

# 2023 ANNUAL REPORT

Form 56-1 One Report



**FTI**  
FUNCTION INTERNATIONAL  
*All Solutions of Water*

ALL SOLUTIONS

*of Water*



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## Message from the Board of Directors

In 2023, Thailand's economy grew less than expected, slowing in line with major economic countries. As a result, the purchasing power of consumers in households affected by the rising cost of living and inflation has not grown much. However, the business sector in the country has expanded, because Thailand has started to recover after opening the country. This causes the demand for water to be used for consumption, commercial and industrial water use is increasing. In addition, the Company adjusts its plans and operations carefully, reduce costs while preserving its performance. With strategic operations that can adapt and be sensitive to changes under the cooperation of all sectors within the organization, the Company has higher sales and net profits in 2023.

In the past year, the Company has made several important developments. The first is the establishment of 3 subsidiaries which are in cooperation with business partners from China who have long experience in producing parts for water treatment systems. This will help strengthen the Company's production by exchanging knowledge and experiences between each other. The second was the establishment of a subsidiary, Function Industry Company Limited, which purchased 40 rai of land in Chachoengsao Province, located in the EEC area. With the objective of constructing a factory to produce products. and creating a free zone area (FREE ZONE). This will reduce costs from importing raw materials from abroad and create an upstream business that has stability in doing business. The third is the opening of a new exhibition and distribution building. It is a building that showcases products and technology related to water system that most comprehensive and greatest in the country. This will help increase efficiency and raise the level of service to customers. and reinforcing leadership in the water purifier distribution business in Thailand. In addition, the Company has increased the number of distributors for Water Store and Aquatek shop to expand its business and create opportunities for distributors to grow in various areas where there is still a lot of demand for clean water. The Company also introduces new technology to improve its products to provide clean water to the people for their good health.

With clear objectives and vision, the Company expects to grow continuously and strongly for the benefit of all stakeholders. The Company therefore conducts business on the basis of good corporate governance with a commitment to create sustainability for both the Company and all groups of stakeholders, along with developing communities and society to have a better quality of life and have access to products at reasonable prices which will create shared economic, social and environmental value in the Company's business chain.

In this regard, the Board of Directors would like to express their appreciation to all counterparts, customers, business partners, shareholders, executives and officers who have been supportive of the Company. The Company will operate with good governance and social and environmental responsibility for the best benefit of the shareholders and sustainable growth.



(Dr. Vikorn Poovapat)  
Chief Executive Officer



(Dr. Naris Chaiyasoot)  
Chairman of the Board

# Board of Directors



## 1. Dr. Naris Chaiyasoot

- Chairman of the Board
- Independent Director
- Corporate Governance Committee

## 2. Assist. Prof. Amporn Theingtrakul

- Independent Director
- Chairman of Audit Committee

## 3. Mr. Taveesak Foongkiatoharoen

- Independent Director
- Audit Committee

## 4. Assoo. Prof. Dr. Intaka Piriyakul

- Independent Director
- Audit Committee

## 5. Pol. Lt. Gen. Suraphong Chaijant

- Independent Director
- Chairman of Nomination and Compensation Committee
- Risk Management Committee
- Corporate Governance Committee

## 6. Dr. Somohint Pilouk

- Independent Director
- Chairman of Corporate Governance Committee
- Nomination and Compensation Committee
- Risk Management Committee

## 7. Dr. Vikorn Poovapat

- Director
- Chairman of Executive Committee
- Chairman of Risk Management Committee
- Corporate Governance Committee
- Chief Executive Officer

## 8. Mr. Surapong Rungjang

- Director
- Executive Committee

## 9. Mr. Charan Lerdteeraphoj

- Director
- Executive Committee
- Nomination and Compensation Committee

## 10. Mr. Arunsak Wongkawiwit

- Director
- Executive Committee
- Risk Management Committee
- Deputy Chief Executive Officer

## 11. Mr. Kawewat Siriwongmongkol

- Director
- Chief Financial and Accounting Officer

# Financial Highlights

Financial Statement	Annual			
	2021	2022	2023	
<b>Profit and loss statement (Million Baht)</b>				
Sales and service revenue	717.53	696.76	778.68	
Net profit	36.39	36.03	44.11	
Earnings per share (Baht)	0.16	0.09	0.10	
<b>Statement of Financial Position (Million Baht)</b>				
Total assets	567.75	870.97	1,065.52	
Total liabilities	211.80	161.32	349.36	
Total shareholders' equity	355.95	709.65	713.12	
Registered capital	450	450	450	
Paid-up capital	320	450	450	
<b>Financial ratios</b>				
Liquidity Ratio	Times	1.99	4.86	2.02
Gross profit margin	%	28.25	28.07	27.60
Net profit margin	%	5.05	5.15	5.56
Return on Equity ratio	%	10.65	6.76	6.20
Return on assets ratio	%	6.49	6.15	6.23
Debt to equity ratio	Times	0.60	0.23	0.48
Dividends ratio	%	261.05	2.86	3.27



## Part 1

# Business Operations and Performance

## 1.1 Policy and overview of business operations

Function International Public Company Limited (“Company” or “FTI”) was founded in 1997 by Mr. Vikorn Poovapat and Mrs. Voraya Poovapat with a registered capital of 1,000,000 baht. The Company was originally named Function Trading Company Limited. Later, the Company registered to become a public limited company on December 3, 2021, and was listed on the Stock Exchange of Thailand on May 19, 2022.

In the early days, the Company’s main business was importing and distributing water purifiers and spare parts for water systems, with a “One Stop Service” concept for merchants, not directly to end-users. The Company was the first distributor of RO (Reverse Osmosis) water purifiers in Thailand, which revolutionized the use of water purifiers from the traditional stainless models to the current 5-stage filtration and RO as the filter cartridge. This was one of the keys to the Company’s success of providing health benefits, resulting in the products becoming widely known and accepted.

Throughout the past, the Company has been presenting new products, improving product quality, and developing assembly work. Along with personnel with expertise in design and installation of water systems for consumption, the Company has become a provider of All Solutions of Water. The Company has created more than 23 product brands to diversify its product offerings to meet the needs of all groups of consumers based on their water consumption, namely commercial, household, and industrial groups. The Company has expanded its customer base both domestically and internationally through stores and distributors selling the products to small shops or retail shops to end-users, who are the Company’s primary customer base. Additionally, the Company sees the growth potential of the household group, which emphasizes the consumption of higher quality water, especially for consumers with high purchasing power. The Company has therefore expanded its distribution channels, focusing on the upper market segment, which the Company believes still has potential for growth of Aquatek stores, which distributes the products under the Aquatek brand in particular. In addition, the company plans to further expand its business by collaborating with partners to establish a factory for producing parts and equipment for water filtration systems. This will help strengthen the company. and have sustainable growth in the future

### ◆ 1.1.1 Vision, Mission Objectives and main goals of the organization

The company has defined vision, mission, quality policy and business goals as follows:

#### **Vision**

To be the leading organisation in water systems in Thailand and the ASEAN region.

#### **Mission**

1. To research and provide water system products to respond to the needs of various customers at a fair price.
2. To dedicate our efforts to maintain our relationships with customers, partners, investors and the communities in order to maximize benefits for all.
3. To use technology as a tool to develop our products and services for sustainable benefits.
4. To strive to maintain a good work ethic in all of our employees.



## Quality Policy

“We are determined to manage and sell state-of-the-art water treatment systems at fair price.”

## Objectives and main goals of the organization

1. To become a leader in the water industry for consumption according to the promise given to customers as “All solutions of water.” When thinking of water... Think of Function.
2. Continuously achieve growth in revenue and profit in every product group by expanding the existing customer groups and expanding the market to new target groups, including expanding coverage to all regions of Thailand and neighboring countries.
3. Be committed to providing quality, reliable, and globally recognized products and services at fair prices: “In the same quality, we offer the cheapest price.”
4. Continuously develop personnel through training and knowledge-sharing programs for employees, distributors, and retailers to increase their understanding of the Company’s products, as well as investing in IT systems to manage inventory and support business growth.
5. Aim for continuous and sustainable growth to create suitable returns for all parties involved.

### ◆ 1.1.2 Major Changes and Developments

2019	<ul style="list-style-type: none"><li>• <b>April:</b> The Company appointed its first Water Store shop, and by 2019, there were 15 Water Store shops, divided into 14 domestic shops and 1 foreign shop (Cambodia).</li><li>• <b>May:</b> The Extraordinary General Meeting of Shareholders No. 1/2019 on May 27, 2019 approved to increase the registered capital by 25 million baht, from the original registered capital of 200 million baht to 225 million baht, by issuing 250,000 new ordinary shares with a par value of 100 baht per share.</li><li>• <b>December:</b> The Extraordinary General Meeting of Shareholders No. 3/2019 on December 12, 2019 the meeting resolved to appoint a 1 new board member, namely Mr. Arunsak Wongkawiwit.</li></ul>
2020	<ul style="list-style-type: none"><li>• In 2020, the Company opened up 3 Water Store shops, totaling 18 shops.</li><li>• <b>February:</b> The Board of Directors Meeting No. 1/2020 on February 27, 2020 approved the investment in the construction of a new product exhibition and distribution building.</li></ul>
2021	<ul style="list-style-type: none"><li>• <b>In 2021,</b> the Company opened up 1 Water Store shop, totaling 19 shops.</li><li>• <b>August:</b> The Company began the construction of a new product exhibition and distribution building on the location of the Company’s office, which has a total land area of approximately 14 rai (22,400 sqm).</li><li>• <b>September:</b><ul style="list-style-type: none"><li>- The Company received the Outstanding Model Enterprise Award on safety, occupational health and working environment for the year 2021 at the provincial level.</li><li>- The Company received the Outstanding Model Enterprise Award on labor relations and welfare for the year 2021 at the national level.</li></ul></li><li>• On November 30, 2021, the Company increased paid-up capital by 95 million baht to 320 million baht by offering 0.95 million shares to existing shareholders by proportion.</li><li>• On December 3, 2021, the Company registered as a public company by changing its name to “Function International Public Company Limited” and changing the par value from 100 baht per share to 1 baht per share and increasing the capital by 130 million baht to 450 million baht to offer 130 million ordinary shares to the general public at a par value of 1 baht per share.</li><li>• <b>December:</b> The Company received a certificate of honor to demonstrate that Good Labor Practices (GLP) have been implemented.</li></ul>

2022

- **February:** The Company appointed the first Aquatek shop, with 4 Aquatek shops in 2022, divided into 3 domestic shops and 1 foreign shop (Laos). There was 1 shop under construction in Pattaya, Chonburi, which has officially operated since January 20, 2023.
- **May:** The Company was listed on the Stock Exchange of Thailand on May 19, 2022.
- **June:** FRP Aquatek products were certified with NSF/ANSI 44 standard by NSF International.
- **September:**
  - The Company received the Outstanding Model Enterprise Award on safety, occupational health and working environment for the year 2022 at the provincial level (2 consecutive years).
  - The Company received the Outstanding Model Enterprise Award on labor relations and welfare for the year 2022 at the national level, the 2nd consecutive year.
- In 2022, the Company opened up 2 Water Store shops (Phitsanulok and Phnom Penh, Cambodia), totaling 21 shops.

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- **June :**
  - On June 28, 2023, the Board of Directors' Meeting No. 3/2023 resolved to approve the establishment of 3 subsidiaries: Function Lyuden Technology Company Limited, Function Runyang Electronic Company Limited. and Function Ningbo Aceboom Motor Company Limited, with a registered capital of 5 million baht per company. Its objective to operate a business producing and assembling parts and equipment for water systems, with FTI holding 51 percent of the shares.
  - The Company received a certificate of the standard on prevention and solution to drug problem in an establishment.
- **July :** Received a certificate of basic level for 1st year, Zero Accident Campaign 2023
- **October :**
  - On October 12, 2023, the Board of Directors' Meeting No. 5/2023 resolved to approve the establishment of Function Industry Company Limited with a registered capital of 160,000,000 baht. The objective of purchasing land, investing in construction of the production factory, using the remaining space to operate a factory rental business, and the creation of a FREE ZONE. FTI holds shares in the proportion of 99 percent of the registered capital.
  - Construction of a new showroom and distribution building "FTI Water Solution Center" has been completed and fully open for service.
  - The Company received the Outstanding Model Enterprise Award on safety, occupational health and working environment for the year 2023 at the provincial level (3 consecutive years)
  - The Company received the Outstanding Model Enterprise Award on labor relations and welfare for the year 2023 at the national level, the 3rd consecutive year.
- **November :** Function Industry Company Limited has received the transfer of ownership in the 9 land plots, total area approximately 40 rai, located in Saladaeng Subdistrict, Bang Nam Priao District, Chachoengsao Province.
- The Company opened up 1 Water Store shop (Pathum Thani), totaling 21 shops.
- The Company opened up 5 Aquatek shop (Chonburi, Udon Thani, Nakhon Ratchasima, Nonthaburi and Samut Prakan), totaling 9 shops.

◆ **1.1.3. The use of the proceeds from the fundraising**

In 2023, the Company has used the capital increase from the offering of ordinary shares in accordance with the following objectives as follow:

Objective of the use of proceeds	The net amount received (Million Baht)	Amount of proceeds used until December 31, 2023	Remain proceeds (Million Baht)
1. To expand dealer distribution channel	165	107	58
2. To decorate the new exhibition and distribution building	35	35	0
3. To improve the warehouse	15	15	0
4. To improve the production capacity	5	5	0
5. To be used as working capital	105	105	0
<b>Total</b>	<b>325</b>	<b>267</b>	<b>58</b>

◆ **1.1.4. Obligations that the Company commits to the statement of the offering of assets and/or the conditions for permission of the office (if any) and/or the terms of receiving security of SET (if any).**

- None -

◆ **1.1.5. The Name, head office address, type of business, Company registration number, telephone number, facsimile, Company website, total number and types of all outstanding shares of the Company.**

<b>Company Name</b>	Function International Public Company Limited
<b>Symbol</b>	FTI
<b>Registration Number</b>	0107564000421
<b>Type of Business</b>	Engagement in water treatment business industry as an importer, producer, and goods seller. FTI's goods are all related to water treatment such as water purifiers, filters, pumps, and valves including equipment for water purifiers and related services.
<b>Registered Capital</b>	450,000,000 Baht consisting of 450,000,000 ordinary shares with the par value of 1.00 Baht
<b>Paid-up Capital</b>	450,000,000 Baht consisting of 450,000,000 ordinary shares with a par value of 1.00 Baht
<b>Head Office Address</b>	313 Charoen Phatthana Rd., Bang Chan, Khlong Sam Wa, Bangkok 10510
<b>Telephone Number</b>	0-2540-6263
<b>Facsimile</b>	0-2907-4100
<b>Company Website</b>	www.functioninter.co.th

## 1.2 Nature of Business

### ◆ 1.2.1 Revenue Structure

Revenue structure Classified by product segment, were as follow:

Revenue structure Classified by product segment	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Household product <sup>/1</sup>	228.04	31.64	173.24	24.75	175.18	22.30
2. Commercial product <sup>/1</sup>	234.77	32.57	212.92	30.41	234.02	29.79
3. Industrial product <sup>/1</sup>	175.78	24.39	181.71	25.96	197.34	25.12
4. Media and chemical product	78.77	10.93	69.91	9.99	97.94	12.47
5. Aquatek product <sup>/1</sup>			46.18	6.60	53.24	6.78
6. Pump and Vavle			12.63	1.80	20.74	2.64
<b>Total sale revenue</b>	<b>717.36</b>	<b>99.53</b>	<b>696.59</b>	<b>99.51</b>	<b>778.46</b>	<b>99.08</b>
Service revenue <sup>/2</sup>	0.17	0.02	0.17	0.02	0.22	0.03
<b>Total main revenue</b>	<b>717.53</b>	<b>99.55</b>	<b>696.76</b>	<b>99.53</b>	<b>778.68</b>	<b>99.11</b>
Other Revenue <sup>/3</sup>	3.22	0.45	3.31	0.47	6.98	0.89
<b>Total revenue</b>	<b>720.75</b>	<b>100.00</b>	<b>700.07</b>	<b>100.00</b>	<b>785.66</b>	<b>100.00</b>

**Remark** <sup>/1</sup> Products means water purifiers and water system equipment for commercial, household and industrial use.

<sup>/2</sup> Service income includes revenues from coordinating transportation services and water quality analysis, etc.

<sup>/3</sup> Other incomes consist of foreign exchange gains, rental income, miscellaneous income, etc.

### ◆ 1.2.2. Information on Products and Services

#### 1.2.2.1 Characteritic of Product and ervice

Function International Public Company Limited imports, manufactures, and distributes full-cycle water treatment products, including water purifiers and water filtration equipment, filter cartridges, filter media, as well as other related products and services. The Company's products are categorized into the following:

- **Water purifier and water filtration equipment**
- **Media**
- **Pump and valve**

#### 1. Water purifier and water filtration equipment

Water purifiers are used to improve the quality of water before consumption. They can filter tap water, brackish water, salt water, and hard water. Water filtration for consumption focuses on improving the quality, taste, and most importantly, removing impurities and germs from the water.



Important components of a water purifier include its body, housing, filter cartridge, and other accessories such as valves, joints, water lines, and water tanks. There are several types of water filtration systems depending on their filter cartridge, technology, as well as the sequence and number of filtration steps. The filter cartridge is the most important component, with each type having lifespan around 3–6 months and different properties as follows:

Sediment Filter – The Sediment Filter can filter large impurities such as sediment, rust, gravel, sand, mud, algae and suspended solids from water. It is typically used in the first stage of filtration, preventing the following fine filters from clogging.

Carbon Filter – The Carbon Filter is a high quality compressed carbon or granular carbon filter. It is used in the stage of filtering chlorine and some organic and inorganic substances, which cause unpleasant smell, color, and taste, including water poisoning substances, such as chlorine, pesticides and hydrocarbons (carcinogen).

Resin Filter – The Resin Filter utilizes ion exchange method through the use of resin as a medium to absorb limescale substances and release sodium ions into the water, resulting in soft and more drinkable water. Additionally, it adjusts the water hardness and prevents the buildup of limescale, which can contribute to the formation of gallstones.

UF (Ultra filtration) Filter – The UF Filter is a highly efficient filter capable of filtering with great precision, as small as 0.01 microns in size. It also can remove small particles and germs.

Reverse Osmosis (RO) – RO is a process of filtering impurities and dissolved substances in water, such as limescale, rust, magnesium, and sodium, by passing water through a membrane filter with a very small pore size of up to 0.0001 microns. This is currently the most advanced filter that produces clean and pure water. However, it also comes with the highest price.

Post Carbon Filter – Post Carbon Filter functions to adjust the smell and taste of water created by various filtration processes, filter out chemical substances that are toxic to the body, and adjust the pH level of water. This filter is usually the final stage of filtration.



The Company sources raw materials and components to assemble water purifiers at its factory and also outsources the production of finished products in the form of OEM under its own brand. The Company's products cover a wide variety of consumer groups and it also sources products for distribution under the original brand to increase product diversity. Approximately 75% of sales come from the Company's own brand, while 25% comes from the original brand. In this regard, the Company recognizes the importance of product quality, which is of international standard, to enhance the brand's credibility. The selection of products comes along with the search for manufacturers, with the management, purchasing, research and development departments finding manufacturers and products based on quality control and reliability guidelines. For example, manufacturers may send product samples for testing or the Company may purchase samples for testing. For the Company's products, about 90% are imported (about 70% come from China), and 10% are purchased domestically in Thailand.

The Company distributes products to customers, which are general retail stores totaling more than 600 stores, including Water Store distributors both domestically and internationally, with the majority of sales as Business to Business (B2B). Retail stores and distributors will distribute the products to end-users. Based on consumer segments, the Company's products can be divided into three groups: household products, commercial products, and industrial products. Each group uses a similar filtration technology, while the main differences are the production capacity of clean water and related equipment.

**Water purifiers and water system equipment divided by consumer segment**

**A. Commercial Products**

Commercial water purifiers and water system equipment have a medium production capacity, with housing size of more than 20 inches, including hot and cold water dispensers and water vending machines that are used in enterprises or medium-sized organizations, such as bottled water manufacturers, ice manufacturers, and water filtration systems for hospitals, schools, restaurants, hotels, resorts, as well as government agencies such as municipalities, sub-district administrative organizations, departments, and ministries.

The different types of commercial water purifiers include:

Type	Production Capacity	Filtration System	Filtration Sequence	Brand
5 steps (RO)	150 gallons/day	1. Sediment / Polypropylene (PP) 2. Block Carbon 3. Resin 4. Reverse Osmosis (RO) 5. Post Carbon	1 > 2 > 3 > 4 > 5	Treatton
5 steps (UF)	220 liters/hour	6. Granular Activated Carbon (GAC) 7. Ultrafiltration (UF)	1 > 2 > 6 > 7 > 5	Aquatek Silver



The different types of commercial water dispensers include:

Type	Features	Filtration System	Filtration Sequence	Brand
Hot/cold water dispenser (RO)	<ul style="list-style-type: none"> <li>– RO hot/cold water dispenser, with pretreatment filters for chlorine, color, and smell.</li> <li>– 3.0-liter cold water tank and 1.8-liter hot water tank</li> </ul>	<ol style="list-style-type: none"> <li>1. Sediment / Polypropylene (PP)</li> <li>2. Carbon</li> <li>3. Reverse Osmosis (RO)</li> <li>4. Post Carbon</li> </ol>	1 > 2 > 3 > 4	Aquatek Silver
Hot/cold water dispenser (UF)	<ul style="list-style-type: none"> <li>– Ultrafiltration Membrane hot/cold water dispenser, with pretreatment filters.</li> <li>– 1.5-liter cold water tank and 2.0-liter hot water tank</li> </ul>	<ol style="list-style-type: none"> <li>5. Ultrafiltration (UF)</li> </ol>	1 > 2 > 5 > 4	WACO
Water vending machine 5 steps	<ul style="list-style-type: none"> <li>– RO Water vending machine</li> <li>– Made of fiber material, resistant to sunlight.</li> <li>– control system and a coin-operated system with keys to protect against theft.</li> <li>– Drinking water production capacity of 1,200 liters per day</li> </ul>	<ol style="list-style-type: none"> <li>6. Granular Activated Carbon (GAC)</li> </ol>	1 > 2 > 6 > 3 > 4	Uni Pure



**B. Household Products**

Household water purifiers and water system equipment are for water consumption in residence, such as 2-step, 3-step, 4-step, and 5-step water purifiers, as well as UF and RO water purifiers with the housing size of 10 inches. Household users are consumers of water purifiers in residential areas in Bangkok, other provinces, and foreign countries.

