137,739	160,249	132,209	139,772

The Group has lease contracts for building space that contains variable payments based on sales. The lease term is 1 - 30 years.

### d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 1,370 million (2022: Baht 1,740 million) (the Company only: Baht 1,847 million, 2022: Baht 1,918 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate. The future cash outflows relating to leases that have not yet commenced are disclosed in Note 32.2.

## 18.2 Group as a lessor

The Group has entered into operating leases for its investment properties portfolio consisting of property, building, and right-of-use assets of lease land (see Note 13) of the lease terms are between 3 to 30 years.

The Group has future minimum rentals receivable under non-cancellable operating leases of investment properties as at 31 December 2023 and 2022 as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Within 1 year	18,301	19,134	67,604	67,418
Over 1 and up to 5 years	73,204	76,537	73,204	118,898
Over 5 years	114,504	137,379	114,504	137,379
Total	206,009	233,050	255,312	323,695

During 2023 the Group has sub-lease income amounting to Baht 18 million (2022: Baht 22 million) (the Company only: Baht 66 million, 2022: Baht 64 million).

As at 31 December 2023, the Company has entered into 5 agreements (2022: 5 agreements) with 4 companies (2022: 4 companies) to lease and/or sub-lease parts of its premises in 5 branches (2022: 5 branches) for the periods between 18 to 30 years, with a total of rental received in advance amounting Baht 543 million (2022: Baht 572 million). The terms of the agreements are ended in the year 2033 to the year 2052. The Company recognised this income systematically on a straight-line basis over the lease periods which are the useful lives of the leaseholds.

As at 31 December 2023, the outstanding balance of rental received in advance, net of recognised rental income was Baht 215 million (2022: Baht 233 million).

## 19. Long-term loans

			(Unit: Thousand Baht)	
Loans	Interest rate (percent per annum)	Repayment schedule	Consolidated financial statements	
			2023	2022
1	COF* + 1.10	Monthly repayment since April 2019 to February 2025	21,798	46,030
2	COF* + 0.80	Monthly repayment since April 2024 to March 2029	116,140	122,625
Total long-term loans			137,938	168,655
Less: Current portion			(37,542)	(46,030)
Long-term loans - net of current portion			100,396	122,625

\* The Bank's cost of fund ("COF")

Movement of the long-term loans account during the year ended 31 December 2023 and 2022 are summarised below:

			(Unit: Thousand Baht)	
			Consolidated financial statements	
			2023	2022
Beginning balance			168,655	61,608
Additional borrowings			-	122,273
Repayments			(21,041)	(14,443)
Translation adjustment			(9,676)	(783)
Ending balance			137,938	168,655

Long-term loans denominated in MYR were loan facilities granted by two overseas financial institutions for Home Product Center (Malaysia) Sdn. Bhd., the Company's 100% owned subsidiary. The loans had no collateral and were secured by a 100% corporate guarantee provided by the Company. The loan agreements contained covenants as specified in the agreements that, among other things, require the subsidiary to maintain a certain net tangible asset and the Company to maintain its shareholding, directly or indirectly, in the subsidiary of no less than 51% for the loan no. 1, and require to maintain debt to equity ratio on the consolidated financial statement of the Company and its subsidiaries for the loan no. 2.

As at 31 December 2023, the loan no. 1 amounted to Baht 22 million (2022: Baht 46 million), of which on 22 April 2020, the subsidiary received a letter of consent allowing for a moratorium on principal repayment commencing from May 2020 to October 2020 and an extension of principal repayment for another 6 months. Subsequently, on 14 October 2021, the subsidiary received a letter of consent allowing for a moratorium on principal repayment commencing from November 2021 to April 2022 and an extension of principal repayment for another 6 months.

## 20. Debentures

No.	Interest/discount rate per annum	Age	Repayment	Maturity	Consolidated and separate financial statements			
					Number of debenture (Units)		Amount (Thousand Baht)	
					2023	2022	2023	2022
<u>Unsubordinated and unsecured debentures</u>								
No. 1/2020	1.65%	3 years	At maturity	3 March 2023	-	3,150,000	-	3,150,000*
No. 2/2020	1.85%	2 years 11 months 28 days	At maturity	12 October 2023	-	1,000,000	-	1,000,000*
No. 3/2020	Fixed rate 1.85%	2 years 11 months 28 days	At maturity	12 October 2023	-	1,000,000	-	1,000,000
No. 1/2021	1.50%	3 years	At maturity	12 January 2024	1,000,000	1,000,000	1,000,000*	1,000,000*
No. 2/2021	1.40%	3 years	At maturity	9 February 2024	1,000,000	1,000,000	1,000,000*	1,000,000*
No. 3/2021	1.07%	3 years	At maturity	1 October 2024	2,000,000	2,000,000	2,000,000*	2,000,000*
No. 1/2022	Fixed rate 2.68%	3 years	At maturity	15 July 2025	3,000,000	3,000,000	3,000,000	3,000,000
No. 2/2022	Fixed rate 2.75%	3 years	At maturity	18 November 2025	2,000,000	2,000,000	2,000,000	2,000,000
No. 1/2023	Fixed rate 2.39%	3 years	At maturity	30 January 2026	2,000,000	-	2,000,000	-
No. 2/2023	Fixed rate 3.20%	3 years	At maturity	25 September 2026	1,000,000	-	1,000,000	-
No. 2/2023	3.20%	3 years	At maturity	25 September 2026	700,000	-	700,000*	-
No. 3/2023	Fixed rate 3.02%	3 years	At maturity	15 December 2026	3,000,000	-	3,000,000	-
Total					<u>15,700,000</u>	<u>14,150,000</u>	<u>15,700,000</u>	<u>14,150,000</u>
Less: Deferred interest							(75,525)	(89,202)
Debenture - net							<u>15,624,475</u>	<u>14,060,798</u>
Less: Current portion of debentures							<u>(3,982,356)</u>	<u>(5,127,658)</u>
Debentures - net of current portion							<u>11,642,119</u>	<u>8,933,140</u>

\* Zero Coupon Bond

Movements in debentures account during the period ended 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2023	2022
Beginning balance	14,150,000	12,320,000
Add: Issuance of debentures during the year	6,700,000	5,000,000
Less: Redemption of debentures during the year	(5,150,000)	(3,170,000)
Ending balance	<u>15,700,000</u>	<u>14,150,000</u>

The above debentures are registered, unsubordinated, unsecured debentures with trustee which have terms of payment of interest every 6 months throughout the terms of debentures.

Such debentures contain certain covenants and restrictions regarding the maintenance of debt to equity ratio, restriction on dividend payment and disposal and transfer of assets.

## 21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Provision for long-term employee benefits at beginning of year</b>	589,458	545,894	533,450	495,219
Included in profit or loss:				
Current service cost	48,676	41,286	42,646	36,133
Interest cost	7,847	8,332	7,031	7,509
Benefits paid during the year	(17,932)	(6,054)	(12,963)	(5,411)
<b>Provision for long-term employee benefits at end of year</b>	<u>628,049</u>	<u>589,458</u>	<u>570,164</u>	<u>533,450</u>

As at 31 December 2023, the Group expects to pay Baht 25 million (2022: Baht 78 million) (the Company only: Baht 23 million, 2022: Baht 72 million) of long-term employee benefits during the next year.

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 7 years (2022: 7 years) (the Company only: 7 years, 2022: 7 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Discount rate	1.7%	1.7%	1.7%	1.7%
Salary increase rate	5.5% - 6.0%	5.5% - 6.0%	5.5% - 6.0%	5.5% - 6.0%
Turnover rate (depending on age)	0 - 40%	0 - 40%	0 - 35%	0 - 35%

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate				
31 December 2023	(18)	20	(16)	18
31 December 2022	(18)	20	(14)	20

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Salary increase rate				
31 December 2023	54	(48)	49	(43)
31 December 2022	49	(44)	46	(37)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate				
(depending on age)				
31 December 2023	(43)	50	(37)	44
31 December 2022	(37)	43	(30)	40