The different types of household water purifiers divided by steps and filtration systems include:

Type	System	Features	Filtration Sequence	Brand
3 steps	1. Sediment / Polypropylene (PP) 2. Carbon 3. Resin	<ul style="list-style-type: none"> <li>– Filter out large impurities such as sediment, rust, gravel, sand, mud, algae and suspended solids</li> <li>– Filter out dirt and eliminate color, smell, and chemicals mixed in the water</li> <li>– Reduce water hardness, eliminate limescale and improve the taste of water</li> </ul>	1 > 2 > 3	Uni Pure Green
4 steps	4. Ultrafiltration (UF) 5. Post Carbon	<ul style="list-style-type: none"> <li>– 0.01 micron filter, capable of eliminating small sediments and germs</li> <li>– Adjust the smell and taste of the water caused by various processes, adjust the acidity and alkalinity with high-resolution carbon filters.</li> </ul>	1 > 2 > 4 > 5	Uni Pure Blue
5 steps	6. Alkaline	<ul style="list-style-type: none"> <li>– Adjust taste and smell and increase alkalinity of water to make the water so that the filtered water smells and tastes good</li> </ul>	1 > 2 > 3 > 5 > 6	Hydro Max
5 steps (RO)	7. Reverse Osmosis (RO)	<ul style="list-style-type: none"> <li>– Filter through the membrane tissue, with filtration size as small as 0.0001 microns, to make the water clean and pure.</li> </ul>	1 > 2 > 3 > 7 > 5	Aquatek Silver





### C. Industrial Products

Industrial water purifiers and water system equipment have a high production capacity of at least 1 cubic meter per hour, including equipment used in the large water filtration system, such as filter tanks, valve heads, water pumps, filter cylinders, pressure gauges, water meters, electronic systems. This product group is used by entrepreneurs who need to install water systems or water purifiers at a high capacity, such as juice factories, electronic parts factories, medical equipment factories, boiler industry, wastewater treatment industry, and swimming pools and spas installers and distributors.

The different types of industrial water purifiers include:

#### RO Industrial Water Purifier

The Reverse Osmosis (RO) Water Purifier is a water filtration system developed to produce the cleanest and purest water by filtering it through a membrane. The RO system is capable of removing almost all dissolved substances in water, even highly brackish water can be purified to become fresh water. It is suitable for industrial factories that use water sources from groundwater or other sources with high electrical conductivity beyond the standard values, or for the safe and clean water used in the food industry, and even for use in cooling towers to prevent scale buildup in the system. The machine comes in various production capacities according to the customer's needs.



Other products used in the water filtration system include filter tanks, faucets, joints, water hose, body and spare parts. The following are examples:

Fiber Tank & Vessel – Fiberglass-reinforced Plastics (FRP) Tank is commonly used for filtering a large quantity of water. It can be used in households, commercial and industrial settings for filtering drinking water, tap water, groundwater, and saltwater, as well as chemical filtration that can be used with anthracite, carbon, resin and sand filtration media. There are various sizes available to meet the user's needs. The filter tank is lighter than the metal tanks, with a weight ratio of 1:3, and the exterior surface is coated with strong and durable fiber-reinforced epoxy. The interior is made of PE plastic, which is resistant to erosion.



RO Hydro Max Water Tank – NSF The Hydro Max RO tank is a filtered water storage tank for RO water purifiers, made from materials that meet food grade standards, with the sizes ranging from 2.8 to 20 gallons. It is capable of withstanding 50 Psi pressure and has internal air pressure to make water usage more convenient. This product also meets NSF safety standards.



Automatic/Manual Valve Control Head – Control valve for the filter tank is used to control the operation of a fiber-reinforced plastic (FRP) filter tank with a 2.5” tank opening, automatically. The machine has a display screen showing the operation and symbols at every step, and can be used with filter tanks that require regeneration of filter media, such as resin filters or with filter tanks that require backwashing, such as sand filters, manganese filters, and carbon filters.



## 2. Media

Filter media is a consumable used in water purifiers of all sizes. Various types of filter media are used in preventing or trapping foreign substances in water by filtering out sediments, odors, colors, and tastes, as well as adjusting water conditions. The types of media include carbon, resin, and manganese. Typically, the Company distributes media to commercial or industrial customers who require large quantities of filter media for producing clean water. The examples of media products are as follow:

- Apza Anthracite – Apza Anthracite is produced from carefully selected anthracite ore. It has the ability to retain sediment and mud on the external surface, and trap suspended solids and retain large amounts of them. It is used in the filter tank to filter the sediment or suspension.
- Aquasorb Carbon – Aquasorb Carbon is a filter media made from coal that has been burned and heated to obtain a highly porous filter media. This filter media is in the form of small granules or beads used for filling in filter tanks or containers to trap color, odor, organic substances, chlorine, heavy metals, and some toxins.
- Biosis C2+ – Biosis C2+ is a food grade carbon filter media made from coconut shells that have been burned and heated to create a highly porous and natural filter media. It is used for filling filter tanks or containers to filter out taste, odor, organic substances, and pollutants mixed with water, as well as filtering chlorine, heavy metals, insecticides, and toxins.
- Fast Pure Resin – Generally, resin filter media are commonly used in the form of cation exchange resin or positively charged ion for filtering the hardness of water. Hardness is a solute that exists in the form of various ions, and the resin has the property of ion exchange which removes the hardness from the water.

Resin filter media lose their ion exchange capacity after a certain period and need to be replaced. The manufacturer's specifications indicate that it should be replaced approximately every 3–5 years, depending on the conditions and volume of water use at each location.



## 3. Pump and Valve

In addition to water pumps for water filtration systems, the Company has expanded its product line to include pumps for other water systems in four groups: household, high-rise/commercial building, water management, and industrial/factory (details in the image below). The Company will focus more on marketing these products from 2022 onwards. Most of the water pumps sold by the Company are imported from Nanfang Pump Industry (CNP), a leading pump manufacturer and supplier in China and a subsidiary of NANFANG ZHONGJIN ENVIRONMENT, a registered company in the Shenzhen stock market in China. CNP distributes its products in the People's Republic of China and exports to more than 60 countries worldwide.



**Product Standard**

In addition to selecting manufacturers and products based on their quality, reliability of the manufacturer, and product testing before sale, the Company also has premium products that have been certified to international standards, as follows:

Trademark	Product	Certified Standard	Standard detail	Period
ULTRATEK	Reverse Osmosis Membrane	NSF	– NSF / ANSI/ CAN 61 Drinking Water System Components – Health Effects	2020 - Present
AQUATEK	FRP Tank	NSF	– NSF / ANSI/ 44 Cation Exchange Water Softeners	2022 – Present
AQUATEK BIOSIS AQUASORB	Activated Carbon	NSF	– NSF / ANSI/ CAN 61 Drinking Water System Components – Health Effects	2023 - Present
AQUATEK PALL TECH	Resin Filter Media	NSF	– NSF / ANSI/ CAN 61 Drinking Water System Components – Health Effects – NSF / ANSI/ 44 Cation Exchange Water Softeners	2023 - Present

### NSF Standard

NSF or the National Sanitation Foundation was founded in the United States in 1944 as an independent organization for safety and public health. NSF developed its first sanitation standards for soda fountains and food service equipment in the 1950s. Today, NSF has over 70 standards, with personnel and experts who inspect products related to food, water, and the environment in 180 countries worldwide. The NSF 61 Drinking Water System Components – Health Effects is a health-based standard for equipment, components, or materials that come into contact with drinking water, which identifies the level of contaminants and impurities allowed to pass through the water system while using the product. Meanwhile, the NSF/ANSI 44 Cation Exchange Water Softeners is a standard for water conditioning equipment for FRP tanks used in water purifiers, with product quality on par with drinking water filtration systems.

### **Research and Development**

The Company does not conduct direct research and development, but focuses on selecting and sourcing a variety of high-quality products from both domestic and foreign sources, including collaboration with distributors to develop the products. In addition, the Company's research and development department assists in checking the quality of water purifiers in cases where the distributors encounter problems and are unable to solve them on their own.

### Product Development Collaboration with Shops/Distributors

In cases where customers require the services, the Company will take water samples from the targeted source to analyze the quality. Once completed, the Company will design the system, write specifications, select the necessary equipment, and make a list for the sales team to present to the customer.

The Company's strengths are its diversity and speed, enabling it to respond to the varied needs of customers in different areas. The entire process takes approximately one month, starting from receiving the customer's order for designing a water filtration system to completing the assembly and delivery.

### Quality Checks on Water or Water purifiers

Normally, the Company does not provide maintenance or repair services for water purifiers to end users, as it mainly sells to retailers or distributors. However, if they are unable to solve the problem for the end user, they will contact the Company which will consider it on a case-by-case basis. Such cases are not common because Water Stores or retailers have been selling for a long time and have knowledge of water systems, unless there are special problems such as frequent water purifier malfunctions while the system appears to be working normally. The Company will have to test the water to analyze whether the water in the area is abnormal in terms of the raw water source or whether there are special features of the water source that require special attention. In addition, the Company may consider the power supply of the water purifiers, such as in some provinces where the electricity is unstable and may affect the efficiency of the system.

The problem on varied water sources can cause issues such as fast clogging of RO filters and sooner-than-expected filter expiration, which may be caused by insufficient pre-treatment of water before filtration. Some water may not meet the standard, contain solvents that affect filtration, or may be groundwater or dug well water, which requires different procedures with different pre-treatments and water volume.

The fact that the Company is more aware of customer problems than its competitors is a strength that strengthens the Company's network. Expertise in products, customers, and areas makes the Company's products popular consistently. This is different from some of the competitors' products that lack follow-up care, information provision, and after-sales services that would develop long-term relationships with customers.

### 1.2.2.2 Marketing and Competition

#### Characteristics of customers and target customers

The Company's main customers are retailers and distributors in Bangkok and other region across the country. These customers typically wholesale the Company's products to small shops or retail them to end-users. Another group of customers is entrepreneurs who distribute water purifiers under their own brand. This customer group will purchase raw materials, components, and water purifier parts from the Company to manufacture and assemble water purifiers under their own brand.

#### 1. Shops/distributors

1.1 Shops/distributors – domestic This refers to the distribution of products to shops, distributors, or agents. The Company's sales team will offer a variety of product brands to shop owners and employees for distribution to users of water purifiers and water system equipment nationwide.

The Company has set criteria for selecting distributors, including experience and a clear customer base with consistent purchase volume and a history of timely payment. The types of products distributed to distributors include household water purifiers, commercial water purifiers, and industrial water purifiers.

#### A. General stores/retailers

General stores/retailers They are distributors who sell products from both the Company and others, without signing a contract to appoint a distributor and sales support from the Company. The stores will buy products from the Companies in all categories for resale to small shops or end users, including household, commercial and industrial products, as well as filter media, pump and valve products. The stores will sell products in both retail and wholesale formats, depending on their customer group.

Almost all Company's General stores/retailers are located in Thailand. As of December 31, 2022, there were 651 stores with regular purchases from the Company, categorized by region as follows:

Region	Number of Store/Dealer
Bangkok	271
Central	218
Northern	19
Southern	33
Eastern	58
Western	15
Northeastern	37

### B. Water Store shops

Water Store shops are authorized distributors of water systems products from the Company, without selling products from other manufacturers or distributors. They signed an agreement to become a distributor and receive sales support from the Company. Most Water Store shops focus on wholesale distribution, with products ranging from economy to middle prices. The Company selected distributors to join as Water Store shops by considering the existing distributors with potential, good trading history, confidence in the Company, and a work attitude in line with the Company, in order to establish a long-lasting relationship and business growth. The Company has helped support store decoration costs and set sales targets for each Water Store shop. Currently, the Company has 18 Water Store shops in the country, as follows:

Region	Province
Northern	Chiang Mai / Chiang Rai / Nan
Northeastern	Khon Kaen / Nakhon Ratchasima Roi Et / Udon Thani / Ubon Ratchathani
Central	Bangkok (2 stores) / Chainat Phitsanulok / Pathum Thani
Southern	Surat Thani / Nakhon Sri Thammarat
Eastern	Chacheongsao
Western	Tak / Kanchanaburi

### C. Aquatek shops

The Company plans to appoint 50 Aquatek shops by 2024 to sell only Middle to Premium water purifiers, focusing on household products and retail sales to consumers (B2C). The Company will select distributors to join as Water Store shops by considering the existing distributors with potential, good trading history, confidence in the Company, and a work attitude in line with the Company.

The Company will invest in store decoration and POS systems for distributors who achieve the sales targets set by the Company, with a contract term of 3 years. Currently, the Company has eight Aquatek shops in the country as follows:

Region	Province
Northern	Chiang Mai
Northeastern	Nakhon Ratchasima / Udon Thani
Central	Bangkok / Pathum Thani Nonthaburi / Samut Prakan
Eastern	Chonburi

## Image of Aquatek distributors



### 1.2) Shops/distributors – International:

The Company mainly sells products overseas via Water Store shops, focusing on wholesale as well as domestic shops. Currently, the Company has three foreign Water Store shops as follows:

City	Country
Savannakhet	Lao PDR
Phnom Penh	Cambodia
Yangon	Myanmar

The Company has one foreign Aquatek shop as follows:

City	Country
Vientiane	Lao PDR

### 2. Water purifier operators:

The Company sells its products to other water purifier operators, for them to assemble and sell under their own brand. Most of the sales are equipment, raw materials, parts, in both wholesale and retail.



If considering the Company's income divided by distribution channels, the proportion is as follows:

Revenue structure classified by distribution channel	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Store/Dealer	507.02	70.35	473.39	67.62	549.13	68.89
Distributor Shop	199.09	27.62	218.44	31.20	225.48	28.70
Water purifier operator	11.25	1.56	4.76	0.68	3.85	0.49
<b>Total sale revenue</b>	<b>717.36</b>	<b>99.53</b>	<b>696.59</b>	<b>99.50</b>	<b>778.46</b>	<b>99.08</b>
Service revenue	0.17	0.02	0.17	0.02	0.22	0.03
<b>Total main revenue</b>	<b>717.53</b>	<b>99.55</b>	<b>696.76</b>	<b>99.53</b>	<b>778.68</b>	<b>99.11</b>
<b>Other Revenue</b>	<b>3.22</b>	<b>0.45</b>	<b>3.31</b>	<b>0.47</b>	<b>6.98</b>	<b>0.89</b>
<b>Total Revenue</b>	<b>720.75</b>	<b>100.00</b>	<b>700.07</b>	<b>100.00</b>	<b>785.66</b>	<b>100.00</b>

#### Distribution and distribution channels

The distribution channels of the Company are divided into 2 channels as follows:

##### 1. Sales team

Sales through the sales team is a distribution channel where the Company's sales representatives directly contact customers. The representatives shall have knowledge about the Company's water purifiers and present them under various brands to the owners and employees of the shops and distributors. The Company divides the sales team into two groups:

A. Bangkok and its vicinity sales team which is divided according to the nature of the products, namely sales teams for commercial products, household products, and industrial products.

B. Provincial sales team which is divided by region. As for international sales, there is currently not much sales volume, so the responsibility is assigned to the Bangkok sales team and provincial sales team.

##### 2. Showroom sales

Sales through showrooms are a distribution channel that allows the Company to communicate directly with customers. With a large inventory, customers can come and choose the products they want and take them home directly. This group of customers is mostly those who live not far from the Company, such as retailers and distributors in the Bangkok metropolitan area, small shops, or individual customers. The Company is currently building new production and showroom buildings. When completed, the showroom area will be expanded, allowing it to serve a larger number of customers and building an image and confidence that the Company can attract more customers to buy its products.

In 2023, the Company sold about 20% of its products to customers through showrooms, while the rest of about 80% was sold through the sales team.

## Competitive Strategies

The Company has formulated competitive strategies to expand its customer base and increase its market share as follows:

### 1. Products and Supply Chain

- *Having a diverse range of products:* The Company excels in understanding the needs and usage problems of consumers, which has led to designing and developing a variety of products to meet the diverse needs of commercial, household, and industrial consumers. As the Company has multiple shops/distributors, some of them may be competitors. Therefore, the Company needs to have products of similar features and prices to offer the shop owners to present different product features at different prices.

Having a diverse range of products also helps in competition since the water purifier market is still growing, and competitors are interested in entering this market. Offering multiple product models allows the Company to implement competitive marketing strategies to efficiently compete with its competitors.

Currently, the Company sells products both under its own brand and foreign brands. There are more than 5,000 products, including filters and various accessories, from 23 different brands. The Company plans to expand its product line to related to water purifiers and water systems, which are used by all customer groups, such as pumps and valves, which are new product categories (separated from pumps and valves used in the water filtration system) used in commercial, household, and various industries. This has allowed the Company to reach new customer groups, such as agricultural equipment distributors, construction equipment distributors, and contractors.

- *Supply Chain:* The Company focuses on efficient and comprehensive supply chain management. It has a large pool of potential suppliers, and selects suppliers with strengths in various areas altogether. The Company also has suppliers in many countries that can replace each other if needed, due to differences in expertise among individual manufacturers, which can make it difficult to find a single manufacturer that can produce materials and equipment across the entire system.

In addition, having a diverse range of products and its own brands helps the Company increase its bargaining power with manufacturers. The Company does not primarily purchase finished products or the manufacturer's original brand, but rather focuses on buying materials, equipment, and raw materials from various countries around the world to assemble its own branded products. Alternatively, the Company may contract with manufacturers to produce products in the form of OEM under its own brand, giving the Company options for purchasing and managing product costs.

- *Fast delivery of products and services:* This is the first reason why distributors decide to purchase the water purifiers from the Company because it has a variety of products that can quickly meet the customer's needs by maintaining high levels of stock and assembling products quickly. Furthermore, the Company recognizes the importance of this issue and has implemented it as a practice in planning a diverse range of products to provide customers with more options through effective inventory management, manufacturing, and efficient delivery.

### 2. Brand

- *Diverse brands:* The Company has diverse product brands based on studying consumer needs and usage problems. The Company sells both its own brand products and brands from foreign countries. Currently, there are 23 product brands that can be divided into three groups:
  - a. **Premium Brand:** Products that are manufactured to high standards and quality, have a long lifespan, are produced in factories that have international standards and certifications, or are imported from the United States and Taiwan.
  - b. **Middle Brand:** Products that are manufactured at middle quality, have a reasonable price, have higher quality materials and longer lifespan compared to Economy Brand products, and focus on design and external appearance that meet customer needs.
  - c. **Economy Brand:** Cost-saving products that compete mainly with products from China. In the Economy Brand group, the Company focuses on outsourcing manufacturers in China for OEM production.

In summary, the characteristics of the Company's product brands can be categorized based on their market position as follows:

Level	Brand	Features / Highlight
Premium	AQUATEK	Water purifiers, filters, and equipment with good quality, selected from high-standard products and factories, imported from the US and Taiwan, etc.
	BIOSIS	High-quality activated Carbon with selected specifications and manufacturers with high standards.
	FIBERTEK	Filter tanks and filter cylinders made of high quality fiberglass material manufactured from European standard factories.
	Pall Tech	High-quality resin filter media manufactured from a high-standard factory.
	STARPURE	Water purifiers, filters, and equipment with good quality, selected from high-standard products and factories, imported from the US and Taiwan, etc.
	Ultratek	High-quality RO Filter manufactured from the largest RO filter factory in China, with NSF standard.
	V Mobile 1	Good-quality mobile water generator
	WAVE CYBER	Filter tanks and filter cylinders made of high quality fiberglass material manufactured from European standard factories.
	ZG	High-quality resin filter media manufactured from a high-standard factory.
Middle	ACOBİ	Water purifiers filters, and equipment with middle quality focusing on cost saving
	APZA	Medium-quality anthracite filter media with a reasonable price
	BIOMAX	Water purifiers filters, and equipment with middle quality focusing on cost saving
	DOSAG	Medium-quality water pumps that are inexpensive and cost-saving
	GREEN SPA	Medium-level water storage equipment, sauna cabinets, swimming pools manufactured from a standardized factory with a reasonable price
	HYDROMAX	Water purifiers filters, and equipment with middle quality focusing on cost saving
	QINYUAN	Good-quality diaphragm pump with a reasonable price
	STARLIGHT	Good-quality UV disinfection kit with a moderate price and is cost-saving
	TREATTON	Water purifiers filters, and equipment with middle quality focusing on cost saving
	Tulsion	Medium-quality resin filter media manufactured from India factory.
	VIFIL	Medium-quality Ultrafiltration filter with a reasonable price
Economy	FAST PURE	Water purifiers, filters, and equipment with a reasonable price
	TACOM	Equipment with a reasonable price
	UNIPURE	Water purifiers, filters, and equipment with a reasonable price

The development of diverse product brands has enabled the Company's products to meet the needs of users in all groups, ranging from the Economy to the Premium group, as well as expanding its customer base of each product distributor with a variety of brands for consumers to choose from.

### 3. Price

One of the Company's strategies is to manage costs in conjunction with developing standardized products, in order to offer products that are valuable and cost-effective when compared to similar quality products. The Company uses a procurement strategy, such as purchasing a large quantity of products from various suppliers, allowing for price negotiation, as well as having its own manufacturing plants and warehouses, providing options in efficient cost management.

Furthermore, the Company has set the product price range based on market positioning with a strategy for products and brand diversity, allowing the Company to offer products at different prices covering the purchasing power of consumers in each group.

### 4. Expanding the customer and consumer base

The development of diverse products and brand coverage by the Company allows for potential expansion of customer and consumer base through the following strategies:

- Customer Relationship Management (CRM) to develop relationships and maintain customer base with current retailers and distributors. The sales team responsible for managing distributor customers are divided into two groups: Bangkok and its vicinity sales teams categorized by product types, and provincial sales teams categorized by location.
- Increasing new distributors based on their distribution and household income, as well as trends of end users in commercial and industrial groups who are the buyers of the Company's products, etc.
- Developing Water Store distributors by promoting their ability to become sub-warehouses in each area in the form of distribution centers.
- Appointing Aquatek distributors as stores focusing primarily on household end users who have high household income and require quality products. The Company will offer premium products such as the Aquatek brand, which is in line with the policy of creating product and brand diversity, as well as expanding the consumer base to the premium group. This is intended to increase direct retail sales to general consumers, as the Company sees potential in the water purifier market in the retail sector (B2C) for securing market share.

### 5. Marketing and Public Relations

The Company's advertising and public relations formerly focused on advertising through distributors to support the sales as well as the product placement in the distributors' stores, which was also an important way to advertise products. Currently, the Company is increasing its communication with end users, both online and offline, to support its distributors in competing in the market.