## 22. The Employee Joint Investment Program (EJIP)

On 25 April 2023, the Board of Directors' Meeting of the Company passed a resolution to approved the Employee Joint Investment Program (EJIP). The significant details are as follow:

The Company eligible under EJIP	Home Product Center Public Company Limited, DC Service Center Company Limited and Mega Home Center Company Limited
The Period of EJIP	1 July 2023 to 30 June 2028, with a total duration of 5 years
Eligible employees under EJIP	Employees at Division Manager or equivalent and above are eligible to participate in this program on a voluntary basis. Directors and advisors of the Company are exclude from this program
EJIP arrangement	The Company will make deduction from the payroll of eligible employees who voluntarily join the EJIP, at the rate not over 5% of the salary of each month The Company will contribute 5% to 10% of the salary of each month
EJIP buying schedule	Monthly basis.
Conditions for holding the securities	During the 1 <sup>st</sup> year - 3 <sup>rd</sup> year, employee cannot sell any shares After the 3 <sup>rd</sup> year, employee can sell 25% of shares accumulated After the 4 <sup>th</sup> year, employee can sell 50% of shares accumulated After the 5 <sup>th</sup> year, employee can sell all shares
EJIP program manager	Phillip Securities (Thailand) Public Company Limited

During the year 2023, the Group contributed Baht 48 million to the program (2022: Baht 40 million) (the Company only: Baht 44 million, 2022: Baht 39 million).

## 23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

At present, the statutory reserve has been fully set aside.

## 24. Revenue from contracts with customers

### 24.1 Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Type of goods or service:</b>				
Sale of goods related to houses and residences	67,476,601	64,381,576	66,251,618	59,351,967
Renovation and improvement services	275,700	305,686	275,700	304,659
Installation maintenance and other service	531,010	403,622	515,636	385,807
Total revenue from contracts with customers	<u>68,283,311</u>	<u>65,090,884</u>	<u>67,042,954</u>	<u>60,042,433</u>
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	68,007,611	64,785,198	66,767,254	59,737,774
Revenue recognised over time	275,700	305,686	275,700	304,659
Total revenue from contracts with customers	<u>68,283,311</u>	<u>65,090,884</u>	<u>67,042,954</u>	<u>60,042,433</u>

Set out below, is a reconciliation of the revenue from contracts with customers with financial information classified by source of revenue.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Revenue from external customers	68,206,418	65,037,171	66,966,062	59,738,216
Revenue from related parties	162,259	194,890	76,892	304,217
	68,368,677	65,232,061	67,042,954	60,042,433
Eliminations	(85,366)	(141,177)	-	-
Total revenue from contracts with customers	<u>68,283,311</u>	<u>65,090,884</u>	<u>67,042,954</u>	<u>60,042,433</u>

### 24.2 Revenue recognised in relation to contract balances

During the current year, amounts of Baht 1,162 million (2022: Baht 960 million) (the Company only: Baht 1,146 million, 2022: Baht 903 million) that were included in advances received from customers at the beginning of the year were recognised as revenue.

## 25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
Salaries and wages and other employee benefits	5,290	4,930	5,169	4,673
Premises expenses	1,760	1,469	1,691	1,324
Depreciation and amortisation	3,431	3,156	3,594	3,053
Sales promotion and operation support expenses	2,652	2,803	2,578	2,635
Tax expenses and fees	1,644	1,583	1,588	1,444
Changes in finished goods	(332)	(998)	(376)	(2,883)

## 26. Finance cost

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
Interest expense of loans and debentures	321,416	254,013	310,434	244,233
Interest expense on lease liabilities	246,045	190,566	252,554	190,017
<b>Total</b>	<b>567,461</b>	<b>444,579</b>	<b>562,988</b>	<b>434,250</b>

## 27. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
<b>Current income tax:</b>				
Current income tax charge	1,546,132	1,494,244	1,497,546	1,389,223
Adjustment in respect of income tax of previous year	(5,516)	720	(5,437)	1,001
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(8,013)	(54,014)	(12,416)	(73,079)
<b>Income tax expenses reported in profit or loss</b>	<b>1,532,603</b>	<b>1,440,950</b>	<b>1,479,693</b>	<b>1,317,145</b>