As the Company plans to expand its distributors in a new format, namely Aquatek shops, it has planned additional advertising and public relations strategies that differ from the previous ones in order to reach end users more directly and to drive the success of Aquatek shops towards their goals. This includes advertising and public relations for the existing Water Store shops to reach end users more effectively. The advertising and public relations strategies are as follows:

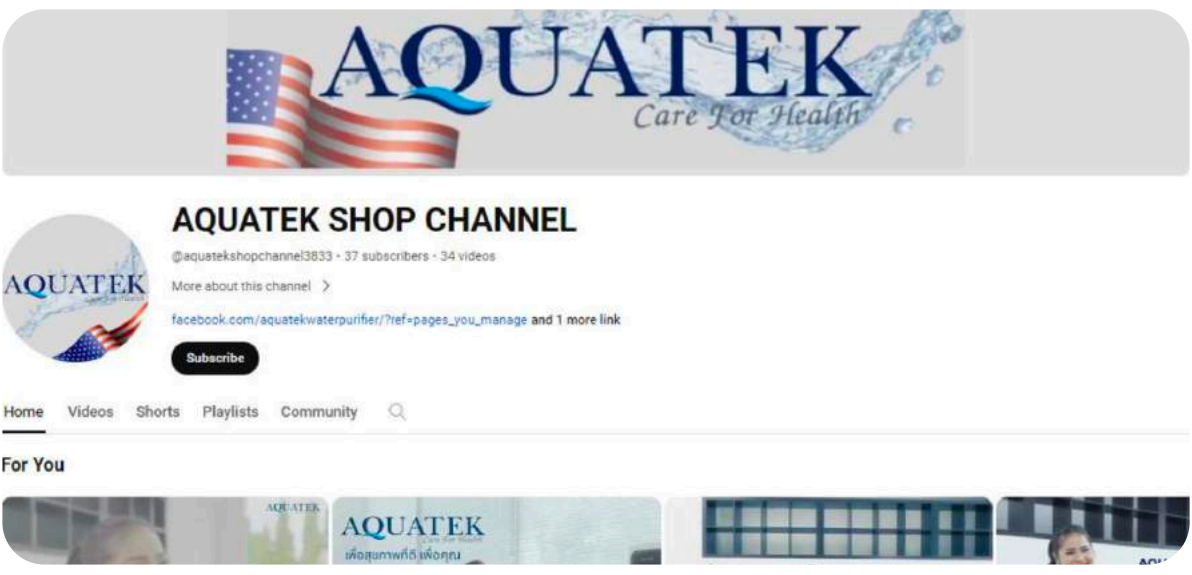
- **Online Marketing:**
  - a. Promoting on the Company's social media
    - Facebook Page of Water Store and Aquatek shop
    - Tiktok of Aquatek shop
    - YouTube Channel of Water Store and Aquatek shop
    - Website of Water Store and Aquatek shop
    - Aquatek Brand Presenter : Tuk Siriporn Yuyod



Picture from Water Store Facebook Page



Picture from Aquatek Shop Facebook Page

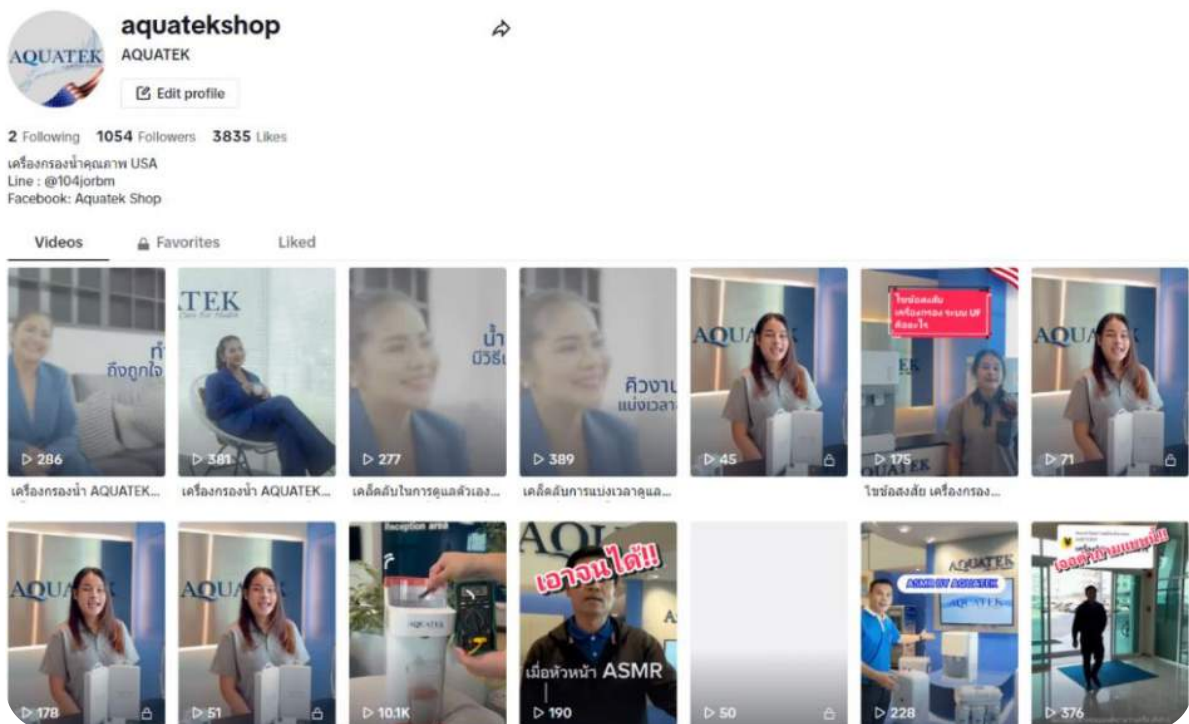


Picture from Aquatek YouTube Channel

- The development of the website [www.aquatek.co.th](http://www.aquatek.co.th) and online marketing campaigns, including SEO and SEM, is aimed at reaching as many end users as possible. This serves as a direct communication channel with consumers to support the expansion of Aquatek shops.



Picture from Aquatek Web Site



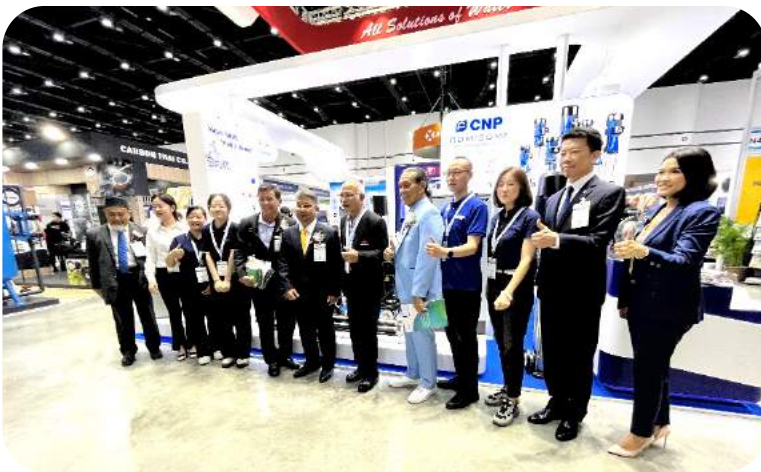
Picture from Tiktok Aquatek



Pictures of Brand Presenter 2023 Khun Tak Siriporn Yuyod and public relations in various online channels

• **Offline marketing**

- Organizing trade shows to publicize and build the image of the Company, such as Thai Water Expo 2023 at Queen Sirikit National Convention Center and Architect Expo 2023



Pictures from Thai Water Expo 2023



Pictures from Architect Expo 2023

- Producing advertising media to introduce new stores and new products, such as radio broadcasting in the store area, broadcasting vehicles surrounding the store area, advertising signs, and other advertising media as appropriate in each area.



Picture of offline advertising media production

- **Training and Seminars:**
  - After the COVID-19 situation has subsided and the Company has been able to organize training and seminars in 2023. Examples of training and seminars are:
    - Training for operators of Water Store and Aquatek shops
    - Training of pump and valve distributors
    - Training in various provinces for Water Store and Water Store customers







Water Store Road Show 2023

6. Opening of the FTI Water Solution Center building

To reinforce our leadership in distributing water purifier in Thailand. In October 2023, the Company opened the **FTI Water Solution Center** building inside the Company's headquarters. It showcased products and technology related to water treatment, water filtration system, pump and valve which are the most complete and comprehensive in the country. Both main distributors, dealers and visitors will be able to experience the products up close. There is also a replica of the Aquatek shop and the Water Store in the building for investors interested in opening a store with the Company. Moreover, this building is also used as a storefront for selling products. The distributors can purchase products via Pick and Go, which is more convenient than the old storefront building.



Picture of the grand opening of the FTI Water Solution Center building

## 7. Establishment of a joint venture company

To increase competitiveness in the water purifier and accessories market. The company has a policy of establishing a joint venture with a manufacturer that has been business partner for a long time. To cooperate in developing a factory producing water purifier and accessories products within Thailand. The company aims to be a fully integrated manufacturer and distributor to reduce transportation costs and production costs, including receiving other benefits include tax benefits and BOI, etc. In 2023, the Company has jointly established 3 joint venture companies: Function Lyuden Technology Co., Ltd., Function Ningbo Aceboom Motor Co., Ltd. and Function Runyang Electronic Co., Ltd. to assemble booster pumps, transformers, filters and spare parts that used with water purifier both in the household and the industrial sector. All 3 joint venture companies have been producing products since November 2023.



## 8. Expertise of Management and Personnel

The management is of great importance to the organization as they play a role in driving the direction of the Company. With over 27 years of experience in the water system business for consumption, including drinking water purifiers, commercial water purifiers, and industrial water purifiers, the Company's management and personnel have gained experience and understanding of customer needs, business nature, operations, and various issues and situations in depth. They are able to improve and develop processes to be more efficient by using their experience or problems encountered.

With the experience and abilities of the management, the Company has seen an opportunity and a marketing niche for a new group of products, which has started this year, including water pumps and valves.

### Summary of FTI's product and services highlights

- We have a comprehensive range of water treatment products that cater to commercial, household, and industrial use.
- There are numerous product brands that can meet customers' needs in terms of price and functionality.
- The products come in various designs suitable for different customer groups.
- We specialize in recommending the appropriate products based on each customer's water conditions in their area.
- We select raw materials from various suppliers, ensuring that we get high-quality materials at competitive prices.
- Replacement filters and parts are easily available and interchangeable across multiple models.
- We can quickly source products to meet customers' demands.
- Customers receive great value for money compared to similarly priced products.
- Our retail outlets and distributors cover most areas of the country.
- Our water quality control and after-sales service help build trust with our retail outlets and distributors.

## Industry Situation and Competition

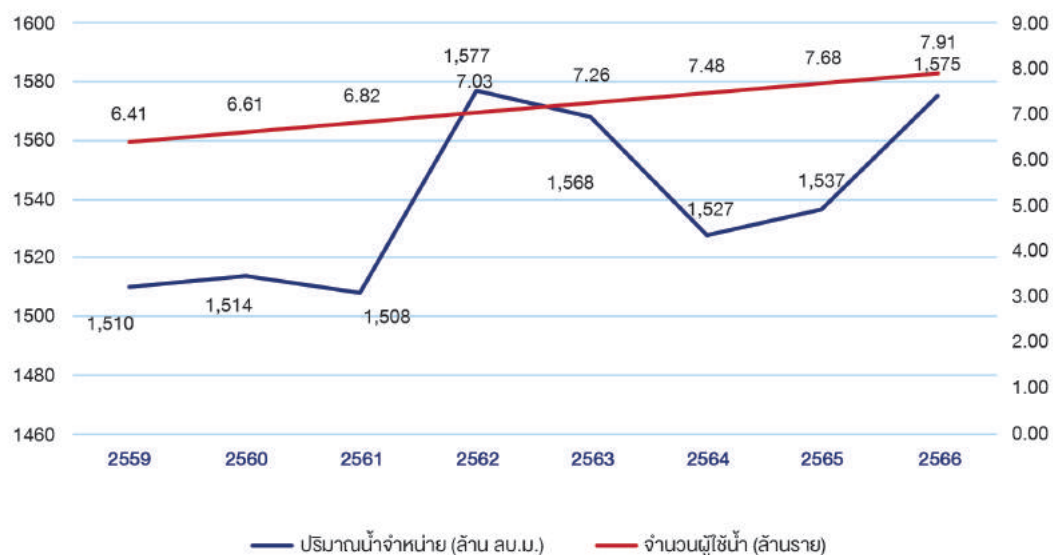
### Industry Situation

#### Overview of water purifiers and water system equipment industry

The water purifier industry has multiple players due to the opportunities for growth. This is especially true for retail operators that face high competition because they do not need to invest much and can order products from wholesalers or manufacturers both domestically and internationally without the need to produce themselves. For wholesalers, there are fewer competitors as they require higher investments and need expertise in sourcing, assembling, and manufacturing products, particularly those with various products like the Company. The management assesses that the water purifier market will continue to grow in the future, with the market value of both retail and wholesale sales exceeding 10 billion baht.

Regarding the trend of the water purifier industry in the country, as the majority of the population has access to tap water, the trend of tap water usage and the number of users could be the key factor in driving the growth of the water purifier industry.

Chart showing the number of water users and the amount of water sold\*



\*Information from the Metropolitan Waterworks Authority and Provincial Waterworks Authority  
(Note: Statistical information on the quantity of water sold from the Metropolitan Waterworks Authority that estimated from the amount of water sold in the past 6 months)

The chart indicates that the amount of tap water users and the amount of tap water sold tend to increase continuously, especially the users' Compound Annual Growth Rate (CAGR) from 2017 to 2023 is 3.56% per year, while the CAGR for the amount of water sold is 0.6% in 2022 and 2023 (estimated). The amount of water sold has increased, and it is expected that water users and the amount of water sold will increase in 2024.

The global water purifier market is trending towards expansion, similar to the market in Thailand, according to a report by IMARC Group, a leading market research company. The global water purifier market was valued at 36.3 billion USD in 2019 and is expected to expand at an average rate of 8.5% per year during 2020–2025. This is projected to result in a total market value of 59.5 billion USD in 2025 due to the rapid expansion of cities, the increasing global population, the use of chemicals in agriculture, water pollution from untreated wastewater, and industrial effluents. These factors are expected to stimulate the sales of water purifiers to meet the demand for clean water in residential and industrial sectors. This is consistent with the report by Transparency Market Research (TMR), which forecasts that the global water purifier market revenue is expected to expand at an average rate of approximately 9% per year during 2019–2027. TMR predicts that the Asia Pacific market will experience the highest growth due to population growth, increased awareness of safe drinking water, and an increase in entrepreneurs in the region.

#### Bottled drinking water market

Currently, the bottled drinking water market has a value of more than 50 billion baht1 and is continuously growing by 2–3% per year. This shows that the bottled water market still has high value and growth potential. Therefore, water filtration machines used in the production of bottled water and various filters still have high demand in the market and can increase market share even more.

In addition, the wellness trend through consumption of clean water and environmental conservation by not using single-use plastic bottles creates opportunities for market expansion in the household water filtration and coin-operated water filtration machines. The Company's water purifiers can meet both health and environmental needs.

#### Household product market

The Company surveyed the water purifier market in Thailand using a team of students from Srinakharinwirot University, coordinated and supervised by a marketing professor from the Faculty of Business Administration for Society. The professor defined the scope of the survey for the students, from identifying the target group, determining the area and number of samples to be surveyed based on statistical principles, before assigning the students to conduct the survey in their designated areas and target groups as planned. After the students completed the survey and submitted the data, the professor analyzed the information and compiled it into a report to present to the Company.

The survey covered 6,233 households in five regions throughout the country, including the central region (including Bangkok and its vicinity), the northern region, the southern region, the eastern region, and the northeastern region. The survey collected information about ownership of water purifiers, as well as the duration of use and important equipment as follow:

The following table shows the statistics on ownership of water purifiers and the duration of use and equipment.

Survey Topic	Result
Households that have water purifiers	60%
Households that do not have water purifiers	40%
Number of water purifiers purchased (Including existing ones)	2 machines
Duration of use	3 years
Filter replacement period	6 months

For distribution channels, the Company surveyed household water purifier consumption across the country in early 2021, with the following key findings:

This table shows the statistics on where consumers bought their water purifiers.

Source of Purchas	%
Direct sales companies or direct sales staff	34%
Department stores / Modern trade	31%
Water purifier stores	19%
Online	16%

From the information provided above, the Company sees opportunities to expand its distributor network, even though it may be less popular than direct sales or sales through modern trade. This is due to the anticipation of increased demand for water purifiers and water system equipment from new consumers that do not yet have water purifiers, as well as those who need to repurchase or replace their existing water system equipment, such as filter cartridges.

The household water purifier market has slowed down during the COVID-19 situation over the past 2–3 years, as end users have avoided contact with staff for installation or filter replacement services and have instead opted to purchase water purifiers online and install them themselves, without the necessary expertise or knowledge. However, the trend of expanding the household water purifier market is gradually improving as the COVID-19 situation is easing. Customers/agents with expertise with a customer base will be able to meet with end users more frequently and increase their market share in this sector by providing at-home services.

#### Commercial product market

The commercial water purifier market includes 1) bottled water manufacturers, ice manufacturers, water filtration systems for hospitals, 2) retail stores and restaurants 3) hotels and resorts, and 4) government agencies. If divided into the group of private and public sectors, private sector customers are the main customers in the service sector.

The Company evaluates that customers in group 1) are businesses related to essential consumables. This group is expected to expand due to the hot climate environment in Thailand, as well as increased health awareness due to environmental issues related to water quality and the spread of the COVID-19 virus. For the hospital business, Krungsri Research 1 expects that the revenue of private hospitals in 2021–2022 will improve, with an average increase of 4–5% per year due to structural changes, such as entering an aging society and the expansion of urban communities. Other positive factors include the trend of increasing infectious diseases, investments by hospital operators, and benefits from the government policy to promote Thailand as an international health center.

Customers in group 2) are businesses related to the livelihoods of people in the city. The Company anticipates that even during the COVID-19 outbreak, these businesses can still rely on domestic spending. Group 3) are tourism businesses that are expected to recover in 2022–2023, according to Krungsri Research<sup>2</sup>. Domestic tourism is expected to recover faster than foreign tourism thanks to continuous measures to stimulate tourism from the government.

Although the COVID-19 outbreak has impacted the service sector, there are still business opportunities. According to the National Statistical Office's water management index report for 2020, out of a total of 2.12 million service businesses nationwide, only 0.97 million or 45.76%, had good quality water systems. The need for hygienic water systems for consumption to prevent diseases will increase demand for commercial water purifiers.

For the public sector, local government agencies are responsible for supporting public utilities to meet the standard of living for people in the area. In terms of basic healthcare, the National Health Commission has initiated the "Safe Drinking Water" campaign, which requires government agencies to support local government organizations, community enterprises, or business owners to provide safe drinking water for the public by supporting budgets, academia, and other related responsibilities. Local government organizations must provide at least one safe public drinking water service in the community. In 2020, the Department of Local Administration identified a total of 7,850 local government agencies nationwide, which means that these agencies must find clean drinking water for the population in each area and should support safe public drinking water services, such as providing drinking water purifiers and community coin-operated water vending machines.

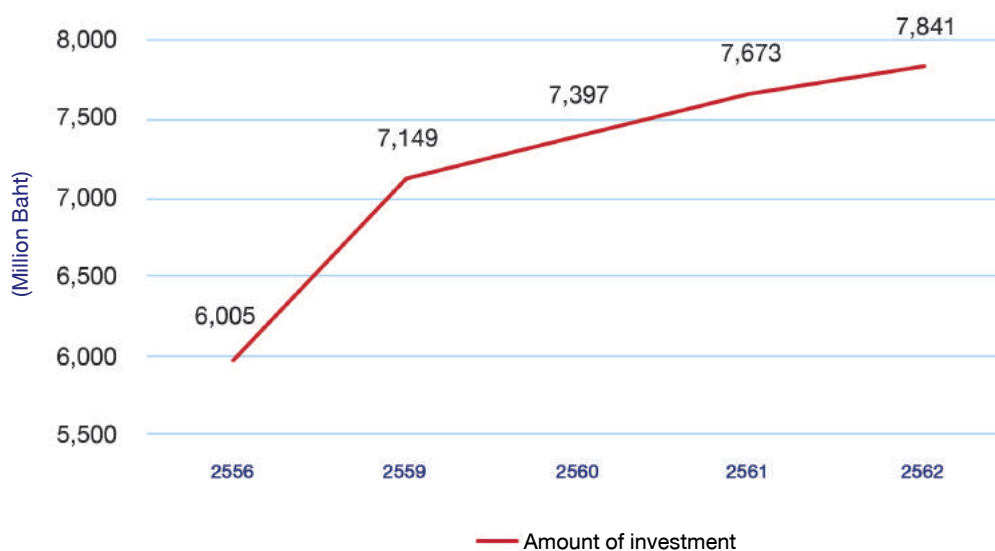
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<sup>1</sup> Krungsri Research: Thailand' business and industrial trends in 2021–2023

### Industrial product market

For industrial product trends, one factor likely to determine the growth direction is the amount of investment in industrial plants.

Chart showing cumulative investment in industrial plants\*



\* Information from the Department of Industrial Works

From the chart, the amount of investment in industrial factories has been continuously increasing. However, data from 2020 is not presented due to the new Factory Act (No. 2) which came into effect in the fourth quarter of 2019, which changed the definition of a “factory” to exclude factories with less than 50 horsepower or fewer than 50 workers. According to the new act, factory operators with less than 50 horsepower or with fewer than 50 workers do not need to apply for an operating license. As a result, small factories are not included in the database of the Department of Industrial Works since 2020, which greatly affects the number of factories and investment capital compared to 2019.

Although the trend of industrial product customers since 2020 may not be very clear, business opportunities for this customer group still exist. According to the National Statistical Office’s water management index report, for 2020, of the total 507,000 manufacturing establishments nationwide, only 237,000 establishments are using good quality water, representing 46.64% of the total.

### Pump and Valve product market

The Company sees its potential to grow in the industrial, agriculture, and residential sector (both horizontal and vertical). The growth opportunities in the industrial sector will align with the aforementioned industrial production.

As for customers in the agriculture sector, TMB Analytics predicts an increase in revenue in 2021 compared to the previous year due to the trend of increased agricultural production from increased rainfall and higher agricultural product prices from global market demand, as well as higher oil prices. This aligns with the report by the Ministry of Agriculture and Cooperatives Economic Office on the expansion of the agricultural economy in 2021 by 1.5% compared to 2020 and predicts that the trend of the agricultural economy in 2022 will expand by 2–3%.