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
Accounting profit before tax	7,974,159	7,658,040	7,654,663	7,338,809
Applicable tax rate	20% and 24%	20% and 24%	20%	20%
Accounting profit before tax multiplied by income tax rate	1,597,513	1,534,410	1,530,933	1,467,762
Adjustment in respect of income tax of previous year	(5,516)	720	(5,437)	1,001
Effects of:				
Revenues that are granted income tax exemption	-	-	(45,000)	(81,600)
Non-deductible expenses	14,216	7,706	60,161	14,655
Additional expense deductions allowed	(86,572)	(93,762)	(79,476)	(79,536)
Others	12,962	(8,124)	18,512	(5,137)
Total	(59,394)	(94,180)	(45,803)	(151,618)
<b>Income tax expenses reported in profit or loss</b>	<b>1,532,603</b>	<b>1,440,950</b>	<b>1,479,693</b>	<b>1,317,145</b>

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2023	2022	2023	2022
<b>Deferred tax assets</b>				
Allowance for expected credit losses	2,825	2,169	2,019	2,148
Purchase discounts	132,436	121,236	132,436	121,236
Allowance for asset impairments	-	928	-	928
Leases	263,883	271,453	254,310	262,318
Provision for long-term employee benefits	125,610	117,892	114,033	106,690
Deferred purchase discounts	8,364	7,757	8,364	7,757
Provisions	137,537	141,207	137,536	135,205
<b>Total</b>	<b>670,655</b>	<b>662,642</b>	<b>648,698</b>	<b>636,282</b>

As at 31 December 2023, the Group has deductible temporary differences totaling Baht 571 million (2022: Baht 594 million) (the Company only: Baht 571 million, 2022: Baht 577 million). No deferred tax assets have been recognised on these amounts as the Group believes it is uncertain on the temporary differences may not be probable utilised in the future.

## 28. Earnings per share

Basic earnings per share is calculated by dividing profit 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.

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Profit for the year (Thousand Baht)	6,441,556	6,217,089	6,174,970	6,021,665
Weighted average number of ordinary shares (Thousand shares)	13,151,198	13,151,198	13,151,198	13,151,198
Earnings per share (Baht/share)	0.49	0.47	0.47	0.46

## 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. The chief operating decision maker has been identified as the Company's Board of Directors.

The Group is principally engaged in the trading of a complete range of goods and materials for construction, addition, refurbishment, renovation, and improvement of buildings, houses, and residences, and the provision of services relevant to retail and wholesale business, space rental and services (as having revenue and/or operating profit and/or assets less than 10% of total revenue and/or total operating profit and/or total assets of all segments, which do not meet the quantitative thresholds as set out in the financial reporting standard).

Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment.

## Geographic information

Sales income from external customers is based on locations of the Group which are summarised as follow.

(Unit: Million Baht)

	2023	2022
<b>Sales income from external customers</b>		
Thailand	66,880	63,646
Malaysia	1,306	1,382
Vietnam	20	9
Total	<u>68,206</u>	<u>65,037</u>
<b>Non-current assets (other than deferred tax assets)</b>		
Thailand	45,581	42,880
Malaysia	134	209
Vietnam	3	3
Total	<u>45,718</u>	<u>43,092</u>

## Major customers

For the years 2023 and 2022, the Group has no major customer with revenue of 10% or more of an entity's revenues.

## 30. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and their employees contributed to the fund monthly at the rate of 3% - 5% of basic salary. The fund, which is managed by Land and Houses Fund Management Co., Ltd. will be paid to employees upon termination in accordance with the fund rules.

During the year 2023, the Group contributed Baht 112 million (2022: Baht 104 million) to the fund (the Company only: Baht 98 million, 2022: Baht 91 million).