Similarly, in the survey of the water purifier market, the Company utilized a team of students from Srinakharinwirot University, coordinated and supervised by marketing professors from the Faculty of Business Administration for Society. The survey was conducted on water pump users in households in Bangkok and its vicinity, totaling 2,042 households, in early 2021, focusing on purchasing habits and duration of water pump usage. The survey result is as follows:

Table showing the statistics for water pump ownership and replacement period

Survey Topic	Result
Households that <u>have</u> water pumps	66%
Households that <u>do not have</u> water pumps	34%
Average duration of use	11 years
Shortest duration of use	2 years

The survey result of the source of purchase is as follow:

Table showing the statistics for water pump users' source of purchase

Source of Purchase	%
Department stores / Modern Trade	33%
Water pump stores	27%
Water pump stores	27%
Online	15%

With the water flow problem in densely populated areas and multi-story residences, especially in urban areas, and based on the water pump usage survey data, the Company sees a business opportunity to promote its current business, All Solutions of Water. This will help the Company secure a complete product range, using distribution channels through the existing retailers and distributors, which will be expanded in the future. In addition, this is also a way to use the existing customer database to increase sales of new product categories.

## Competitors and Market Share

The water purifier industry in Thailand can be divided into two main groups: wholesale businesses (B2B) and retail businesses (B2C). The Company wholesales its products to general stores or distributors (Water Stores), and aims to expand sales to end users through Aquatek shops.

According to data collected on water purifier businesses in Thailand, the industry is highly competitive, especially in the retail market. However, the wholesale market, which is the main business of the Company, generally has no direct competitors of similar size.

1) **B2C Group:** This group focuses on retail sales or Business to Customer (B2C), which is considered as the Company's indirect competitors. The leading water purifier operators that are well known or familiar in the market are Amway (Thailand) Co., Ltd., Filter Mart Co., Ltd., Mazuma (Thailand) Co., Ltd., Coway (Thailand) Co., Ltd., Thiensurat Plc., Siam Cast Nylon Co., Ltd., Goshu Kohsan Co., Ltd., Siam Cleantech Co., Ltd., Aquacheme Co., Ltd. and a group of importers, etc.

The Company has analyzed the strengths and weaknesses of water purifier operators in the B2C market, which can be summarized as follows:

Competitor	Strengths	Weaknesses
Domestic Companies	<ul style="list-style-type: none"> <li>- Have multiple sales channels to directly reach end users, including direct sales of Modern trade</li> <li>- Provide free delivery and installation service</li> <li>- Installment payment available</li> <li>- After-sale services</li> </ul>	<ul style="list-style-type: none"> <li>- Potential lack of in-depth expertise in each product due to multiple brands</li> <li>- Rely on raw materials from major importers</li> <li>- high cost in opening a branch</li> </ul>
Foreign Companies (with the parent company located abroad)	<ul style="list-style-type: none"> <li>- Reliable products with international standards and certifications / high sales volume in foreign countries</li> <li>- Offer a subscription service for monthly payment, with staff service and filter replacement and upgrading to new models.</li> <li>- Notification technology when filters are due to change or detecting abnormal problems.</li> <li>- After-sale services, with satisfaction and quality guarantee.</li> <li>- Installment program</li> <li>- Have their own production plants, and their research and development team</li> </ul>	<ul style="list-style-type: none"> <li>- Higher prices of product and spare parts</li> <li>- Offer water purifiers as one of multiple products, leading to incompetent sales agents</li> <li>- Not so many service centers and small coverage</li> <li>- Concern on after-sales services due to foreign brand</li> <li>- Subscription is more expensive when compared to normal purchase</li> </ul>
Importers	<ul style="list-style-type: none"> <li>- Cheap prices</li> </ul>	<ul style="list-style-type: none"> <li>- Uneven product quality</li> <li>- difficult to maintain a long-term presence due to pricing strategies that allow new competitors to grab market share</li> <li>- Lack of good after-sales services</li> </ul>

2) **B2B Group:** This group focuses on wholesale to other businesses rather than for personal use or Business to Business (B2B). However, analyzing the actual market value of the B2B market is difficult due to the lack of clear statistical data. In general, there are no direct competitors of similar size to the Company in the wholesale market (B2B). Although there are some competitors in certain factories that manufacture water filter components. The Company is positioned as a leader in the wholesale group. Other operators in this group are Sri Arayathep Co., Ltd., P.B.K. Group Co., Ltd., Greenness Industrial Thai Filter Group Co., Ltd. etc.



### 1.2.2.3 Supply Chain and Services

#### Sourcing Suppliers

##### Sourcing primary suppliers

The main criteria for selecting suppliers are quality, price, and reliability. The main suppliers in China can fully meet the Company's needs. The purchasing, research and development departments, as well as senior executives, will work together to find suppliers based on quality and reliability assessments and select those that meet standards and have the potential to deliver products continuously to the Company.

The Company selects products, parts, and equipment separately by category from each supplier who specializes in each product type. The Company considers product quality and reasonable prices of each manufacturer to meet the needs of customers at different levels.

##### Sourcing other suppliers

Premium, Middle, and Economy In order to diversify risk and reduce dependence on primary suppliers, as well as mitigating risks from uncontrollable factors such as pandemics and political situations, the Company has sought out new suppliers in Taiwan, Ukraine, India, South Korea, the United States, and Thailand. The Company requires each product to be covered by suppliers in three categories: Premium, Middle, and Economy.

Currently, the Company purchases products from over 200 suppliers in 9 countries (including Thailand), with the majority being from foreign suppliers. In 2023, the proportion of purchases from foreign and domestic suppliers was 88% and 12% of the total purchase value, respectively. The Company does not heavily rely on any supplier, and the highest purchases proportion in 2023 was from a foreign filter distributor, accounting for approximately 15% of total purchases.

The Company's high-level executives and relevant executives will jointly consider the suppliers. The criteria for selecting and assessing suppliers are as follows:

- Product quality and strengths
- Credibility
- Ability to deliver products according to agreements and timeframe
- Prices and payment schedule
- Product claim policy and warranty

#### Supply Chain

The Company procures supplies in the form of raw materials and components to assemble into products under its own brand, and will focus on household water purifier products in the Middle and Premium categories, commercial water purifiers, and industrial water purifiers such as RO water purifiers and 5-step water purifiers, Aquatek and Star Pure brands, and Aquatek water dispensers. This includes hiring manufacturers to produce finished products in the form of OEM (the Company's brand), mainly consisting of household water purifiers, filter media, and equipment, such as Uni Pure and Fast Pure brands, Ultratek RO filters, Aquasorb and Biosis filter media, Dosag water pumps, and only some original brands.

The Company will select supplies together with suppliers, where they will send product samples for testing to the Company or the Company will buy product samples for testing at a special price (however, the Company may not need to test the samples every time if they are general products that can check the specifications from the Catalog). After the product passes the testing, the Company will proceed with the purchase order.

The Company has criteria for considering and selecting products as follows:

- Appearance, beauty, and color
- Durability and strength of the material
- Suitability of size, weight, shape
- Safety
- Usage difficulty
- Efficiency according to purposes
- Packaging strength
- Price and marketing ability

After suppliers and their products have been selected, the Company has plans and procedures for purchasing as follows:

- 1) Verify the purchase plan, conditions according to the purchase plan, and inventory quantity
- 2) Select suppliers and verify the purchase history
- 3) Compare quality, price, payment terms, procurement and delivery conditions. In the case of purchasing from foreign countries, the payment terms may include advance payment and payment upon receipt.
- 4) Coordinate with the freight forwarder to track and plan for import
- 5) Coordinate with the importers
- 6) Arrange for cargo insurance
- 7) Complete customs procedures through a shipping agent and deliver the products to the Company, taking approximately 60 days for foreign orders to be delivered to Thailand.
- 8) Inspect and receive the products into the warehouse.

### **Production and Assembly**

Currently, the Company has factories for production and assembly located at the headquarter, with a production area of approximately 1,700 square meters. The Company manufactures and assembles all types of water purifiers, which are divided into three main production groups:

- 1) **Household water purifier production**
- 2) **Industrial water purifier production**
- 3) **Commercial water purifier production**

The Company has a current capacity to produce and assemble more than 6,000 units of water purifiers per month. The production and assembly capacity depends on various factors such as the number of employees, their expertise and experience, as well as the tools and equipment used. The Company is well aware of these factors and has continuously improved the efficiency of its production processes by:

- Planning production in advance, which aligns with sales plans and inventory levels. The production order is prioritized to ensure timely delivery to customers
- Conducting quality control QC On Process during the production and QC Final Test after production, before packaging and shipment to finished products inventory.
- Reducing production and assembly time through process improvement and adding equipment to increase production speed.
- Continuously improving and monitoring the cost of production, raw materials, and components to ensure competitiveness in the market.
- Checking quantity of raw materials, components, and subcomponents to match the BOM standard.
- Create a Supply Chain system and calculate advance orders, In order to have Safety Stock for manufactured products at an appropriate level and in time for production.

### 1.2.2.4 Assets Used in Business Operations

#### 1) Details of Assets Used in Business Operations

As of December 31, 2023, the fixed assets used by the Company had net value after deducting accumulated depreciation and amortization of 267.54 million baht. Details of fixed assets are shown as follows:

Asset Type	Proprietary nature	Net value after deduction of accumulated depreciation (Million Baht)	Obligation
1. Land and land improvement	The main asset table	48.90	The main asset table
2. Factory building and office	The main asset table	163.45	The main asset table
3. Instrument	Owned	18.47	None
4. Office equipment and computer	Owned	13.52	None
5. Furniture	Owned	13.02	None
6. Vehicle	Owned	5.59	None
7. Asset under construction	Owned	4.59	None
<b>Total</b>		<b>267.54</b>	

Table showing the main assets used in business operations

As of December 31, 2023, Land and land improvement and factory and office buildings consisting of

No.	The deed Number	Area (Rai-Ngan-Squate Wa)	Value (Million Baht)		Ownership / obligation	Area used
			Land and land improvement	Building and building improvement		
1	27033	1-0-0	2.05	9.33	Company / Bank Loan Guarantee	Showroom and Office building 3
2	27032	1-0-0	3.70	16.75	Company / Bank Loan Guarantee	Office building 1, 2
3	27034	1-0-0	4.80	22.30	Company / Bank Loan Guarantee	Office building 4
4	27035	1-0-0	4.80	121.73	Company / Bank Loan Guarantee	Wahehouse
5	27036, 27037, 86750, 715	5-2-0	12.96		Company / Bank Loan Guarantee	Warehouse and production area
6	115214 (old number 17990)	1-1-22	3.0		Company / Bank Loan Guarantee	Wahehouse and Showroom
7	115214 (old number 5685)	0-1-0	1.0		Company / Bank Loan Guarantee	Wahehouse and Showroom
8	115214 (old number 17991)	1-0-22	8.0		Company / Bank Loan Guarantee	Wahehouse and Showroom

No.	The deed Number	Area (Rai-Ngan-Squate Wa)	Value (Million Baht)		Ownership / obligation	Area used
			Land and land im- provement	Building and building im- provement		
9	71966	0-1-0	0.70	12.18	No guarantee obligation	Waehouse
10	103143	1-0-23	2.96	21.46	No guarantee obligation	Waehouse
11	103142	0-2-62	4.28		No guarantee obligation	Waehouse
12	103141	0-3-49	4.28		No guarantee obligation	Waehouse
<b>Total</b>		<b>14-3-78</b>	<b>48.25</b>	<b>203.74</b>		
(less accumulated depreciation)			—	(60.24)		
<b>Total after deducting accumulated de- preciation</b>			<b>48.25</b>	<b>143.50</b>		

## 2) Details of Intangible Assets Used in Business Operations

As of December 31, 2023, intangible assets used by the Company were worth 4.73 million baht. These are computer programs and accounting programs.

## 3) Important Contracts Involved in Business Operations

- Distributor agreement between the Company and foreign suppliers

Contract Party/ Appointed	Delegate	Contract Term	Objectives
RO Filter producer from China	FTI	December 26, 2022 - December 25, 2025	To become a distributor of RO filter cartridges and water purifier components in Thailand
Water treatment valve and water softener producer from China.	FTI	December 26, 2023 - December 25, 2024	To become a product distributor, providing marketing and after-sale services in Thailand, Myanmar, Cambodia, and Laos.
Water treatment system producer from the United States	FTI	December 23, 2023 - December 22, 2025	To become a distributor of water system and water purifier components in Thailand
European water treatment company	FTI	In the process of being extended until the end of 2025.	To become a distributor of water purifier compo- nents in Thailand

- Water Store distributor appointment contract

As of December 31, 2023, the Company made contracts to appoint 21 Water Store shops, divided into 18 domestic shops separated by regions and 3 foreign shops, with details as follows:

No.	Region/Country	Province/City	Contract start date	Contract end date
<b>Thailand</b>				
1.	Bangkok-Perimeter	Bangkok (Kannayao)	May 1, 2022	April 30, 2024
2.	Bangkok-Perimeter	Bangkok (Rama 2)	June 1, 2023	May 31, 2024
3.	Bangkok-Perimeter	Pathum Thani	June 12, 2023	June 11, 2025
4.	Northern	Chiang Mai	June 1, 2023	May 31, 2025
5.	Northern	Chiang Rai	July 26, 2023	July 25, 2025
6.	Northern	Nan	June 1, 2023	May 31, 2025
7.	Northeastern	Khon Kaen	June 1, 2023	May 31, 2025
8.	Northeastern	Nakhon Ratchasima	May 16, 2022	May 15, 2024
9.	Northeastern	Roi Et	August 1, 2022	July 31, 2024
10.	Northeastern	Udon Thani	January 11, 2024	January 10, 2026
11.	Northeastern	Ubon Ratchathani	May 16, 2023	May 15, 2025
12.	Central	Chainat	July 1, 2022	June 30, 2024
13.	Central	Phitsanulok	April 4, 2022	April 3, 2024
14.	Southern	Surat Thani	March 1, 2023	February 28, 2024
15.	Southern	Nakhon Sri Thammarat	June 1, 2023	May 31, 2025
16.	Eastern	Chacheongsao	June 1, 2022	May 31, 2024
17.	Western	Tak	June 1, 2023	May 31, 2025
18.	Western	Kanchanaburi	May 16, 2023	May 15, 2025
<b>May 15, 2025</b>				
1.	Myanmar	Yangon City	August, 2022	July 31, 2024
2.	Lao PDR	Savannakhet City	June 1, 2023	May 31, 2024
3.	Cambodia	Phnom Penh City	June 16, 2022	June 15, 2024

- **Aquatek distributor appointment contract**

As of December 31, 2023, the Company made contracts to appoint 9 Aquatek shops, divided into 8 domestic shops separated by regions and 1 foreign shop, with details as follows:

No.	Region/Country	Province/City	Contract start date	Contract end date
<b>Thailand</b>				
1.	Bangkok-Perimeter	Bangkok (Kannayao)	February 11, 2022	February 10, 2025
2.	Bangkok-Perimeter	Pathum Thani	May 1, 2022	April 30, 2025
3.	Bangkok-Perimeter	Nonthaburi	August 5, 2023	August 4, 2026
4.	Bangkok-Perimeter	Samut Prakan	November 11, 2023	November 10, 2026
5.	Northern	Chiang Mai	December 24, 2022	December 23, 2025
6.	Northeastern	Udon Thani	June 12, 2023	June 11, 2026
7.	Northeastern	Nakhon Ratchasima	June 21, 2023	June 20, 2026
8.	Eastern	Chonburi	January 20, 2023	January 19, 2026
<b>Foreign country</b>				
1.	Lao PDR	Vientiane City	December 1, 2022	November 30, 2025



#### 4) Patent / Petty Patent

Type	Invention Name	Certificate Number	Issue Date	Expiration Date
Patent	Water filter	55213	May 26, 2017	May 29, 2024
Petty Patent	Water filter	13316	November 29, 2017	May 16, 2024 (1st renewal)

#### 5) Trademark

The Company has trademarks used in its business operations, divided by brand level as follows:

##### Trademarks for products registered in Thailand



Trademark Name	Trademark Number	Level of Brand	Product List	Expiration Date (renewable every 10 years)
AQUATEK		Premium	Drinking water	September 19, 2033
AQUATEK		Premium	Water purifier and accessories	December 14, 2031

Trademark Name	Trademark Number	Level of Brand	Product List	Expiration Date (renewable every 10 years)
AQUATEK	190131076 	Premium	Water purifier and accessories	under consideration
AQUATEK	468071 	Premium	Water purifier and accessories	October 3, 2031
BIOSIS	442963 	Premium	Water purifier and accessories	January 8, 2031
FIBERTEK	523942 	Premium	Water filter tank	July 9, 2033
STAR PURE	190131078 	Premium	Water purifier and accessories	July 15, 2029
STAR PURE	738668 	Premium	Water purifier and accessories	July 30, 2029
STAR PURE	393609 	Premium	Water purifier and accessories	July 28, 2029
ULTRATEK	442964 	Premium	Water purifier and accessories	January 8, 2031
ULTRATEK MEMBRANES	190131077 	Premium	Water purifier and accessories	August 15, 2029
V MOBILE 1	601801 	Premium	Tap Water Dispenser	August 30, 2025
ACOBi	1037327 	Middle	Water purifier, Water filter	April 18, 2026
APZA	561831 	Middle	Chemicals for water filtration	August 9, 2024



Trademark Name	Trademark Number	Level of Brand	Product List	Expiration Date (renewable every 10 years)
B, BIO MAX	1037329 	Middle	Water purifier Water filter	April 18, 2026
DOSAG PUMP	660736 	Middle	Pump	May 13, 2027
GREENSPA	703195 	Middle	Bath, Sauna incubator	July 27, 2028
H, HYDRO MAX	935233 	Middle	Water purifier Water filter	April 29, 2024
STARLIGHT	523943 	Middle	Sterilisers	July 9, 2033
TREATTON	393610 	Middle	Water purifier and accessories	July 28, 2029
TREATTON	190131079 	Middle	Water purifier Water filter ousing, Faucet	August 15, 2029
VIFIL EXPRESS WATER SOLUTIONS	601800 <i>Vifil Express Water Solutions</i>	Middle	Tap Water Dispenser	August 30, 2025
FP, FAST PURE	180138275 	Economy	Water purifier Water filter	November 12, 2028
TACOM	427102 	Economy	Water purifier and accessories	July 26, 2030
TACOM	190131075 	Economy	Water purifier Water filter Housing, Faucet	under consideration
U, UNI PURE	939898 	Economy	Water purifier Water filter	June 5, 2024



**Trademark for products registered in Cambodia**

Trademark Name	Trademark Number	Level of Brand	Product List	Expiration Date (renewable every 10 years)
WATER STORE	KH/92452/20 	Middle	Water purifier and accessories	June 15, 2030
TREATTON	KH/92451/20 	Middle	Water purifier and accessories	June 15, 2030

In addition, the Company has trademarks used in the business as follows:

Trademark Name	Trademark Number	Level of Brand	Product List	Expiration Date (renewable every 10 years)
FTI, FUNCTION INTERNATIONAL	220119046 	Company logo "All Solutions of Water"	Distributor of Water purifier	May 31, 2032
WS, WATER STORE	190113697 	Water Store Shop	Water purifier Water filter	April 9, 2029

However, the Company has registered several trademarks for its products in line with the Company's diversified strategy, for example:

Trademark Name	Trademark Number	Product List	Expiration Date (renewable every 10 years)
AM, AQUAMAS	180129643 	Water purifier Water filter	September 5, 2028
ECOTEC	561833 	Water purifier and accessories	August 9, 2024
ENOWA	200120052 	Water purifier Water filter Housing	June 3, 2030

ชื่อเครื่องหมายการค้า	เลขที่คำขอ / ภาพเครื่องหมายการค้า	รายการสินค้า	วันที่สิ้นสุดอายุ (อาจต่ออายุได้ทุก ๆ 10 ปี)
EXCO PLUS	180138276 	Water purifier, Water filter	November 12, 2028
L, LUMIX	180129641 	Water purifier, Water filter	September 5, 2028
OX, OXY PLUS	180129640 	Water purifier, Water filter	September 5, 2028
PANAFLO	573753 	Pump	November 23, 2024
PETT FILTER	210120300 	Water purifier Water filter Housing	June 3, 2031
PETT	220119047 	Water purifier Water filter Housing pressure water tanks Valve for faucet Faucet	May 31, 2032
SOLAR	573752 	Water sediment filter	November 23, 2024
SOVA	561832 	Valve of metal, Metal valve joints	August 9, 2024
SPRING FRESH	180129644 	Water purifier, Water filter	September 5, 2028
WATER MAN	180129642 	Water purifier, Water filter	September 5, 2028

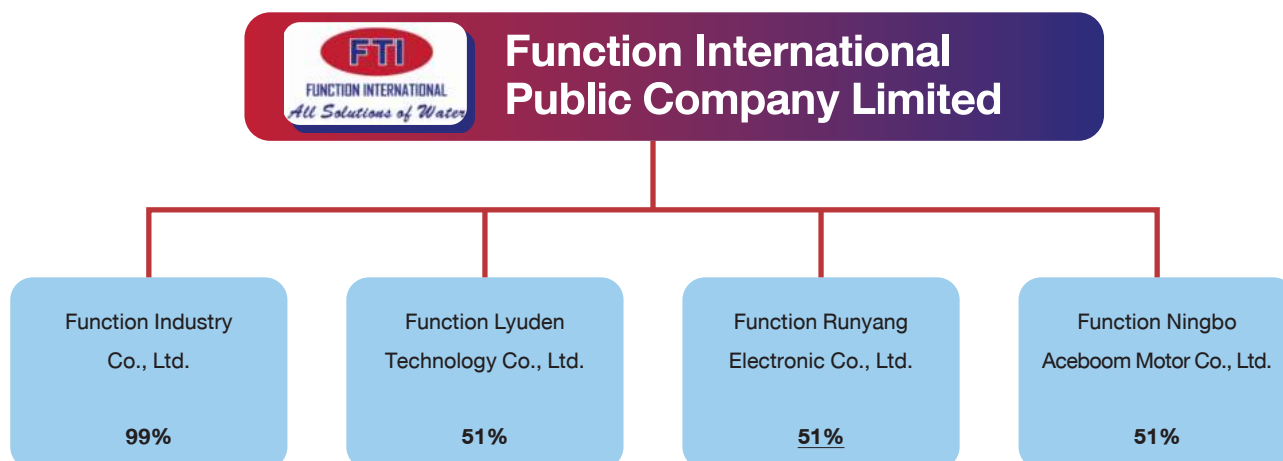
#### 1.2.2.5 Backlog

- None -

## 1.3 Shareholding Structure

### ◆ 1.3.1 Shareholding Structure of the Company Group

The shareholding structure of Function International Public Company Limited as of 31 December 2023



Company Detail	Business type	Shareholding of the company (%)	Shareholding of the other shareholder (%)	Registered Capital (Baht)
<b>Function Industry Co., Ltd.</b> <u>Registration Number:</u> 0105566209237 313 Charoen Phatthana Rd., Bang Chan, Khlong Sam Wa, Bangkok	Construction of the company's production factory, using the remaining space to operate a factory rental business, and creating a free zone area (FREE ZONE)	99.000		160,000,000
<b>Function Lyuden Technology Co.,Ltd.</b> <u>Registration Number:</u> 0105566135438 313 Charoen Phatthana Rd., Bang Chan, Khlong Sam Wa, Bangkok	To produce and assemble filters for water filtration systems, and distribute both for the market in Thailand and oversea.	50.996	41.000 (Mr. FANG, QIANG)	5,000,000
<b>Function Runyang Electronic Co., Ltd.</b> <u>Registration Number:</u> 0105566135446 313 Charoen Phatthana Rd., Bang Chan, Khlong Sam Wa, Bangkok	To produce and assemble transformer for water filtration systems, and distribute both for the market in Thailand and oversea market.	50.996	41.000 (Mr. SANG, JIANYU)	5,000,000
<b>Function Ningbo Aceboom Motor Co., Ltd.</b> <u>Registration Number:</u> 0105566141241 313 Charoen Phatthana Rd., Bang Chan, Khlong Sam Wa, Bangkok	To produce and assemble booster pump for water filtration systems, and distribute both for the market in Thailand and oversea market.	50.996	41.000 (Mr. LI, MIAN)	5,000,000

### ◆ 1.3.2. Persons Who May Have Conflicts of Interest in Shareholding in Subsidiaries or Affiliates

The Company does not have persons who may have conflicts of interest in the shareholding in subsidiaries or affiliates more than 10% of total voting shares in such companies.