### 31. Dividend paid

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Dividend from operating results from July 2021 to December 2021	The Annual General Meeting of the shareholders on 8 April 2022	2,630	0.20
Interim dividend from operating results from January 2022 to June 2022	Board of Directors' Meeting of the Company on 30 August 2022	2,236	0.17
Total		4,866	
Dividend from operating results from July 2022 to December 2022	The Annual General Meeting of the shareholders on 7 April 2023	2,762	0.21
Interim dividend from operating results from January 2023 to June 2023	Board of Directors' Meeting of the Company on 29 August 2023	2,367	0.18
Total		5,129	

### 32. Commitments and contingent liabilities

#### 32.1 Capital commitment

As at 31 December 2023 and 2022, the Company had capital commitments with several companies relating to the construction of retail stores. The obligations of construction are subject to the retail stores expansion and construction plan of each period determined by the management.

#### 32.2 Operating lease commitments - as a lessee

As at 31 December 2023, the Company has future lease payments required under these non-cancellable leases contracts that have not yet commenced amounting to Baht 77 million (2022: Baht 395 million). In January 2024, the Company registered lease land with Department of Lands amounting to Baht 100 million.

### 32.3 Service commitments and land and building rental commitments

- a) The Company has entered into the inventory management services agreement with a subsidiary. Under the conditions of the agreement, the Company is to pay the monthly service fee at a percentage of the subsidiary's actual cost, as stipulated in the agreement.
- b) The Company has entered into land lease agreements with a subsidiary. The terms of the agreements are 3 years. Under the conditions of the agreements, the Company receives monthly rental fees at rates stipulated in the agreements. The agreements are non-cancelable, except with the consent of the counterparties.
- c) The Company has entered into building rental agreements and personnel management services agreement with a subsidiary. The terms of the agreements are 2 years 6 months. Under the conditions of the agreements, the Company is to pay the monthly rental fees and service fee as stipulated in the agreement. The agreements are non-cancelable, except with the consent of the counterparties.

### 32.4 Guarantees

- a) As at 31 December 2023, the Group has outstanding bank guarantees of Baht 188 million and MYR 2 million (2022: Baht 190 million and MYR 1 million) (the Company only: Baht 174 million, 2022: Baht 165 million) issued by banks on benefit of the Group in respect of guarantees provided for leasing, purchases of goods or hire of work, as bonds with State Enterprise. Bank guarantee of Baht 14 million and MYR 2 million (2022: Baht 25 million and MYR 1 million) issued in the name of subsidiaries were guaranteed by the Company.
- b) As at 31 December 2023, the Company had commitments under letters of credit opened with commercial bank, amounting to USD 0.1 million and CNY 6.0 million (2022: USD 0.3 million and CNY 9.6 million).
- c) As at 31 December 2023, the Company secured credit facilities of its subsidiaries of Baht 280 million and MYR 148 million (2022: Baht 280 million and MYR 133 million) to financial institutions.



### 32.5 Litigation

- a) As at 31 December 2023, the Company has legal cases for a total claimed amount of Baht 8.4 million (2022: Baht 7.3 million) (the Company only: Baht 8.4 million, 2022: Baht 7.1 million) which are currently being considered by the Court. The legal department of the Company believes that the outcome of these cases will not have significant effect to the Company. As such, the Company has not set aside any amount of provision in the financial statements.
- b) In July 2022, a financial institution accepting the rights of claim transferred under factoring contracts with a supplier filed a lawsuit against the Company, seeking payments under the contracts. In February 2024, the Court of First Instance dismissed the plaintiff's case since debts, to which the rights of claim had been transferred, were found to be based on falsified documents by the supplier. The financial institution is currently in the process of appealing this judicial decision. However, the Company had completely settled the outstanding debts to the supplier from November 2018 to March 2021. After reviewing the related transactions, the Company's management concluded that they were conducted properly and appropriately. As a result, the Company has not set aside provision for contingent liabilities arising from the litigation in the financial statements.

### 33. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

	(Unit: Million Baht)			
	Consolidated Financial Statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
<b>Liability measured at fair value</b>				
Derivative				
Foreign currency forward contracts	-	27	-	27
<b>Asset for which fair value are disclosed</b>				
Investment properties	-	-	8,437	8,437
<b>Liability for which fair value are disclosed</b>				
Debentures	-	15,596	-	15,596

(Unit: Million Baht)

## Consolidated Financial Statements

As at 31 December 2022

	Level 1	Level 2	Level 3	Total
<b>Liability measured at fair value</b>				
Derivative				
Foreign currency forward contracts	-	20	-	20
<b>Asset for which fair value are disclosed</b>				
Investment properties	-	-	8,252	8,252
<b>Liability for which fair value are disclosed</b>				
Debentures	-	14,057	-	14,057

(Unit: Million Baht)

## Separate Financial Statements

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
<b>Liability measured at fair value</b>				
Derivative				
Foreign currency forward contracts	-	27	-	27
<b>Asset for which fair value are disclosed</b>				
Investment properties	-	-	8,437	8,437
<b>Liability for which fair value are disclosed</b>				
Debentures	-	15,596	-	15,596

(Unit: Million Baht)

## Separate Financial Statements

As at 31 December 2022

	Level 1	Level 2	Level 3	Total
<b>Liability measured at fair value</b>				
Derivative				
Foreign currency forward contracts	-	20	-	20
<b>Asset for which fair value are disclosed</b>				
Investment properties	-	-	9,469	9,469
<b>Liability for which fair value are disclosed</b>				
Debentures	-	14,057	-	14,057

## 34. Financial instruments

### 34.1 Derivatives

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Derivative liability</b>				
Derivative liability not designated as hedging instruments				
Foreign exchange forward contracts	27	20	27	20
<b>Total derivative liability</b>	<b>27</b>	<b>20</b>	<b>27</b>	<b>20</b>

#### Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 6 months.

### 34.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, trade accounts payable, short-term loans, long-term loans, lease liabilities and long-term debentures. 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 accounts receivable, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

#### 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 customer receivables are regularly monitored and any shipments to major customers are generally covered by other forms of credit insurance obtained from reputable banks and other financial institutions.

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 rating and other forms of credit insurance. Other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

### ***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 and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

### **Market risk**

There is a type of market risk comprising currency risk. The Group enters into foreign exchange forward contracts derivative to reduce the foreign currency risk arising on the import of goods.

### ***Foreign currency risk***

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated and separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	-	-	2	1	34.30	34.73
CNY	-	-	26	13	4.90	5.05

As at 31 December 2023 and 2022, foreign exchange contracts outstanding are summarised below.

Consolidated and separate financial statements					
As at 31 December 2023					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
USD	8	-	33.47 - 36.15	-	Within January 2024
CNY	154	-	4.85 - 5.04	-	Within May 2024

Consolidated and separate financial statements					
As at 31 December 2022					
Foreign currency	Bought	Sold	Contractual exchange rate		Contractual maturity date
	amount	amount	Bought	Sold	
	(Million)	(Million)	(Baht per 1 foreign currency unit)		
USD	7	-	34.11 - 37.15	-	Within June 2023
CNY	42	-	5.13 - 5.21	-	Within May 2023

### **Interest rate risk**

The Group's exposure to interest rate risk relates primarily to its short-term loans, lease liabilities, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The Group manages its interest rate risk by having a portfolio of fixed rate loans and borrowings more than variable rate. The Group's policy is to maintain borrowings at fixed rates of interest of not less than 50%.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2023							
Fixed interest rates							
	Within 1 year	1 - 5 years	More than 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>							
Cash and cash equivalents	24	-	-	1,651	4,754	6,429	0.10 - 3.70
Trade and other receivables	-	-	-	-	2,115	2,115	-
	<u>24</u>	<u>-</u>	<u>-</u>	<u>1,651</u>	<u>6,869</u>	<u>8,544</u>	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	2,000	-	-	40	-	2,040	2.65 and COF + 0.75
Trade and other payables	-	-	-	-	15,225	15,225	-
Lease liabilities	178	844	5,767	-	-	6,789	1.44 - 5.81
Long-term loans	-	-	-	138	-	138	COF + 0.80 and COF + 1.10
Debentures	3,982	11,642	-	-	-	15,624	1.07 - 3.20
	<u>6,160</u>	<u>12,486</u>	<u>5,767</u>	<u>178</u>	<u>15,225</u>	<u>39,816</u>	