### ◆ 1.3.3. Relationship with Major Shareholder's Business Group

Other businesses of the major shareholder are of different types and are not related to FTI's business, and FTI does not rely on or compete with other businesses of the major shareholder.

### ◆ 1.3.4. Shareholders

The list of shareholders as of December 31, 2023 is shown as follows:

No.	Shareholders	Number of Shares	Percent (%)
1	<b>Poovapat Group</b>	<b>303,270,500</b>	67.39
	<b>1.1 Poovapat Family</b>	<b>303,082,500</b>	67.35
	(1) Function Group Co., Ltd.	277,404,600	61.65
	(2) Mr. Vikorn Poovapat	21,297,700	4.73
	(3) Mrs. Voraya Poovapat	4,380,200	0.97
	<b>1.2 Wongkawiwit Family</b>	<b>188,000</b>	<b>0.04</b>
	(1) Mr. Arunsak Wongkawiwit	188,000	0.04
2	นายปริญ รื่นภาควุฒิ	26,300,000	5.84
3	Miss Wadiphat Vongkaveewit	6,975,600	1.55
4	Mrs. Wantana Apirakratanakul	5,528,700	1.23
5	Mr. Paiboon Aroonprasobsuk	4,089,300	0.91
6	นางสาวโอลดา เทาะเห็น	2,611,100	0.58
7	Mr. Suthee Ariyachatpadungkit	2,600,000	0.58
8	นายปรีดี ตั้งตันสกุลวงศ์	2,290,600	0.51
9	นางสาวกคพร หาญสงคราม	2,000,000	0.44
10	นายแพทย์สิทธิพงษ์ พ้าพานิช	1,856,300	0.41
<b>Total top 10 shareholders</b>		<b>357,522,100</b>	<b>79.45</b>
Other Minority Shareholders		92,477,900	20.55
<b>Total</b>		<b>450,000,000</b>	<b>100.00</b>

Function Group Company Limited is a company that conducts its business by holding shares in other companies. All of its shares are held by the Poovapat family, with a registered and paid-up capital of 130,000,000 baht, divided into 1,300,000 shares with a par value of 100 baht per share.

The list of Function Group Co., Ltd. shareholders are shown in the table below:

Shareholders	Number of Shares	Percent (%)
1. Mr. Vikorn Poovapat	645,000	49.62
2. Mrs. Voraya Poovapat <sup>/1</sup>	645,000	49.62
3. Miss Chayapa Poovapat <sup>/2</sup>	5,000	0.38
4. Mr. Tanatat Poovapat <sup>/2</sup>	5,000	0.38
<b>Total</b>	<b>1,300,000</b>	<b>100.00</b>

หมายเหตุ: /1 is the spouse of Mr. Vikorn Poovapat

/2 is the child of Mr. Vikorn Poovapat and Mrs. Voraya Poovapat

#### Shareholders' Agreement

- None -

## 1.4 Registered capital and paid-up capital

As of December 31, 2023, the Company has a registered capital of Baht 450,000,000 and a paid-up capital of Baht 450,000,000, divided into 450,000,000 ordinary shares with a par value of Baht 1 per share.

## 1.5 Others Securities Issuance

-None-

## 1.6 Dividend Policy

The Company has a policy to distribute dividends to shareholders of not less than 40% of the net profit after deduction of legal reserves in each year. However, the dividend payment may vary depending on the financial status, cash flow, investment plans, and other relevant factors, in order to maximize benefits for the shareholders as deemed appropriate by the Company's Board of Directors and/or its shareholders. The dividend payment must not significantly impact the Company's normal operations and must comply with applicable laws, regulations, requirements, or other related notices.

#### Dividend payment of subsidiaries

The Company has set a policy to pay dividends to its subsidiaries at the rate of 100% of the net profit after deduction of legal reserves for the subsidiary's separate financial statements. However, the dividend payment may vary depending on the structure and financial status and investment plans of the subsidiary. The Company's Board of Directors will approval before proposing to the shareholders' meeting or the Board of Directors' meeting of the subsidiary for consideration and approval.



# 2

## Risk Management

### 2.1 Risk Management Policy and Plans

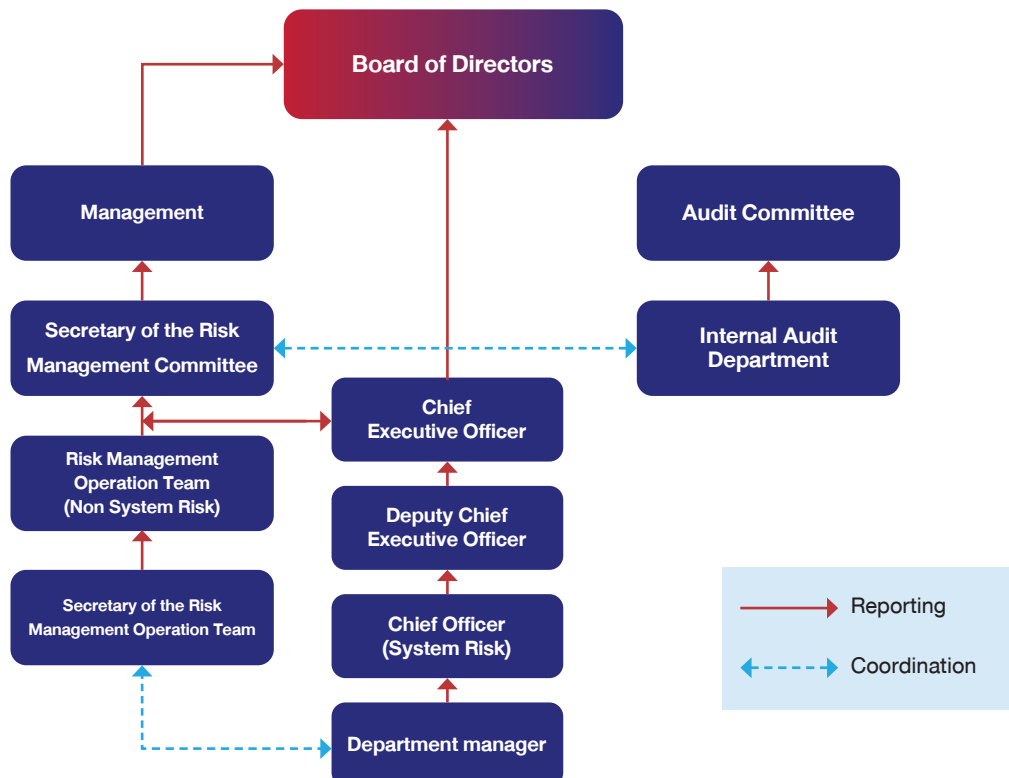
#### Risk Management Policy

The Company has established a risk management policy by setting up a risk management committee to be responsible for developing policies, implementing systems, and evaluating various risks that may arise from external factors and from internal management and operations. The policy also sets guidelines for managing and controlling risks at an acceptable level, including communication, training, and practical seminars for employees to be aware of the importance of risk management. The Company's risk management policy includes the following:

1. Promote a risk management culture to create understanding, awareness, and shared responsibility in risk control and its impact in the management and operations throughout the Company.
2. Provide risk management processes, guidelines, and measures that are of international quality and sufficient, as well as indicating, analyzing, evaluating, prioritizing, managing, controlling, monitoring, reporting and providing continuous risk-related information for implementation throughout the Company.
3. Measure risks in terms of quality, such as reputation and image of the Company, and in terms of quantity, such as losses, decreased revenue, and increased expenses, considering potential opportunities and impacts.
4. Establish risk limits to limit the potential damage at the acceptable level, and also specify events or risk levels as warning signs to prompt responsible individuals to take action and retain the risks below the limit.
5. Establishing standard operating procedures in written form to ensure that executives and employees adhere to them, controlling operational risk.

#### Risk Management Structure

The Company has its risk management structure as follows:



## Risk Management Plans

The Company's risk management plans are as follows:

Details	Month
1. The Risk Management Operation Team (ROT) arranges a meeting to summarize risk management of the previous year and prepare the plan for the current year.	January
2. The Risk Management Committee (RMC) arranges a meeting to summarize risk management of the previous year and inspect the plan for the current year.	February
3. The Board of Directors (BOD) acknowledges the risk management report of the previous year, as well as the risk management plan for the current year.	February
4. Each related party implements the risk management plan.	February – December
5. ROT arranges a meeting to follow up on the risk management progress of the organization and each department.	May
6. ROT arranges a meeting to follow up on the risk management progress of each department (every 9 months).	September
7. RMC arranges a meeting to: <ul style="list-style-type: none"> <li>- Acknowledge the risk management progress of the organization and each department (every 9 months).</li> <li>- Review the charter of the Risk Management Committee.</li> <li>- Review the risk management policy.</li> </ul>	October
8. For each related party: <ul style="list-style-type: none"> <li>- Review the risk management manual.</li> <li>- The management analyzes, evaluates, and identifies risk, as well as planning for the risk management plan for the organization.</li> <li>- Each party analyzes, evaluates, and identifies risk as well as planning for the risk management plan for each department.</li> </ul>	December – January

## 2.2 Risk Factors for Company's Business Operations.

### ◆ 2.2.1. Strategic Risk

#### 2.2.1.1 The risk from distributing products through general retailers/distributors

Most of the Company's products are sold through general retailers/distributors. In 2021–2023, the Company generated approximately 70%, 66%, and 69% of its revenue through sales via general retailers/distributors, respectively. These retailers/distributors may sell products from other companies if they can provide better returns for them.

With more than 27 years of experience, the Company has continuously developed relationships with general retailers/distributors, offering a variety of products in terms of price and usage. This includes providing services such as problem-solving, information provision, and after-sale services to develop long-term relationships with distributors. As a result, the Company had more than 600 general retailers/distributors in 2023.



Nevertheless, to create exclusive distribution channels and to reduce dependence on general retailers/distributors, the Company has developed Water Store shops, which are retailers that sell the Company's water system products exclusively, and Aquatek Shop shops, which sell the premium products only under the Aquatek brand. In 2022, the company had 21 Water Store shops and 9 Aquatek shops, both in and outside the country. The proportion of sales through Water Store and Aquatek shops combined was 31% of the Company's total revenue (24% from Water Store and 7% from Aquatek). The proportion is similar to 2021, but decreased compared to 2022, with a proportion of approximately 30 and 34 percent of total revenue, respectively.

#### **2.2.1.2 The risk from brand owners entering the market**

The water purifier business still has growth opportunities in the household, commercial, and industrial customer segments. Therefore, there is a risk that the brand owners will do their own marketing or that competitors will enter the market. The Company is aware of this risk and has a policy of importing raw materials and products from multiple suppliers to diversify the risk that may affect the Company's sales growth. Additionally, the Company focuses on water purifiers under its own brand rather than distributing foreign brands. Furthermore, in one water purifier system, the Company can select a variety of raw materials from multiple suppliers that are of high quality, cost-saving, and competitive to the competitors.

The Company conducts its business through a network of distributors in a wholesale manner, unlike other competitors in the market or some foreign competitors who primarily operate in retail sales. Therefore, the Company has a distinct advantage, along with extensive experience and long-standing relationships with customers. This includes having personnel available for after-sales services to address any issues for customers, setting the Company apart from some competitors, both domestic and foreign, who have entered the market without success due to a lack of knowledge and experience in after-sale services. Additionally, some competitors have sold products that cannot serve usage in diverse areas.

### **◆ 2.2.2 Operational Risk**

#### **2.2.2.1 The risk from the COVID-19 pandemic**

In 2023, the COVID-19 epidemic situation has improved continuously since the beginning of the year. China and other countries have a better situation, which makes it possible to visit water exhibition (Water Expo) and meet directly with manufacturers. The Company meets directly with owner-operators and is able to Choose to buy products, that make the Company can select and import new various water purifier and related products. This is different from the COVID-19 outbreak where the company was able to add only a few new products. Including negotiating product prices directly with manufacturers, this makes it possible to significantly reduce the cost of ordering products which is the main business cost. In 2023, the company can offer over 120 new water filters and new water filtration system equipment.

Moreover, the sales staff can travel to visit and meet with retailers/suppliers as usual. Meeting and visiting customers has had a positive impact on presenting and selling products. Additionally, being aware of market conditions and what retailers/suppliers need to add to the market has allowed for data collection and improvement to increase competitiveness in a highly competitive market.

#### **2.2.2.2. The risk from having large quantities of inventories**

The Company's inventories at the end of 2021-2023, compared to the total assets, accounted for 49.38%, 37.41% and 44.21%, respectively. Having a large quantity of inventory has an impact on a Company's need to manage storage space, and there is a chance that the products may move slowly or become depreciated, which could affect the Company's liquidity.

As part of the policy to be a comprehensive water system product supplier, it is necessary for the Company to have raw materials and products ready for sale to customers at all times. Being prepared with inventory and having lower costs than other distributors due to importing large quantities of products creates business opportunities for the Company and is a competitive advantage in its operations. Additionally, most of the Company's products have a long lifespan, and the technology of water filtration systems does not change rapidly.

Although maintaining high levels of inventory is one of the strategies, the Company is aware of the risks involved and has prepared an analysis report on the inventory age and movement to plan for production and distribution. The age of raw materials is one of the factors the Company considers when selecting materials to manufacture water purifiers. It can be seen that the trend of inventory to asset ratio has been continuously decreasing thanks to the Company's management. In addition, there is a plan to improve inventory management efficiency by upgrading and investing in the inventory management system as outlined in the future project titles.

### ◆ 2.2.3. Financial Risk

#### 2.2.3.1. Liquidity Risk

The Company's quick ratios between 2021 and 2023 are 0.27, 2.14 and 0.49, respectively, due to its reliance on short-term loan from financial institutes for purchasing goods.

Therefore, if the Company's business is growing in the future and it cannot obtain sufficient funds from the financial institutes for purchasing goods, it may encounter a liquidity crisis which may affect the operation of the Company's business.

However, the Company is confident that it can manage this liquidity challenge and maintain its business continuity as a result. The Company's average collection period is 19 - 21 days based on its cash sales or short-term loan provided to its customers. Meanwhile, the Company's average payment period is 90 - 180 days. The cash obtained from the sales will be used for payment of the Company's domestic debts while its debts with foreign creditors will be paid by a short-term loan obtained from a trust receipt creditor under a contract. Furthermore, the Company has obtained a fresh capital from the sale of its newly issued shares during the IPO which will be used for Aquatek and Water Store expansion and reserved cashflow. This would increase the Company's revenues, increasing Company's liquidity and reducing its reliance on short-term loans from financial institutes. In addition, the Company will inject its IPO's cash into its investment in the manufacturing, assembly and modification of its warehouse to improve the management of its inventory, production time and import, thereby improving the Company's quick ratio.

#### 2.2.3.2. Risks Associated with Reliance on Loans from Financial Institutions

As of December 31, 2023, the Company mainly relies on the loans from financial institutions to purchase goods and products. The total amount of its short-term loans is 570 million baht. However, the Company has obtained 135 million baht on a long-term loan to finance its construction projects for a showroom, warehouse and production unit. The Company's total debts as of December 31, 2023 is 349.36 million baht, making its debt to equity ratio equal to 0.48 (based on total debts). Between 2021 and 2023, the Company's financial costs are 2.85 million baht, 2.36 million baht and 4.37 million baht, respectively. The Company fixes its D/E (debt to equity ratio) at 2:1 and maintains its DSCR (debt service coverage ratio) by calculating its earnings before interest, taxes, depreciation and amortization divided by long-term liabilities due, and payable in each accounting period, including long-term and short-term loan interest of no less than 1.25.

If the sales and services are not in accordance with the plans, the reliance on the financial loans will cause financial instability and the ability to repay interest and principals to the financial institutions. This will affect the business operation of the Company significantly.

However, after the Company has been listed in the Stock Exchange of Thailand, the cash obtained from the IPO has been used to increase its liquidity, reducing the reliance on the loan from financial institutions and financial costs.

Furthermore, the Company has always been able to meet its financial obligations with the financial institutions. As of December 31, 2023, the financial statement of the Company shows that the Company's D/E and DSCR is 0.48 and 10.90, meeting the Company's requirements about the D/E and DSCR.

Based on these reasons, the Company is positive that it will be able to obtain financial support from the financial institutions. In addition, the Company has not exhausted the funds from its short-term credit and its financial costs are reducing. Therefore, the Company still has the remaining funds from its existing loans from the financial institutions.

### **2.2.3.3. Exchange Rate Risk**

The Company mainly orders raw materials and goods from abroad. Between 2021 and 2023, the total amount of import for raw materials and goods from foreign traders accounts for 90 percent of total purchase. These purchases are made in US dollars while the Company earns in Thai baht. This can cause an exchange rate risk if the US dollars are strong against the weaker Thai baht which will increase the cost of the goods and reduces the Company's profits. Nevertheless, the Company has never experienced any significant exchange rate risk that can affect its performance. Between 2021 and 2023, the Company retains profits (loss) from the foreign exchange rate of 1.08 million baht, (4.60) million baht and 2.58 million baht, respectively.

The Company reduces its exchange rate risk by entering into a forward contract when it needs to order goods from abroad. The Company's executives will manage the exchange rate risk by monitoring the financial trends closely and conducting the trend analysis of the baht based on the information from the financial institutions. The Company has no policy to make a speculation on the exchange rate.

## **◆ 2.2.4. Investment Risk for Shareholders**

### **2.2.4.1. Risk from Reliance on Major Shareholder**

Currently, the Poovapat family is the major shareholder of the Company, accounting for 67.35 percent of all paid-up capital (held by individuals and Function Group Co., Ltd.). The Poovapat family can control the way the resolution is passed in terms of the election of directors or other matters that need a simple majority except for the matters required by the law or the Company's Bylaws to obtain a 3/4 of the votes e.g., capital increase, capital reduction, sale or transfer all or part of the business. Therefore, other shareholders may not potentially gather enough votes to launch investigation into what the major shareholders have proposed.

Nevertheless, the Board of Directors has appointed more than half of the directors as independent committees, which are 6 out of 11 directors, to attend the board meeting, inspect the operation of the Board of Directors and Company's executives, and approve necessary matters before proposing them to the shareholder meeting to ensure shareholders of transparent internal operations.

### **2.2.4.2. Risk of investing in foreign securities**

- None -

### 3.1 Sustainability Management Policy and Goals

#### Sustainability Management Policy

The Company is committed to conducting its business on the basis of good corporate governance with the ultimate goal of achieving sustainability that creates shared economic, social, and environmental value in the Company's supply chain and to improve the sustainable development. The Company has therefore established a sustainable development policy with the following key elements:

1. Upholding business operations with fairness, transparency, and good corporate governance, placing importance and respect to human rights, treating customers, partners, competitors, and workers equally and fairly, being responsible to consumers, concerning the health and safety of workers, promoting and encouraging employees to preserve the environment, and developing communities and societies to have a better quality of life.
2. Emphasizing that the Board of Directors, executives, employees, and staff at all levels have a duty to support, promote, and carry out work in accordance with the sustainable development policy until it becomes a culture that considers balanced benefits in terms of economics, society, and the environment.
3. Creating awareness and responsibility towards sustainable development, which will ensure confidence that the Company will develop the economy in line with social and environmental benefits and stakeholders, as well as promoting continuous responsible operations throughout the value chain of the organization.
4. Committed to developing personnel and bringing knowledge and expertise in the water business to participate in improving the quality of life of the community sustainably.

#### Sustainability Strategies and Goals

Topic	Sustainability Strategies	Sustainability Goals
1. Development and maintenance of human resources	The Company will treat employees equally and fairly, and prioritize their occupational health and safety, as well as promoting work-life balance and continuously developing employee skills.	<p>1.1 Set a goal to achieve 100% training completion for all training topics according to the annual training plan.</p> <p><b>Performance in 2023</b> : Training can be organized according to the annual training plan 100%.</p> <p>1.2 Reduce employees' work stoppages of more than 3 days due to accidents to zero.</p> <p><b>Performance in 2023</b> : No accidents resulting in lost time for more than 3 days (zero accidents)</p>

Topic	Sustainability Strategies	Sustainability Goals
2. Environmental, Social and Governance Risk Management	The Company will conduct business responsibly, respect human rights, comply with government laws and regulations strictly, and manage risks and impacts on the environment, society, and governance, both directly related to the Company's operations and within the supply chain.	<p>2.1 Promote Corporate Social Responsibility (CSR) activities and projects by encouraging the participation of employees at all levels and stakeholders, to develop sustainable relationships between the Company, customers, partners, investors, and related communities.</p> <p>2.2 Control the release of greenhouse gases by raising awareness among all employees about the efficient and effective use of resources, following the 3R principle of Reduce, Reuse, Recycle.</p> <p><b>Performance in 2023 :</b> The Company has continuously campaigned on the efficient use of resources. The Company is in the process of collecting data on the organization's greenhouse gas emissions to set further greenhouse gas reduction targets.</p>
3. Service access support	The Company will support access to services for retail, commercial, and organizational customers, in order to create a strong foundation for the economic system.	<p>3.1 Continuously expand distribution channels/stores, with a focus on developing sustainable relationships between the Company, customers, partners, investors, and related communities as an alliance to maximize benefits for all parties.</p> <p><b>Performance in 2023 :</b> The Company has expanded main distributors to a total of 6 additional branches, while in 2024 it plans to expand approximately 20 additional branches.</p> <p>3.2 Source and develop water-related products at fair prices to provide customers with various options and meet their needs.</p> <p><b>Performance in 2023 :</b> The Research and Development Department has developed new products, with a total of 123 new product documents issued.</p>

Topic	Sustainability Strategies	Sustainability Goals
4. Conducting business under good governance principles	The Company will adhere to good corporate governance principles and the code of conduct, and communicate them to all stakeholders both internally and externally.	<p>4.1 Utilize information technology to increase business opportunities and create innovation that adds value to the business while generating benefits for customers or stakeholders.</p> <p>4.2 Ensure compliance with good corporate governance principles and the Company's code of conduct, without any actions that violate laws, regulations, and standards.</p> <p>4.3 Reduce or avoid receiving complaints and/or lawsuits from customers, partners, government agencies, business partners, and other stakeholders.</p> <p><b>Performance in 2023 :</b> The company has no complaints. and/or have any lawsuits filed.</p>

In 2023, the company has prepared and analyzed SWOT from gathering opinions of employees throughout the organization. The company has taken the suggestions and prioritized them before developing them into projects to be implemented in 2023. Overall, the implementation of various projects has greatly improved the efficiency of the organization. There are examples of projects that have been implemented and achieved results as follows:

- Improving the work process of the warehouse department, which can increase efficiency and shorten the time for receiving goods as targeted.
- Improving the production process results in increasing the efficiency of product production by more than 5,000 units per month (maximum more than 7,000 units per month) as well as reducing production costs as targeted.
- New product development by the research and development department which can develop a total of 123 new products.
- Upgrading the hardware and software of the Information Technology Department which helps support more stable operation.
- Improving research and development tools that help streamline research and inspection workflows.

## 3.2 Management of Impact on Stakeholders in Value Chain

### ◆ 3.2.1 Business value chain

The Company emphasizes the value chain management in terms of sourcing raw materials and supplies, production and assembly, distribution, sales and marketing, and after-sales services, with a focus on meeting the quality of life for consumers and improving the quality of life and environment for all stakeholders throughout the value chain.

Sourcing raw materials and supplies	Production and assembly	Distribution	Sales and marketing	After-sales services
<p>The Company emphasizes efficient, transparent, and quality-oriented procurement processes, focusing on purchasing from various suppliers who specialize in each aspect from multiple sources to obtain quality, cost-effective products and reduce the risk of monopoly and shortages. In addition, the Company aims to collaborate with suppliers in various areas for sustainable growth.</p>	<p>The Company emphasizes the production process from research and development to design products that meet the needs of consumers, planning for efficient operations supported by technology, reducing waste and pollution, and conducting quality checks to ensure that products meet quality standards.</p>	<p>The Company emphasizes developing and expanding its distribution network to cover all areas, including managing and planning delivery to reduce distribution costs and ensure safe and quality delivery to consumers.</p>	<p>The Company focuses on communication and public relations that demonstrate responsibility to society and consumers. It communicates and provides accurate information through various appropriate channels. There are channels for listening to feedback that provide opportunities for consumers and stakeholders to express their opinions to improve and develop the Company's work, including organizing training and seminars for distributors to constantly share new knowledge.</p>	<p>The Company emphasizes customer and stakeholder satisfaction by conducting regular surveys and collecting feedback and complaints from customers. It also provides channels that allow stakeholders to provide suggestions to improve and enhance the efficiency of the operations. At the same time, the Company has developed various CSR projects to build sustainable relationships with communities and society.</p>

### ◆ 3.2.2 Analyzing stakeholders in the value chain

To conduct business successfully and in line with its mission, the Company has analyzed stakeholder groups involved in the business operations both inside and outside the organization that are related to the value chain in order to manage the relationship with each stakeholder group appropriately.

Stakeholders	Expectations and concerns	Guidelines for treatment	Participation channels
Customers/ Distributors	<ul style="list-style-type: none"> <li>• Prioritizing customers</li> <li>• Product responsibility</li> <li>• Product quality</li> <li>• Timely delivery</li> <li>• Confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>• Oversee business with transparency, fairness, and inspectability</li> <li>• Establish an anti-corruption policy</li> <li>• Manage quality with global standards</li> <li>• Maintain ethics to ensure customers' confidentiality</li> <li>• Develop quality products that can meet the needs of customers</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Customer visit</li> <li>• Arrange meetings with contributors</li> <li>• Participate in activities with customers</li> </ul>
Partners/ Suppliers	<ul style="list-style-type: none"> <li>• Comply with the terms and conditions of payment fairly</li> <li>• Fair and transparent pricing competition</li> <li>• Continuously use products and services of partners</li> </ul>	<ul style="list-style-type: none"> <li>• Treat all partners with fairness and equality</li> <li>• Increase the efficiency of work related to procurement</li> <li>• Maintain partners' confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the Company's procurement regulations</li> <li>• Jointly operate business with transparency, fairness, and equality</li> <li>• Maintain partners' confidentiality</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Appropriate compensation and welfare</li> <li>• Have equal rights</li> <li>• Receive promotion</li> <li>• Safety at work</li> <li>• Training plans to develop knowledge and skills</li> </ul>	<ul style="list-style-type: none"> <li>• Provide appropriate and fair returns, with assessments and performance indicators.</li> <li>• Provide equal treatment</li> <li>• Organize the environment and space suitable and safe for working</li> <li>• Provide complaint channels for employees who are unfairly treated</li> </ul>	<ul style="list-style-type: none"> <li>• Arrange activities for executives to meet employees or monthly/ quarterly meetings</li> <li>• Listen to opinions and complaints from employees</li> <li>• Employee happiness survey</li> <li>• Safety news</li> <li>• Training and skills development according to the annual plan</li> </ul>
Shareholders/Investors	<ul style="list-style-type: none"> <li>• Benefits according to laws</li> <li>• Equal treatment to all shareholders</li> <li>• Legal compliance, transparency, inspectability, and good corporate governance</li> <li>• The Company has good performance and good financial position, as well as stability</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the laws, rules, and regulations to treat shareholders in accordance with good corporate governance principles</li> <li>• Ensure the equal, accurate, and clear information provision</li> <li>• Pay dividends appropriately</li> </ul>	<ul style="list-style-type: none"> <li>• Annual General Meeting of Shareholders</li> <li>• Quarterly performance presentation</li> <li>• Analysts meeting</li> <li>• Open days</li> <li>• Factory visit for investors</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Be friendly to the nearby communities, taking into account the potential impact on society and communities</li> </ul>	<ul style="list-style-type: none"> <li>• Organize activities with the communities</li> <li>• Inquire about the needs of the people in the communities</li> <li>• jointly formulate common practice and support activities</li> </ul>	<ul style="list-style-type: none"> <li>• Listen to opinions from the communities</li> <li>• Report the complaint to the office.</li> </ul>



## 3.3 Environmental Sustainability Management

### ◆ 3.3.1 Environmental Sustainability Policy and Practices

The Company focuses on providing water-related services, which are a primary business alongside environmental care. It has implemented a policy for conducting business under environmental sustainability standards, with a production and operational system that efficiently utilizes resources and energy while controlling and preventing environmental pollution. The Company has also implemented a systematic environmental management approach, with ongoing monitoring, evaluation, and feedback for continuous improvement. In addition, the Company adheres to a policy of caring for and maintaining relationships with nearby communities, supporting community activities regularly. It undertakes various projects that consider the appropriateness and benefits that communities and society can receive for sustainable development.

### ◆ 3.3.2 Performance of Environmental Sustainability Policy

The Company has been operating with a focus on environmental safety in every process. For example, it conducts surveys and reports on environmental impacts before construction takes place, and establishes systems and regulations to prevent adverse effects on the environment and surrounding communities. This includes managing energy usage, water consumption, waste, and hazardous materials, as well as greenhouse gas emissions, with details as follows:

#### Energy Management

Electricity is considered a critical resource in conducting business, so the Company emphasizes energy conservation. All buildings, including those under construction, use LED light bulbs to reduce energy consumption and lower temperatures from heat emissions. Various energy-saving measures are implemented such as setting timers for turning lights on and off, shutting down air conditioners and computers during lunch breaks, and using energy-efficient air conditioners.

The Company also focuses on using environment-friendly alternative energy to reduce costs associated with electricity usage. By the end of 2022, the Company selected a specialist to install solar panels for producing electricity on the roofs of its offices and factories. The first phase has a production capacity of 196.35 kilowatts and is expected to generate approximately 260,000 kilowatt-hours per year (kWh/year). In addition, the Company plans to install additional solar panels on the rooftops of the new building in the next phase, and is committed to seeking technology and innovations to maximize energy efficiency for the organization and to develop sustainable business development.



### Water Management

Water is considered one of the important factors in conducting the Company's business, as its main products are involved in developing the quality of drinking water. There is a campaign to raise awareness among employees about using water in the operations efficiently and for the maximum benefit, in order to achieve objectives and targets. Therefore, the Company has a policy to develop products that use water efficiently, choose equipment and products that are certified as water-saving for installation in the Company's office building, and have a grease trap system in the office building to filter out pollutants before releasing wastewater into the public drainage system. The Company also uses water without impacting the community's water usage.

### Garbage, Waste and Pollution Management

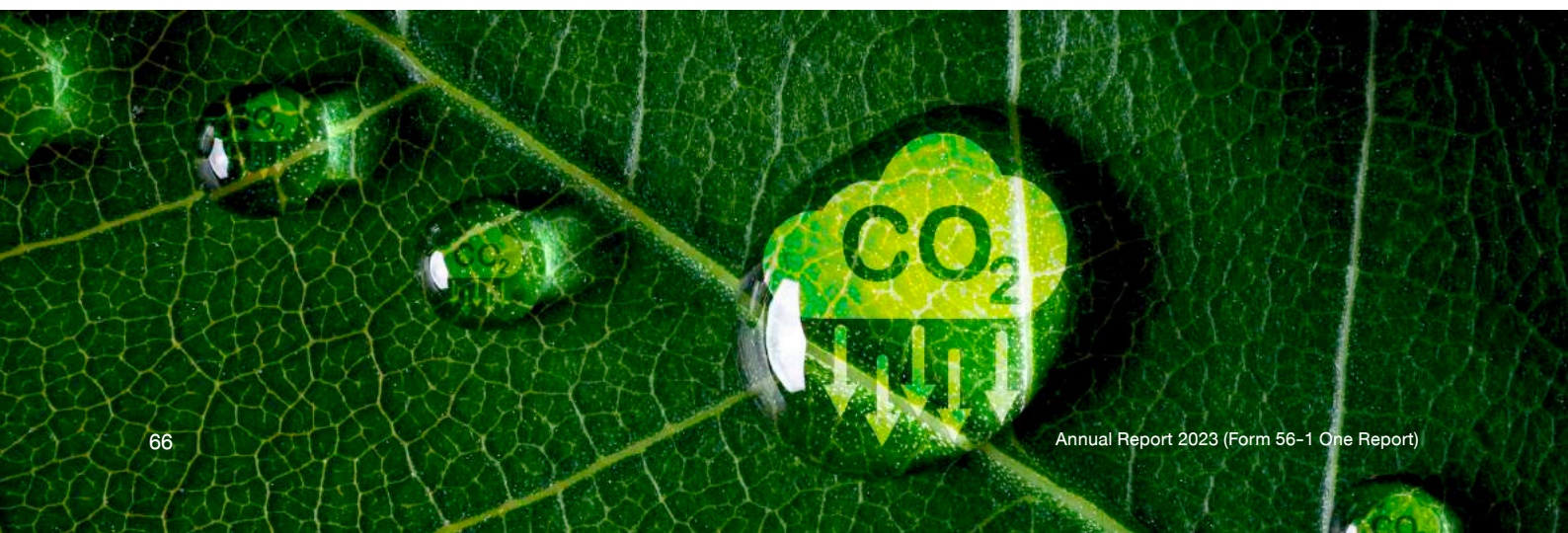
The Company aims to reduce waste, garbage, and pollutants from its production for the surrounding society and communities. This is achieved through quality evaluation of waste, garbage, and all pollutants, separating and collecting waste, and outsourcing disposal services. The Company complies with relevant legal standards and emphasizes maximizing the efficiency of natural resources by reusing surplus or leftovers from production. Additionally, the Company has a production waste treatment system that is of quality and standards, with assessment of environmental management accurately.

In this regard, the Company has developed information technology to help reduce the amount of printing and paper usage by creating various digital forms for approval and campaigns to encourage employees to use resources efficiently by using both sides of paper and storing documents in a soft file format instead of paper. Furthermore, the Company measures the quality of the environment in office areas and surroundings at least once a year. In 2023, it was found that the standard values for noise and heat were within the legal limits. However, for the measurement of light intensity at 100 areas, two were found to be below the standard, which accounted for 2%. The Company, as a result, promptly corrected the light intensity levels to meet the standard for suitability and safety in the operations.

### Greenhouse Gas Emission Management

The changes in the global climate caused by greenhouse gas emissions are the cause of global warming. Therefore, the Company is committed to addressing this problem by pledging to reduce greenhouse gas emissions resulting from its business operations and working with stakeholders to reduce emissions to the maximum extent possible. The Company has plans to assess and report on its greenhouse gas emissions in accordance with the Carbon Footprint guidelines of the Thailand Greenhouse Gas Management Organization (TGO) or other equivalent international standards, as well as regularly reviewing the data accuracy with external experts.

In 2022, the Company established a sustainability management task force and sent employees and executives to participate in Carbon Footprint for Organization training courses. The Company also began collecting data on greenhouse gas emissions from all its activities. In 2023, the Company has hired consultants "A center of expertise in environmentally friendly business strategies. Faculty of Environment Kasetsart University (V-Green)" to develop plans and collect data on greenhouse gas emissions from all activities. The company has completed the preparation of information to identify the sources of greenhouse gas emissions in Scope 1 and 2. There is still some information on identifying Scope 3 that is being processed. It is expected to be completed in 2024, and summarize the report for auditors to review and use as data to set targets and develop plans to reduce greenhouse gas emissions from the organization in the future.



## 3.4 Social Sustainability Management

### ◆ 3.4.1 Social Sustainability Policy and Guidelines

The Company has a policy to conduct business that is beneficial to the economy and society, and is committed to being a good citizen and fully complying with relevant laws and regulations. The Company is dedicated to developing and promoting the quality of life of the communities in which it operates, in tandem with the growth of the Company. In terms of social practices, the Company is committed to conducting business with respect for human rights and a sense of responsibility towards stakeholders, society, and the nation, as demonstrated in the following practices:

#### 3.4.1.1 Conducting Business with Fairness

The Company has established guidelines for caring for stakeholders in its code of conduct, with a focus on responsibility towards stakeholders, including shareholders, employees, customers, partners, contractors, communities, society, and the environment. Additionally, the Company promotes fair competition and avoids conducting activities that may lead to conflicts of interest and intellectual property infringement, as well as opposing all forms of corruption. The guidelines are as follows:

1. Adhere to a good competition framework, promoting free and fair competition and avoiding nepotism or collusion.
2. Shall not seek confidential information of competitors through unethical or inappropriate means, such as bribing employees of competitors.
3. Shall not attempt to damage the reputation of competitors by making false or malicious statements.
4. Shall not support any activities that involve intellectual property infringement, and use products and services that are legitimately licensed.

In 2023, the company has treated business competitors within the framework of good competition rules, without complaints or disputes with any business competitors.

#### 3.4.1.2 Anti-Corruption Policy

The Company has an anti-corruption policy focusing on promoting ethics, morality, and transparency in business operations according to its code of conduct. This includes having an effective management system that is transparent and inspectable, promoting training and creating awareness among employees about the potential corruption, and ensuring compliance with anti-corruption policy and guidelines. The Company has specific policy and guidelines in place to combat corruption.

#### 3.4.1.3 Respect for Human Rights

The Company emphasizes the respect for human rights and aims to create equality both within and outside the organization. The Company will not engage in any actions that violate the individual's freedom of direct or indirect rights, and has policies that support and respect human rights protection by ensuring that the operations do not involve any human rights abuses such as forced labor and child labor. The Company respects and treats all parties fairly and on the basis of human dignity, without discrimination based on place of birth, race, gender, age, skin color, religion, physical condition, status, and lineage, as well as promoting vigilance in complying with human rights principles within the Company. This also includes promoting human rights principles according to international standards and protects the rights of affected parties who suffer from human rights violations resulting from the operations by providing compensation not less than the rate prescribed by law.

In 2023, the Company assessed human rights risks in order to identify, analyze, and determine control methods to prevent or reduce risks that may occur, including labor, suppliers, customers, the environment, etc. The evaluation criteria will be based on two main factors: the likelihood of occurrence and the impact. In addition, the Company has taken steps in many areas to prevent violations of human rights that may occur. For example, resisting and not using child labor. Providing opportunities for foreign workers and disabled workers to become part of the company. Welfare care and various benefits are in accordance with the standards that should be received. Treating the company's personnel and stakeholders equally and equitably, including taking care that the company's business will not be involved in the violation of rights and freedoms.

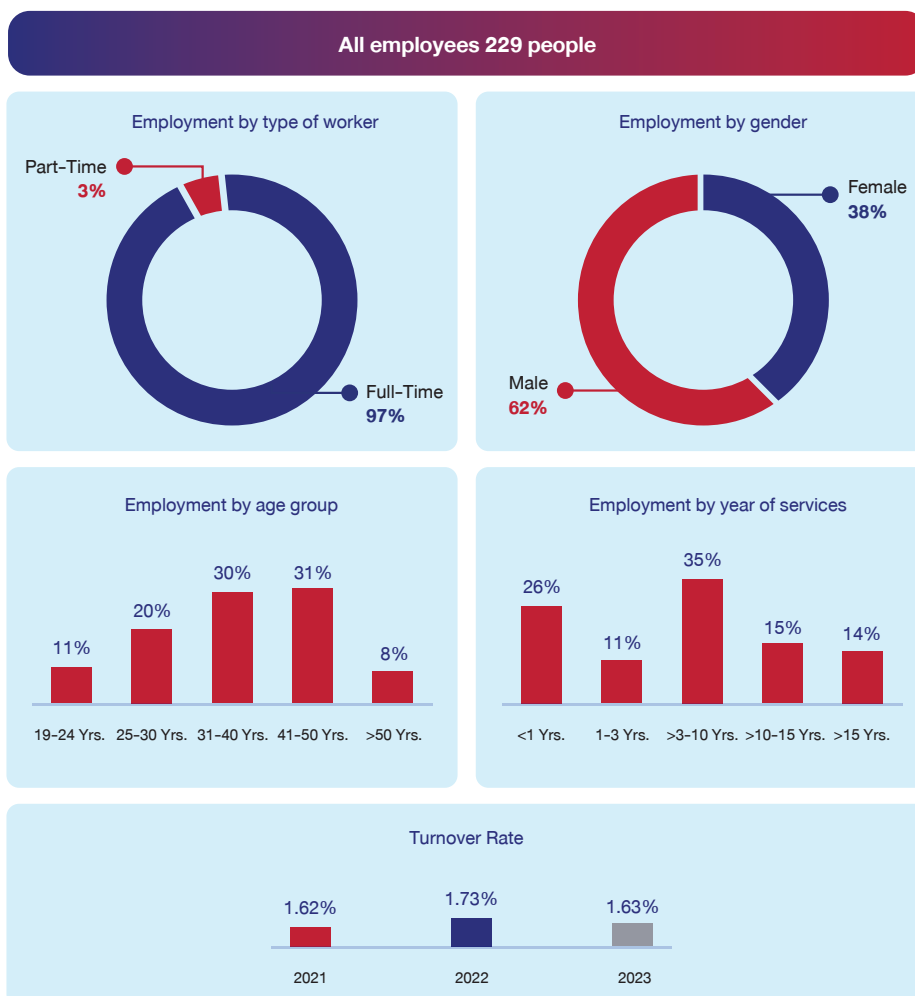
In 2023, the Company had no complaints or disputes regarding human rights violations from the Company's business operations.

### 3.4.1.4 Fair Treatment of Employees

The Company has a policy to provide all employees with a happy working environment where everyone can work together and accept each other. The Company treats employees at all levels like siblings and does not discriminate against anyone. In terms of employee care, it manages human resources at every stage to achieve maximum efficiency, from recruiting personnel, developing personnel, and providing continuous training for employees, with fair compensation and benefits. This includes promoting and supporting opportunities for employees to advance and learn at all levels of the organization to enhance their professional skills in a suitable working environment as follow:

#### 1) Employment policy

The company has an employment policy that emphasizes equality, without any discrimination on gender, race, religion, marital status, Pregnancy and maternity leave, and various work characteristics.



## 2) Employees' compensation and benefit policy

The company has a policy of paying fair compensation, Including creating career stability and having fair career advancement opportunities. The Company also provides various welfare for employees as required by law, such as social security, provident fund, and apart from the law such as health insurance, employee uniforms, including financial aid such as support for the funeral of staff's parents, monthly and annual diligence allowances. low interest welfare loan, special prizes for employees who have worked for 10, 15, and 20 years etc.

The Company has set the employee wage rate not less than the minimum wage rate specified by law, Including determining the starting wages of employees separated by qualifications and position-specific qualifications and work experience. The salary increase criteria will be in accordance with the results of employee evaluations that the company has set in 4 elements: job success, Work-related behavior, disciplinary evaluation results and operating results of the Company.

## 3) Promote employee engagement

In 2023, the Company surveyed employees' motivation, morale, and job satisfaction. Overall, the company's employees had morale and job satisfaction at a moderate level of 33%, very high at 36%, and the remaining 31% had satisfaction at a lower than moderate level.

The employee turnover rate in 2023 was 1.63%, decreased from 2022 which was 1.73%. All employee resignations in 2023 were voluntary resignations due to personal needs, such as doing personal business, re- turn to live in other provinces, etc.

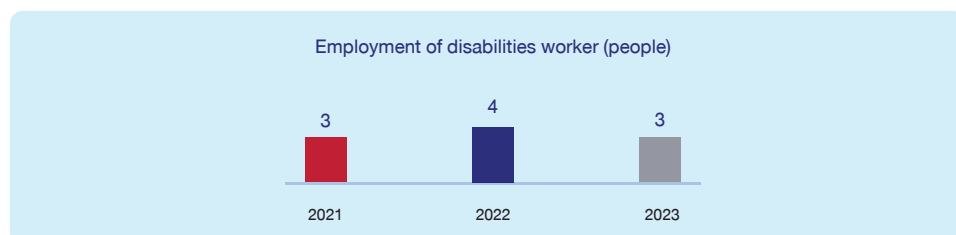
In 2024, the Company plans to increase employee satisfaction and engagement under the "8 Happy Workplace" project that will focus on the participation of employees at all levels and will have continuous activities every month in Year 2024



## 4) Employment of disabilities and underprivileged policy

The Company emphasizes the importance to improve the quality of life of the disabled and underprivileged, and encourage opportunities to demonstrate abilities, earn income, self-reliant and to be a part in strengthening their family's financial status and the country's economy.