(Unit: Million Baht)

Consolidated financial statements							
As at 31 December 2022							
Fixed interest rates							
	Within 1 year	1 - 5 years	More than 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>							
Cash and cash equivalents	510	-	-	2,023	2,887	5,420	0.15 - 0.65
Trade and other receivables	-	-	-	-	2,069	2,069	-
	<u>510</u>	<u>-</u>	<u>-</u>	<u>2,023</u>	<u>4,956</u>	<u>7,489</u>	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	1,000	-	-	74	-	1,074	0.76 and COF + 0.75
Trade and other payables	-	-	-	-	15,812	15,812	-
Lease liabilities	189	1,091	4,750	-	-	6,030	1.44 - 5.81
Long-term loans	-	-	-	169	-	169	COF + 0.80 and COF + 1.10
Debentures	5,128	8,933	-	-	-	14,061	1.07 - 2.75
	<u>6,317</u>	<u>10,024</u>	<u>4,750</u>	<u>243</u>	<u>15,812</u>	<u>37,146</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2023							
Fixed interest rates							
	Within 1 year	1 - 5 years	More than 5 years	Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
<b>Financial assets</b>							
Cash and cash equivalents	-	-	-	1,555	4,262	5,817	0.15 - 0.65
Trade and other receivables	-	-	-	-	2,202	2,202	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,555</u>	<u>6,464</u>	<u>8,019</u>	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	2,000	-	-	-	-	2,000	2.65
Trade and other payables	-	-	-	-	15,074	15,074	-
Lease liabilities	638	821	5,415	-	-	6,874	1.44 - 5.81
Debentures	3,982	11,642	-	-	-	15,624	1.07 - 3.20
	<u>6,620</u>	<u>12,463</u>	<u>5,415</u>	<u>-</u>	<u>15,074</u>	<u>39,572</u>	

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2022							
Fixed interest rates						Total	Interest rate (% p.a.)
Within 1 year	1 - 5 years	More than 5 years	Floating interest rate	Non-interest bearing			
<b>Financial assets</b>							
Cash and cash equivalents	510	-	-	1,922	2,673	5,105	0.15 - 0.65
Trade and other receivables	-	-	-	-	2,157	2,157	-
	<u>510</u>	<u>-</u>	<u>-</u>	<u>1,922</u>	<u>4,830</u>	<u>7,262</u>	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	1,000	-	-	-	-	1,000	0.76
Trade and other payables	-	-	-	-	15,577	15,577	-
Lease liabilities	666	2,027	3,950	-	-	6,643	1.44 - 5.81
Debentures	5,128	8,933	-	-	-	14,061	1.07 - 2.75
	<u>6,794</u>	<u>10,960</u>	<u>3,950</u>	<u>-</u>	<u>15,577</u>	<u>37,281</u>	

## Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of trade payable, bank loans, debentures and lease contracts. Approximately 54% (2022: 60%) (the Company only: 55% 2022: 60%) of the Group's debt will mature in less than one year at 31 December 2023 based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded that the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

Consolidated financial statements					
As at 31 December 2023					
	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	2,040	-	-	-	2,040
Trade and other payables	-	15,225	-	-	15,225
Lease liabilities	-	440	1,835	8,698	10,973
Long-term loans	-	39	100	6	145
Debentures	-	4,000	11,777	-	15,777
<b>Total non-derivatives</b>	<u>2,040</u>	<u>19,704</u>	<u>13,712</u>	<u>8,704</u>	<u>44,160</u>
<b>Derivative</b>					
Derivative liability: net settled	-	27	-	-	27
<b>Total derivative</b>	<u>-</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>27</u>

(Unit: Million Baht)

## Consolidated financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	1,075	-	-	-	1,075
Trade and other payables	-	15,812	-	-	15,812
Lease liabilities	-	405	1,578	7,792	9,775
Long-term loans	48	-	96	32	176
Debentures	-	5,157	9,044	-	14,201
<b>Total non-derivatives</b>	<b>1,123</b>	<b>21,374</b>	<b>10,718</b>	<b>7,824</b>	<b>41,039</b>
<b>Derivative</b>					
Derivative liability: net settled	-	20	-	-	20
<b>Total derivative</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2023

	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	2,000	-	-	-	2,000
Trade and other payables	-	15,073	-	-	15,073
Lease liabilities	-	894	1,766	8,194	10,854
Debentures	-	4,000	11,777	-	15,777
<b>Total non-derivatives</b>	<b>2,000</b>	<b>19,967</b>	<b>13,543</b>	<b>8,194</b>	<b>43,704</b>
<b>Derivative</b>					
Derivative liability: net settled	-	27	-	-	27
<b>Total derivative</b>	<b>-</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>27</b>

(Unit: Million Baht)

## Separate financial statements

As at 31 December 2022

	On demand	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>Non-derivatives</b>					
Short-term loans from financial institutions	1,001	-	-	-	1,001
Trade and other payables	-	15,577	-	-	15,577
Lease liabilities	-	889	2,033	7,270	10,192
Debentures	-	5,157	9,044	-	14,201
<b>Total non-derivatives</b>	<b>1,001</b>	<b>21,623</b>	<b>11,077</b>	<b>7,270</b>	<b>40,971</b>
<b>Derivative</b>					
Derivative liability: net settled	-	20	-	-	20
<b>Total derivative</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>20</b>



### 34.3 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 except debentures are not expected to be materially different from the amounts presented in the statements of financial position. The estimated fair value of debentures, in comparison with the related amount carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial liability</b>				
Debentures	15,624	15,596	14,061	14,057

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and deposit at financial institutions, accounts receivables and accounts payables, their carrying amounts in the statements of financial position approximate their fair values.
- b) The carrying amounts at loans to and loans from carrying interest at rates approximating the market rate, in the statements of financial position approximates their fair value.
- c) The fair value of fixed rate debentures is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- d) The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies. The Group considers counterparty credit risk when determining the fair value of derivatives

During the current period, there was no transfer within the fair value hierarchy.

### 34.4 Offsetting of financial instruments

The following table presents the recognised financial instruments that are offset as at 31 December 2023 and 2022.

(Unit: Thousand Baht)

	Consolidate financial statements				
	Effects of offsetting in the statement of financial position			Gross amounts	
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position	not offset in the statement of financial position	Net amounts in the statement of financial position
<b>As at 31 December 2023</b>					
Trade and other receivables	-	-	-	2,114,686	<b>2,114,686</b>
Trade and other payables	13,823,658	(900,281)	12,923,377	2,301,324	<b>15,224,701</b>
<b>As at 31 December 2022</b>					
Trade and other receivables	-	-	-	2,068,894	<b>2,068,894</b>
Trade and other payables	14,109,235	(919,450)	13,189,785	2,622,093	<b>15,811,878</b>

(Unit: Thousand Baht)

	Separate financial statements				
	Effects of offsetting in the statement of financial position			Gross amounts	
	Gross amounts	Amounts offset	Net amounts recognised in the statement of financial position	not offset in the statement of financial position	Net amounts in the statement of financial position
<b>As at 31 December 2023</b>					
Trade and other receivables	-	-	-	2,201,687	<b>2,201,687</b>
Trade and other payables	13,475,311	(885,810)	12,589,501	2,484,121	<b>15,073,622</b>
<b>As at 31 December 2022</b>					
Trade and other receivables	-	-	-	2,157,314	<b>2,157,314</b>
Trade and other payables	13,822,255	(896,111)	12,986,144	2,591,136	<b>15,577,280</b>

Gross amounts not offset in the statement of financial position reflect amounts subject to conditional offsetting arrangements.

As at 31 December 2023, The Group had other receivables from area rental and related services amounting to Baht 223 million (2022: Baht 174 million), of which partial rent deposits were presented in other non-current liabilities, and other form of credit insurance with netting arrangements with trade receivables. The Group has pledged rental guarantee deposits of Baht 34 million (2022: Baht 26 million) (The Company only: Baht 34 million, 2022: Baht 26 million) and bank guarantees issued by banks which had netting arrangements with trade and other payables.



# Home Solar

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