In 2023, the Company employ a total of 3 disabled workers in compliance with the Persons with Disabilities Empowerment Act B.E. 2007, which is in accordance with the full ratio as specified the law.



## **5) Human resource training and development policy**

The Company has a policy to promote employee development by encouraging employees to develop knowledge, abilities and potential, a good attitude, morals and ethics, and teamwork. Through a process of training, seminars, and field trips in order for employees to be developed efficiently. In addition, the Company also supports the development of the organization and human resources by emphasizing efficient work processes, clearly defining the roles and responsibilities of employees, determine appropriate compensation, develop appraisal systems and increase employee performance.

In 2023, the company has 10 training courses which can be trained 100% according to the plan. There are a total of 146 employees who have undergone training, or 64% of the total number of employees, and there are a total of 1,206 hours of training which is an average of 5.3 hours per employee per year. There are a variety of training courses that cover necessary skills included All Solution For Sale Force, Happy Life Happy Word, Power BI Desktop For Business Analytics, Supplier Relationship Management (SRM), etc.

## **6) Occupational Health and Safety Policy**

The Company has established policies that support employees to work safely and maintain good hygiene in the workplace. The Company focuses on preventing accidents that may occur to the best of its ability and will strengthen employees' awareness of safety, as well as provide knowledge through training and encourage employees to have good health (and not do anything that is detrimental to the health of customers or service recipients), including always maintaining a hygienic and safe workplace. In 2023, the company has implemented safety and occupational health guidelines as follows:

### 6.1) Occupational health and safety activities

The Company encourages all employees to be conscious of occupational health and safety through education and training. As well as campaigning for continuous safety awareness building projects. There are activities that have been carried out in 2023, including safety talk, safety Day, 5S, big cleaning Day, analysis of safety work procedures (JSA), safety campaign activities, annual firefighting training, training in driving a forklift correctly and safely, and campaign activities to reduce accidents from work to zero

### 6.2) Accident statistics / absenteeism rate / sickness rate

In 2023, the Company reported a total of 6 accidents arising from work, of which 5 accidents occurred without time off work and 1 time there was a work break of no more than 3 days, which was caused by negligence and non-compliance safety regulations. The Company has measures to prevent and alleviate the risk of accidents by analyzing of safety work procedures (JSA) together with departments that frequently have accidents, namely the factory department and warehouse department. Including suggesting additional measures for implementation, such as requiring new employees to receive training from their supervisors before starting work, wearing safety shoes at all times while working, checking tools everytime before and after use, additional lighting improvements in risky areas, etc.

## **7) Establishment of a Welfare Committee in the workplace**

The Company requires the appointment of a Welfare Committee in the workplace in order to comply with the provisions of the Labor Protection Act of 1998 to act in discussions with employers to provide welfare to employees, providing recommendations to employers in providing welfare for employees, performing duties in inspecting and supervising welfare arrangements that employers provide to employees. As well as offering opinions and guidelines for providing beneficial welfare for employees to the Labor Welfare Committee, and holding elections for the committee every 2 years.

In order to have a process for employees to participate in offering desired and appropriate welfare. In 2023, the Company has organized an election for a welfare committee in the workplace for employee. After the election, the results of the election of 8 employees representatives were announced to act as representatives in offering opinions on various welfare benefits that are beneficial to the employees and the Company.

### 3.4.1.5 Customer Responsibility

The Company has a policy focusing on conducting business with customers (who are also consumers) with honesty and integrity, while adhering to the terms of the contracts made with customers and complying with the standards set by the law. In addition, the Company emphasizes quality control and safety throughout the production process, recognizing that “quality and safety” are the essential foundation of conducting business. The Company prepares high-quality personnel alongside strict measures to ensure quality assurance throughout the process, from raw materials to finished products.

The Company focuses on product quality and providing correct product information in accordance with the social responsibility policy which is published on the Company website. The Company uses quality raw materials in production to show its intention and determination in using resources efficiently and effectively in operating the Company’s business. In addition, the Company has a policy to disseminate knowledge, and exchange knowledge about the use of quality raw materials in production, including saving energy used in production with customer groups, as well as other related agencies. The Company’s products will have labels on the packaging that show product details, how to use, basic user manuals, as well as showing various product standards as certified standards correctly.

#### Improving customer satisfaction

The Company plans to develop relationships with customers by conducting customer satisfaction survey annually. In 2023, the survey results found that customers were overall satisfied at a level of 96.81% (Grade A), higher than the set target not less than 75%. The Company plans to use additional customer feedback to improve the quality of products and services, and continuously develop customer satisfaction.



#### Developing water purifier products with a focus on safety and health

The Company has developed water purifier products with an emphasis on safety and health of customers and consumers. The Company procures food grade quality raw materials and passes the NSF certification process, which includes product performance testing, product raw materials testing and annual inspection, to ensure continued maintenance of product quality standards. In 2023, the Company received NSF standard certification for more than 20 models of carbon filter and resin filter products, and in 2024, the Company plans to request NSF standard certification for FRP tank products more than 80 models. This is a continuous improvement of the quality of raw materials to produce products that are safe for consumers.

### 3.4.1.6 Communal and Social Development

The Company has a policy to conduct business that is beneficial to the economy and society, and to be a good citizen by fully complying with relevant laws and regulations. The Company is committed to promoting and improving the quality of life of society and the communities where it operates, in tandem with its growth as one of its code of conduct. In addition, there is a policy to operate under environmental standards, with efficient resource and energy usage in its production and operations system. This includes controlling and preventing pollution, and has a systematic environmental management system in place, with the monitoring, evaluation, and review for sustainable improvement. Furthermore, the Company adheres to a policy of taking care of and nurturing relationships with neighboring communities, thus constantly supporting community activities. It undertakes various projects that consider the appropriateness and benefits that the communities and society will receive, for sustainable community development.

### ◆ 3.4.2. Contributing to development of community and society

The Company is conscious of its role and responsibilities as a good member of society, by practicing or ensuring compliance with relevant laws and regulations and taking social responsibility. The Company emphasizes and takes responsibility for the community and society concerning the environment, including providing support, cooperation, assistance, and volunteering in activities that benefit the community and society.

In 2023, the Company has implemented many social projects, focusing on providing water projects that are related to the Company's business. Including implementing projects for communities that are in the vicinity of the Company's location. The objective is to help communities be able to take advantage of the projects that the Company has implemented and be able to be self-reliant and sustainable.

Examples of activities for the benefit of society in 2023 are as follows

#### 1) Free Drinking Water, Clean Water, Function's Spirit Project

The Company has established the Free Drinking Water, Clean Water, Function's Spirit Project to provide free drinking water vending machines during the New Year's Eve and New Year's Day celebrations to people living near the Company's office. This is to alleviate the cost of living and provide the public with clean drinking water that meets the specified quality standards.





**2) Giving Children’s Day Gifts at Baan Uea Athorn Ramintra 117, Khanasap Village, Bangchan fire and rescue station, Wat Mai Charoen Rat school and nearby communities**

The Company’s executives and employees participated to build good relationships with the surrounding community. The Company is aware of its social responsibility and ready to support activities that promote good consciousness for future opportunities.



**3) Filter replacement project for various agencies**

The Company recognizes the importance of delivering quality water so that people, including children and the elderly, have clean and safe drinking water for consumption. Therefore, the Company has continuously carried out water filter replacement projects for various important agencies. The agencies that the Company has operated in 2023 as follow:

- 1) Rangsit babies’ home
- 2) Khlong Sam Wa District Office
- 3) Bangchan fire and rescue station
- 4) Minburi metropolitan police station



**4) Drinking Water Purifier Donation Project to Princess Mother National Institute on Drug Abuse Treatment and various agencies**

The Company donated 15 sets of drinking water purifiers to Princess Mother National Institute on Drug Abuse Treatment to support the operation and use for patient care of the institution. Including supporting water purifiers for various agencies such as Wang Wen School, Loei Province, Ban Talay Pattana School, Kamphaeng Phet Province, Somdet Phraboromratchathewi Na Sriracha Hospital, Thai Red Cross Society, Wat Yansangwararam Hospital, etc. Including supporting water filters for various agencies such as Bann Wang Woen school, Loei province, Ban Thale Phatthana school, Kamphaeng Phet province, Somdet Phraboromratchathewi Na Sriracha Hospital (Thai Red Cross), Wat Yansangwararam hospital, etc.



**5) Scholarships for students of Min Buri Technical College**

The Company recognizes the importance of children and youth that will grow into the pillar of society in the future. The Company has continuously provided scholarships and educational equipment to youth in order to improve the quality of life and develop youth to be quality person in the society.



The Company has no cases of violating laws or regulations related to the environment and society, nor has there been any allegation that it has had negative impacts on environmental and social issues. Additionally, there have been no significant labor disputes in the past 3 years.

## 4

## Management Discussion and Analysis

## 4.1 Operating Analysis and Financial Position

## Overview of Past Operations

The Company operates a full-cycle business of importing, manufacturing, and distributing water treatment products, including water purifiers, filter cartridges, filter media, pumps, valves and other related equipment, as well as providing related services. The Company categorizes its revenue structure by separating its product user groups from four groups to 6 groups according to the business expansion plan : household, commercial, industrial, Media and chemical, Aquatek, and Pump and valve products that are distributed through general store or filter distributors and Water Store outlets.

In 2023, Thailand has recovered after opening the country. As a result, the business sector in the country has expanded and there is a demand water for consumption, causing increased water use in commercial and industrial production sectors such as restaurants, hotels, hospitals, and the production of goods from factories and various industrial estates. This caused the company to increase its sales according to the target. Only the household group grew slightly lower than the company's target because household consumers were affected by the rising cost of living and inflation, causing household consumers to delay spending money on purchasing goods.

In 2023, the Company had 21 Water Store outlets and 9 Aquatek shops, which increased distribution channels to cover all of the Company's business groups, including an increase in revenue through distribution to end users under the Aquatek brand as planned for the Company's business growth.

## Performance Analysis

Product Line/Business Group	2021		2022		2023		Percentage Change %
	Million baht	%	Million baht	%	Million baht	%	
Household products	228.04	31.64	173.24	24.75	175.18	22.30	1%
Commercial products	234.77	32.57	212.92	30.41	234.02	29.79	10%
Industrial products	175.78	24.39	181.71	25.96	197.34	25.12	9%
Media and chemical products	78.77	10.93	69.91	9.99	97.94	12.47	40%
Aquatek products			46.18	6.60	53.24	6.78	15%
Pump and valve products			12.63	1.80	20.74	2.64	64%
<b>Total revenue from sales</b>	<b>717.36</b>	<b>99.53</b>	<b>696.59</b>	<b>99.50</b>	<b>778.46</b>	<b>99.08</b>	<b>12%</b>
Service revenue	0.17	0.02	0.17	0.02	0.22	0.03	29%
<b>Total main revenue</b>	<b>717.53</b>	<b>99.55</b>	<b>696.76</b>	<b>99.53</b>	<b>778.68</b>	<b>99.11</b>	<b>12%</b>
Other income	3.22	0.45	3.31	0.47	6.98	0.89	111%
<b>Total comprehensive revenue</b>	<b>720.75</b>	<b>100.00</b>	<b>700.07</b>	<b>100.00</b>	<b>785.66</b>	<b>100.00</b>	<b>12%</b>

**Revenue from the sale of household products**

In 2023, the Company's revenue from the sale of household products was 175.18 million baht, accounting for 22.30% of total revenue, an increase of 1.94 million baht or 1% growing slightly below the target compared to 2022. The main reason for this was the inflationary situation and rising cost of living, which caused household consumers to delay spending. In 2024, the Company added new products with good quality but not too high price into the market, such as water purifier and filter, in order to increase sales for this consumers group.

**Revenue from the sale of commercial products**

The Company's revenue from the sale of commercial products was 234.02 million baht, accounting for 29.79% of total revenue, an increase of 21.10 million baht or 10% compared to 2022. The main reason is that opened the country to welcome more tourists. This causes the commercial business sector to have increased demand for the company's products in line with economic expansion.

**Revenue from the sale of industrial products**

The Company's revenue from the sale of industrial products was 197.34 million baht, accounting for 25.12% of total revenue, an increase of 15.63 million baht or 9% compared to 2022. The increase was due to the recovery of the industrial sector in the country that produces more products. The products that increased in sales include RO water purifiers, filter cartridges, and accessories for water filter installations.

**Revenue from the sale of media products**

The Company's revenue from the sale of media products was 97.94 million baht, accounting for 12.47% of total revenue, an increase of 28.03 million baht or 40% compared to 2022. The main reason is due to effective management of raw material costs and import expenses, which results in increased sales. This is because products in this group have many competitors in the market, which causes high price competition.

**Revenue from the sale of Aquatek products**

The Company's revenue from the sale of Aquatek products was 53.24 million baht, accounting for 6.78% of total revenue, an increase of 7.06 million baht or 15% compared to 2022. The main reason being that Aquatek is a high quality product. Consumers trust the brand and new models of products are continuously added to the market. Including having more distributors in 2023, providing distribution channels that reach more consumers.

**Revenue from the sale of Pump and valve products**

The Company's revenue from the sale of Pump and valve products was 20.74 million baht, accounting for 2.64% of total revenue, an increase of 8.11 million baht or 64% compared to 2022. This group of products is a new product that the company has imported for sale. Because the company sees a market share that can compete. This will create more sales from main products. In 2023, the company has new trading partners, this makes it possible to sell more products to the government sector. This has caused sales in the pump and valve product to grow continuously from last year.

Revenue structure divided by product group consists of:

Revenue structure divided by product group	2021		2022		2023	
	Million baht	%	Million baht	%	Million baht	%
Revenue from the sale of:						
1. Filter cartridges	241.63	33.67	248.47	35.66	270.26	34.71
2. Pre-assembled water purifiers	163.09	22.73	149.49	21.45	149.38	19.18
3. Filter tanks, water pumps	128.21	17.87	127.82	18.35	149.00	19.13
4. Fittings and valves	105.66	14.73	103.46	14.85	108.52	13.94
5. Media and chemical	78.77	10.98	67.36	9.67	101.31	13.01
6. Others	-	-	-	-	-	-
Total revenue from sales	717.36	99.98	696.59	99.98	778.47	99.97
Service revenue	0.17	0.02	0.17	0.02	0.22	0.03
Total main revenue	717.53	100.00	696.76	100.00	778.69	100.00

For revenue structure divided by product group in 2023, filter cartridges had the highest sales proportion, accounting for 34.71% of total sales. The next highest-selling product is water purifiers, which account for 19.18% of total sales. Filter cartridges are products that need to be replaced periodically according to usage. However, the Company's filter cartridges can still be used with other brands, except for those made specifically for certain water filtration systems. The sales proportion of tank filters, water pumps, and fittings and valves are 19.13% and 13.94%, respectively. Tanks, water pumps and fittings and valves are mainly used for commercial and industrial purposes. Media and chemical has a sales proportion of 13.01%.

In 2023, the Company saw increased sales of filter products from the industrial category, while revenue from water purifiers grew slightly. The reason for the decline is due to customers from the household category cutting back on expenses due to inflation and rising cost of living. As for filter media products, revenue has increase due to efficient management of the cost of raw materials. it can compete well in price with competitors in the market and lead to increased sales in 2023.

### Gross Profit and Gross Profit Margin

The cost of sales includes the raw material costs, packaging, equipment, salaries and wages of production staff, depreciation of factories, and import expenses. The main cost of sales for the Company is the cost of raw materials.

In 2023, the Company had a gross profit of 214.61 million baht, an increase of 19.06 million baht or 9.78% from 2022, in line with the increase in sales.

The gross profit margin in 2023 was 27.56%, a decrease of 0.51% from 2022 due to the cost of importing goods increasing in line with the increased amount of inventories.

### Distribution costs

The distribution costs or sales expenses include sales personnel and warehouse personnel expenses, broker fees, and other selling expenses such as marketing and promotion costs, advertising costs, and depreciation expenses for warehouse buildings.

In 2023, the Company had distribution costs of 76.43 million baht, an increase of 9.23 million baht or 13.73% from 2022, due to commission increases in line with the increase in sales, travel expenses to meet customers and distributors both domestically and abroad to present new products, amortization of construction costs for distributor stores that opened 5 additional stores, and increased storage costs due to increased inventory levels according to the 2023 sales plan.

The distribution costs to total revenue ratio in 2023 was 9.82%, a small increase of 0.06% from 2022. This is mainly due to variable expenses from increased sales. And increased from warehouse expenses as the amount of inventory increased to support the expansion of sales. Including an increase in construction cost amortization from the opening of Aquatek shop branches.

### Administrative expenses

Administrative expenses mainly consist of salaries and wages for employees of other departments and executives, excluding the production, sales and warehouse department, utility bills, depreciation expenses, consulting fees, and listed company expenses

In 2023, the Company had administrative expenses of 86.17 million baht, a decrease of 1.21 million baht or 1.38% from 2022, due to efficient employee cost management.

Administrative expenses to total revenues ratio in 2023 was 11.07%, a decrease of 0.12% from 2021 due to an increase in total revenues. And the Company has a good control of administrative expenses, resulting in a reduction of in the proportion of administrative expenses.

### Net Profit and Net Profit Margin

In 2023, the Company had a net profit of 44.11 million baht, an increase of 8.08 million baht or 22.43% from 2022, mainly due to increased total income and implemented a measure to control distribution costs, administrative expenses and financial costs efficiently, This allow the Company to have operating results as planned.

The net profit margin in 2023 was 5.60%, an increase from 2022, mainly due to an increase in total revenue.

### Cost of financing

Finance costs arise from the recognition of interest on lease liabilities from accounting in accordance with the Financial Reporting Standard No. 16, consisting of interest payments for short-term borrowings for purchase of goods from abroad (LC/TR).

In 2023, the Company had finance costs of 4.37 million baht, an increase of 2.01 million baht or 85.05% from 2022, due to increased product orders, resulting in an increase in T/R. And the amount of inventory increased in line with the increase in product sales.

Finance cost to total income ratio in 2023 was 0.56%, an increase of 0.22% from 2022 due to the increase in T/R.

### Company's Financial Position Analysis

List	2021	2022	2023	Percentage Change	
Total assets	567.75	870.97	1,065.52	194.55	22.34%
Total liabilities	211.80	161.32	349.36	188.04	116.56%
In part of shareholders	355.95	709.55	716.16	6.51	0.92%

### Assets

As of December 31, 2023, the Company had total assets of 1,065.52 million baht, an increase of 194.55 million baht or 22.34% from December 31, 2022. The details of the increase are as follows:

- Cash and cash equivalents decreased by 149.77 million baht from the use of funding from the IPO of 325 million baht for the intended purpose.
- Properties, buildings and equipment increased by 192.29 million baht, mainly due the construction of a new showroom and distribution building completed in October 2023.
- Inventories increased by 146.47 million baht, mainly due to the purchase of goods for sale.
- Trade receivables increased by 5.22 million baht, increasing in proportion to increased sales.

### Liabilities

As of December 31, 2023, the Company had total liabilities of 349.36 million baht, a decrease of 188.04 million baht from 2021. The details are as follows:

- Short-term loans from financial institutions increased by 165.67 million baht and trade payables increased by 14.89 million baht due to the purchase of goods for sale.
- Employee benefit liabilities increased by 3 million baht from estimated employee expenses for 2023 and cash guarantees for customer credit lines increased by 2.70 million baht.

### In part of shareholders

As of December 31, 2023, the Company had total shareholders' equity of 716.16 million baht, an increase of 6.51 million baht or 0.92% from December 31, 2022, due to total comprehensive income increasing by 43.56 million baht, paying dividends in 2023 in the amount of 40.49 million baht (0.06 and 0.03 baht per share) and receiving payment for shares by subsidiaries of 3.44 million baht.

### Cash Flow Analysis

Cash flow	2021	2022	2023
Net cash provided by (used in) operating activities	75.53	3.12	(62.80)
Net cash provided by (used in) investment activities	(46.72)	(46.65)	(210.29)
Net cash provided by (used in) financing activities	(47.50)	263.93	123.32
Increase in cash and cash equivalents (decrease)	(18.24)	217.40	(149.77)
<b>Cash and cash equivalents at the beginning of the year (due date)</b>	<b>28.94</b>	<b>10.70</b>	<b>228.10</b>
<b>Cash and cash equivalents at the end of the year (due date)</b>	<b>10.70</b>	<b>228.10</b>	<b>78.33</b>

#### Cash flow from operating activities

In 2023 and 2022, the Company had net cash flow from operating activities of (62.80) million baht and 3.12 million baht, respectively, a decrease of 65.92 million baht, mainly due to increased inventories.

#### Cash flow from investment activities

Cash flow from investment activities in 2023 was 210.29 million baht, while cash flow from investment activities in 2022 was 49.65 million bah, an increase of 160.64 million baht. This was mainly due to the construction costs of the production buildings and storefronts of 38.03 million baht, the costs of installing solar panels of 3.27 million baht, the costs of office equipment of 9.26 million baht, and investments in subsidiaries of 162.22 million baht.

#### Cash flow used in financing activities

In 2023 and 2022, the Company had net cash flow from financing activities of 123.32 million baht and 263.93 million baht, respectively, a decrease of 140.61 million baht. This was mainly due to repayment of short-term loans to financial institutions of 165.67 million baht, interest payment of 4.33 million baht, dividend payment of 40.49 million baht, and received payment for shares by a subsidiary of 3.43 million baht.

### Financial Ratio Analysis

#### Liquidity Ratio

From 2021 to 2023, the Company had a liquidity ratio of 1.99, 4.86, and 2.02 respectively. The company has the liquidity to use current assets to pay off current liabilities in a timely manner. But when compared to the previous year, it can be seen that 2022 has a current ratio equal to 4.86 times, while 2023 has a current ratio equal to 2.02 times. It is found that 2023 has lower liquidity than 2022, equal to 2.84 times. Because the Company has decreased cash of 156.45 million baht. Mostly, the Company invests in 4 subsidiaries, construction of new showroom buildings, and dividend payment.

The Company had an average accounts receivable period of 19 days, 21 days and 21 days for 2021 to 2023, respectively. In 2023, the average debt collection period is the same as in 2022. In addition, the Company had an average accounts payable payment period of 96 days, 87 days, and 177 days for 2021 to 2023, respectively, an increase of 90 days from the previous year. This is because the financial institution extended the credit term from 120 days to 180 days without increasing the interest rate. As a result, the company can manage its liquidity more efficiently. As a result, the company's cash cycle for 2023 is equal to 75 days, from 128 days in 2022, which is liquidity management according to the company's business expansion plan.

### **Efficiency Ratio**

In 2021 to 2023, the Company's return on assets of 6.49, 6.15, and 6.23, respectively, increasing from 2022. while the return on fixed assets of 29.75, 19.31 and 29.50, respectively, increasing from 2022, because in 2023 the company's profit before income tax will increase.

### **Debt Coverage Ratio**

As of December 31, 2023, the Company's debt to equity ratio was 0.48, an increase from 2022 at 0.23, due to an increase in short-term debt from purchases product for sale. The Company's debt ratio is still not more than 2 times lower than the criteria set by financial institutions.

### **Factors that may significantly affect the financial position and operations in the future.**

#### **1. Inflation**

The country's overall economic situation in 2023 was impacted by policies of increasing interest rates and rising energy costs due to inflation, which has resulted in a slowdown in consumer spending. The consumer sector, one of the economic sectors, was affected by the crisis. As a result, the revenue of household products was impacted.

The Company adjusts its product strategy and pricing strategy, by providing good quality products but the selling price is low in order to reach more consumers. This is to stimulate sales in the household product to grow, include expanding distributors to expand market according to the plan. At the same time, the Company is prepared with products from its inventory that can accommodate consumers.

#### **2. Decrease in earnings per share due to the increase in shares from the capital increase**

For the year ended December 31, 2023, the Company had a net profit of 44.11 million baht, representing an earnings per share ratio of 0.10 baht (registered capital at the end of 2022 at 450 million baht, with a par value of 1 baht per share). This resulted in an increase in the earnings per share ratio by 0.01 from 2022.

After the public offering, the Company has used the money from fundraising to expand its business according to its objectives, such as construction of assembly plants, construction of the new showroom building, expand distributor branch, as well as for working capital.

#### **3. Fluctuations in Foreign Exchange Rates**

The Company orders raw materials and products mostly from foreign countries and makes payments in US dollars, while the revenues are in Thai baht. This may expose the Company to risks from foreign exchange rates that could affect the cost of goods sold and potentially impact the Company's profits. In the past, the Company did not experience significant impacts from fluctuations in exchange rates that could affect its operations, as it managed risks from exchange rate fluctuations using financial tools and policies. Policies were established to mitigate the risks of exchange rate fluctuations, such as using forward contracts to buy and sell foreign currencies in advance when importing goods from abroad. The Company considered entering into contracts for 30-70% of the value of the goods ordered based on past foreign currency purchase and sales contract data and studied the direction of the Thai baht exchange rate from financial institutions, together with the Company's spending plan to help prevent risks from fluctuations in foreign exchange rates.



## Financial Statement Summary Table

### Statement of Financial Position As of 31 December 2023, 2022 and 2021

(Unit: Million Baht)

Assets	Consolidated financial statements		Separate financial statements			
	December 31, 2023	%	December 31, 2022	%	December 31, 2021	%
<b>Current assets</b>						
Cash and cash equivalents	78.33	7.35	228.11	26.19	10.71	1.89
Trade and other current receivables	72.80	6.83	67.58	7.76	59.83	10.54
Short-term loan receivable	0.65	0.06	0.52	0.06	0.37	0.07
Inventories	472.30	44.33	325.83	37.41	280.36	49.38
Other current financial assets	-	-	-	-	-	-
Other current assets	0.93	0.09	0.48	0.05	0.75	0.13
<b>Total current assets</b>	<b>625.02</b>	<b>58.66</b>	<b>622.51</b>	<b>71.47</b>	<b>352.02</b>	<b>62.00</b>
<b>Non-current assets</b>						
Restricted bank deposit	0.54	0.05	-	-	-	-
Investment in subsidiaries	-	-	-	-	-	-
Investment property	4.66	0.44	-	-	-	-
Property, plant and equipment	421.46	39.55	229.17	26.31	188.94	33.28
Right-of-use-assets	0.47	0.04	1.42	0.16	1.89	0.33
Intangible assets	4.73	0.44	5.81	0.67	6.72	1.18
Deferred tax assets	8.63	0.81	7.69	0.88	8.47	1.49
Other non-current assets	0.01	0.00	4.37	0.50	9.71	1.71
<b>Total non-current assets</b>	<b>440.50</b>	<b>41.34</b>	<b>248.46</b>	<b>28.53</b>	<b>215.74</b>	<b>38.00</b>
<b>Total assets</b>	<b>1,065.52</b>	<b>100.00</b>	<b>870.97</b>	<b>100.00</b>	<b>567.75</b>	<b>100.00</b>
<b>Liabilities and Shareholders' Equity</b>						
<b>Current liabilities</b>						
Short-term loans from financial institutions	247.54	23.23	81.87	9.40	117.57	20.71
Trade and other current payables	57.63	5.41	42.73	4.91	42.69	7.52
Long-term loans due within 1 year	-	-	-	-	9.53	1.68

(Unit: Million Baht)

Assets	Consolidated financial statements		Separate financial statements			
	December 31, 2023	%	December 31, 2022	%	December 31, 2021	%
Current portion of lease liabilities due within 1 year	0.51	0.05	1.05	0.12	0.87	0.15
Income taxes payable	3.59	0.34	1.53	0.18	4.80	0.85
Current provision for employee benefits	0.53	0.05	0.75	0.09	0.80	0.14
Provision for from returned goods	0.28	0.03	0.10	0.01	0.22	0.04
Other current financial liabilities	0.63	0.06	-	-	-	-
<b>Total current liabilities</b>	<b>310.70</b>	<b>29.16</b>	<b>128.03</b>	<b>14.70</b>	<b>176.47</b>	<b>31.08</b>
<b>Non-current liabilities</b>						
Lease liabilities	0.07	0.01	0.50	0.06	1.12	0.20
Non-current provisions for employee benefit	35.39	3.32	32.29	3.71	34.21	6.03
Other non-current liabilities	3.20	0.30	0.50	0.06	-	-
<b>Total non-current liabilities</b>	<b>38.66</b>	<b>3.63</b>	<b>33.29</b>	<b>3.82</b>	<b>35.33</b>	<b>6.22</b>
<b>Total liabilities</b>	<b>349.36</b>	<b>32.79</b>	<b>161.32</b>	<b>18.52</b>	<b>211.80</b>	<b>37.31</b>
Shareholders' equity						
Share capital						
Registered share capital						
450,000,000 common shares of Baht 1.00 each,	450.00	42.23	450.00	51.67	450.00	79.26
Issued and paid-up share capital						
450,000,000 common shares of Baht 1.00 each,	450.00	42.23	450.00	51.67	320.00	56.36
Premium on share capital						
Premium on common share	182.37	17.12	182.37	20.94	-	-
Retained earnings						
Appropriated						
Legal reserve	45.00	4.22	45.00	5.17	32.00	5.64
Unappropriated	35.75	3.35	32.28	3.71	3.95	0.70
Total equity attributable to owners of the parent	713.12	66.93	709.65	81.48	-	-
Non-controlling interests	3.04	0.29	-	-	-	-
<b>Total shareholders' equity</b>	<b>716.16</b>	<b>67.21</b>	<b>709.65</b>	<b>81.48</b>	<b>355.95</b>	<b>62.69</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,065.52</b>	<b>100.00</b>	<b>870.97</b>	<b>100.00</b>	<b>567.75</b>	<b>100.00</b>

**Statement of Comprehensive Income**  
**For the year ended 31 December 2023, 2022 and 2021**

(Unit: Million Baht)

Performance	Consolidated financial statements		Separate financial statements			
	December 31, 2023	%	December 31, 2023	%	December 31, 2023	%
Revenues from sales and services	778.68	100.00	696.76	100.00	717.53	100.00
Cost of sales and services	(564.07)	72.44	(501.21)	71.93	(514.83)	71.75
Gross profit	214.61	27.56	195.55	28.07	202.70	28.25
Other income	6.17	0.79	3.05	0.44	3.13	0.44
Gain (loss) from fair value measurement of derivative	(0.14)	0.02	-	-	-	-
Distribution costs	(76.43)	9.82	(67.21)	9.65	(69.05)	9.62
Administrative expenses	(86.17)	11.07	(87.38)	12.54	(88.54)	12.34
Profit from operation	58.03	7.45	44.01	6.32	48.24	6.72
Financial income	0.96	0.12	0.26	0.04	0.09	0.01
Financial cost - Interest expenses	(4.37)	0.56	(2.36)	0.34	(2.84)	0.40
Profit before income tax expense	54.62	7.01	41.91	6.01	45.48	6.34
Income tax expenses	(10.91)	1.40	(5.88)	0.84	(9.09)	1.27
Profit for the year	43.71	5.61	36.03	5.17	36.39	5.07
Other comprehensive income						
Actuarial gains (losses) of defined benefit plan	(0.18)	0.02	(6.63)	0.95	3.81	0.53
Income tax of components of other comprehensive income	0.04	0.00	(1.33)	0.19	(0.76)	0.11
Other comprehensive income for the year, net by tax	(0.15)	0.02	5.30	0.76	3.05	0.43
Total comprehensive income for the year	43.57	5.59	41.33	5.93	39.44	5.50
Profit (loss) attributable to						
<b>Owners of the parent</b>	<b>44.11</b>	<b>5.66</b>	<b>36.03</b>	<b>5.17</b>	<b>36.39</b>	<b>5.07</b>
Non-controlling interests	<u>(0.40)</u>	0.05	-	-	-	-
	<b>43.71</b>	5.61	-	-	-	-
Total comprehensive income (loss) attributable to						
Owners of the parent Non-controlling interests	43.96	5.65	41.33	5.93	39.44	5.50
Non-controlling interests	<u>(0.40)</u>	0.05	-	-	-	-
	<b>43.57</b>	5.59	-	-	-	-
<b>Basic earnings per share</b>	<b>0.10</b>		<b>0.09</b>		<b>0.16</b>	

**Note:** \* Calculated from the net profit for the year attributable to the Company's ordinary shareholders and the number of ordinary shares sold during the year for each year by weighted average method at par value of 1 baht per share.

**Cash flow statement**  
**For the year ended 31 December 2023, 2022 and 2021**

(Unit: Million Baht)

Cash flow statement	Consolidat- ed financial statements	Separate financial Statements	
	December 31, 2023	December 31, 2022	December 31, 2021
<b>Cash flows from operating activities</b>			
Profit for the year	43.71	36.03	36.39
Adjustments of profit to cash receipted disbursement from operating activities			
Income tax expenses	10.91	5.88	9.09
Amortization of prepaid expenses	2.61	0.93	-
Depreciation of investment property	0.27	-	-
Depreciation of property, plant and equipment	17.77	15.81	17.16
Depreciation of right-of-use assets	0.95	0.88	0.54
Amortization	1.22	1.21	1.15
(Reversal) Expected credit losses	0.01	(0.01)	(0.05)
(Reversal) Provision for devaluation of inventories	0.65	(1.91)	2.68
Employee benefit	4.09	5.82	6.91
(Reversal) Provision for liabilities from return goods	0.18	(0.12)	-
Donate assets from retirement	-	-	0.00
Loss from retirement of assets	-	-	0.01
(Gain) Loss from disposal of assets	0.07	(0.23)	0.75
(Gain) Loss on exchange rate	(0.79)	(0.23)	(0.09)
Loss from fair value measurement of derivative	0.63	-	0.25
Interest income	(0.96)	(0.26)	(0.09)
Interest expenses	4.37	2.36	2.84
Profit from operation before change in operating assets and liabilities	85.67	66.15	77.56
(Increase) Decrease in operating assets			
Trade and other current receivables	(7.91)	(8.66)	(7.70)
Inventories	(147.18)	(43.56)	8.36
Other current assets	(0.45)	0.28	(0.72)
Restricted bank deposit	(0.54)	-	-
Other non-current assets	(0.00)	0.41	(0.12)
Increase (Decrease) in operating liabilities			
Trade and other current payables	16.05	(1.13)	16.95
Other non-current liabilities	2.70	0.50	(3.69)
Increase (Decrease) in operating liabilities	18.75	(0.63)	13.26
Cash received (paid) from operating	(51.66)	13.98	90.64
Employee benefit paid	(1.39)	(1.17)	(0.26)

Income tax paid	(9.76)	(9.69)	(14.85)
Net cash provided by (used in) operating activities	(62.80)	3.12	75.53
Cash Flows from investing activities	-	-	-
Cash received (paid) for short-term loans receivable	(0.13)	(0.15)	0.19
Cash paid for investment in subsidiaries	-	-	-
Cash paid for purchasing property, plant and equipment	(210.98)	(49.72)	(45.88)
Cash paid for purchasing intangible assets	(0.13)	(0.31)	(1.40)
Cash received from disposal of assets	0.01	0.26	0.28
Cash received from interest	0.94	0.26	0.09
Net cash provided by (used in) investing activities	(210.30)	(49.65)	(46.72)
Cash flows from financing activities	-	-	-
Increase (decrease) in short-term loans from financial institution	165.67	(35.70)	(12.24)
Cash paid for dividend	(40.49)	-	(136.04)
Cash paid for interest	(4.33)	(2.36)	(2.86)
Cash paid for repayment lease liabilities	(0.96)	(0.85)	(0.44)
Cash paid from loans	-	(9.53)	(9.00)
Cash received from share of non-controlling interest	3.44	-	-
Cash received from increasing share capital	-	312.37	95.00
Net cash provided by (used in) financing activities	123.32	263.93	(47.05)
Net increase (decrease) in cash and cash equivalents	(149.78)	217.40	(18.24)
Cash and cash equivalents as at the beginning of year	228.11	10.71	28.94
Cash and cash equivalents as at the end of year	78.33	228.11	10.71



**Key financial ratios**  
For the year ended 31 December 2023, 2022 and 2021

Financial ratios		Financial Statement		
		2023	2022	2021
<b>Liquidity Ratio</b>				
Liquidity Ratio	(times)	2.02	4.86	1.99
Quick ratio	(times)	0.49	2.14	0.27
Liquidity ratio (cash flow)	(times)	0.29	0.02	0.41
Account receivable turnover ratio	(times)	17.00	17.05	18.99
Average collection period	(day)	21	21	19
Inventory turnover ratio	(times)	1.58	1.89	1.99
Average sales period	(day)	231	193	183
Account payable turnover ratio	(times)	3.01	24.07	40.26
Average payment period	(day)	177	15	9
Cash cycle	(day)	75	224	193
<b>Profitability ratio</b>				
Gross profit margin	(%)	27.60	28.07	28.25
Operating profit margin	(%)	7.72	6.35	6.74
Cash to profit ratio	(%)	103.46	7.04	156.30
Net profit margin	(%)	5.60	5.15	5.07
Return on Equity ratio	(%)	6.20	6.76	10.65
<b>Efficiency Ratio</b>				
Return on assets ratio	(%)	6.23	6.15	6.49
Return on fixed assets ratio	(%)	29.50	19.31	30.06
Asset turnover ratio	(times)	6.78	0.97	1.28
<b>Analysis, monetary policy analysis ratio</b>				
Debt to equity ratio	(times)	0.48	0.23	0.60
Interest coverage ratio	(times)	13.75	19.73	25.54
Coverage ratio	(times)	0.64	0.04	0.53
Dividends ratio	(%)	2.16	-	261.05

# 5

## General Information and Other Important Information

### 5.1 General Information

#### Securities Registrar

Thailand Securities Depository Company Limited

Office : The Stock Exchange of Thailand Office, Building B, 1st Floor  
No. 93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400

Tel. : 0-2009-9000

Fax. : 0-2009-9991

#### Auditor

DIA International Audit Co., Ltd.

Head Office : 316/32 Sukhumvit 22 Road, Klongtan, Klongtoey Bangkok 10110

Tel. : 0-2259-5300

Fax. : 0-2260-1553

#### Internal Auditor

P&L Internal Audit Co., Ltd.

Head Office : 281/157-162 The Fifth Avenue, Building B 2nd Floor, Krungthep Nonhaburi Road,  
Tambon Bang Khen, Amphoe Mueang Nonhaburi, 11000

Tel. : 0-2526-6100

#### Legal Advisor

Thep Law Office

Head Office : 1193 Exim Building, Units 1106-1108, 11th Floor, Phahonyothin Road,  
Samsennai, Phayathai, Bangkok 10400

Tel. : 0-2278-1679-84

### 5.2 Other important information

- None -



### **5.3 Legal Dispute**

As of December 31, 2023, The Company has no legal disputes that may cause damage to the Company's asset more than 5% of the Company's shareholder equity. And there are no other legal disputes that may affect the Company's business operations.

### **5.4 Secondary Market**

- None -







## Part 2

# Corporate Governance

## 6.1 Overview of the Corporate Governance Policy and Practices

The Company is aware of the importance of corporate governance as an essential part of promoting the Company's operations with efficiency and sustainable growth, leading to the maximum benefit for every group of stakeholders, including employees, investors, shareholders, and others. Therefore, the Company has established a good corporate governance policy by the principles of good corporate governance (CG Code) of the Securities and Exchange Commission to which the Board of Directors, executives, and all employees shall adhere as a guideline to ensure the company's business conduct is carried out transparently, fairly, and in the best interest of all shareholders and stakeholders.

The Company's good corporate governance policy consists of principles in accordance with corporate governance which disclosed on the Company's website in the corporate governance category. The board of directors has reviewed the corporate governance policy to be in line with good corporate governance guidelines on an annual basis, and including communicating and following up to ensure compliance with the company's corporate governance policy. The good corporate governance policy consists of eight principles are as follows:

Principle 1	Acknowledge the Board of Directors' roles and responsibilities as an organizational leader who builds sustainable value for the business
Principle 2	Outline sustainable objectives and main goals of the business
Principle 3	Enhance the Board of Directors' efficiency
Principle 4	Nominate and develop top executives, as well as personnel management
Principle 5	Promote innovation and conduct business with responsibility toward stakeholders, society and the environment
Principle 6	Ensure appropriate risk management and internal controls
Principle 7	Maintain financial credibility and information disclosure
Principle 8	Encourage participation and communication with shareholders

In 2023, the Company has implemented the principles of good corporate governance. and practices that are internationally accepted as follows:

### ◆ 6.1.1 Practices regarding the rights of shareholders

The Company prioritizes shareholders' rights which may not be limited to the rights stipulated by the laws. It shall not take any actions that violate or deprive the rights of every shareholders and encourage shareholders to fully exercise their rights. The Company has performed various matters to promote and facilitate the rights of shareholders as follows:

1. The Company provides important and necessary information to shareholders regarding business operations in a clear and timely manner. The information is disclosed through the Company's website or the Stock Exchange of Thailand's website.
2. The Company held the 2023 Annual General Meeting of Shareholders via electronic media (E-AGM) on Tuesday, April 11, 2023. The Company has accommodated to the convenience of the attending shareholders in various matters as follows:

**Before the meeting :**

- The Company has informed the criteria and channels for shareholders' rights to propose meeting agendas and nominate qualified persons to be considered for election as directors in advance from October 27 - December 31, 2022 via the system of SET and the Company's website. The Executive Committee will perform screening before proposing to the Board of Directors' meeting for consideration. For the 2023 Annual General Meeting of Shareholders, none of shareholders has proposed an agenda or nominate persons to be considered for election as directors to the company.
- The Company instantly notified to SET after the meeting of the Board of Directors resolved to set the date for the 2023 Annual General Meeting of Shareholders and the payment of dividends, including notification of the date for determining the names of shareholders (Record Date) to afford shareholders the right to attend the meeting and receive dividend payment.
- Publish and deliver the meeting notice together with supporting information on each agenda, including the meeting's date, time, place, format of the meeting, guidelines for attending of Electronic Meeting and agenda along with explanations and supporting reasons, as well as the Board of Directors' opinions on each agenda or the requested resolution as specified in the notice of the shareholders' annual general meeting or in the agenda attachments, and all relevant information regarding the matters to be discussed both Thai and English, To give shareholders an opportunity to study the information completely in advance.
- The Company has accommodated to the conveniency for shareholders who are unable to attend the meeting in person by Encourage shareholders to adopt the proxy form that ensures their voting direction, and proposed the names of 2 independent directors as an alternative for the shareholder proxy.

**On meeting day :**

- The company allow shareholders to fully exercise their rights in attending the meeting and casting their vote. The Company applied technology to the shareholders' meetings, to use the Conference Zoom One system to meetings and the Inventech Connect system for attendance and voting. Shareholders were able to register in advance to attend the meetings from April 3, 2023 and open the system to attend the meeting 2 hours prior to the meetings.
- Before the meeting began, shareholders were explicitly informed of the voting and vote-counting procedure for each agenda item.
- In the meeting, there were 10 directors attending the meeting or 90.90 percent (There is one director missing who is on a mission abroad) along with senior executives, auditor and shareholders' right protecting volunteers from the Thai Investors Association responsible for evaluating the quality of the meeting. The company encourages independent person to examine the vote. The legal advisor, Thep Company Limited, was assigned to perform such duties in the meeting.
- The meeting considered matters in the order of the agenda specified in the meeting invitation letter. The meeting chairman allocates sufficient time and encourage shareholders to freely express their opinions and raise questions before voting on every agenda, including allow shareholders to submit questions prior to the meeting. For the agenda for appointing directors, voting was arranged separately for each person. The Company informed the meeting of the results of each agenda before the next agenda meeting.

**After the meeting :**

- The company disclosed the resolutions of the 2023 Annual General Meeting of Shareholders through the SET portal once the meeting was finished, The disclosed resolutions included agree, disagree, abstain, and invalid ballots for each agenda.
- Prepare the AGM minutes with complete details in both Thai and English. The minutes were submitted to SET portal and published on the company's website within 14 days from the date of the shareholder meeting.

◆ **6.1.2 Practices regarding the equitable Treatment of shareholders**

The Company has a policy to ensure that all shareholders are treated equally and fairly whether they are executives or non-executive, major, minority, or foreign shareholders, with guidelines as follows:

1. Sufficient and timely notification of meeting resolutions and important information through the SET portal and published on the company's website in both Thai and English. The Company refrains from any action that may limit the chances of shareholders to study the Company's information.
2. Submit the shareholders' meeting invitation letter with agenda items and the Board of Directors' opinion through SET portal and published on the Company's website in both Thai and English.
3. Determine the right to vote based on the number of shares owned by shareholders, with one share for one vote. In addition, the Company allows shareholders who attend the meeting after it has started to vote on an agenda item that is currently being considered yet has not been resolved, and they are counted as a quorum from the agenda item on which they attended and voted.
4. Establish criteria for minority shareholders to nominate candidates to be elected as director and propose additional agenda items prior to the shareholders' meeting. For the 2023 Annual General Meeting of Shareholders, the Company granted the individual shareholders the right to propose agenda meeting and also submit in advance the nomination of qualified individuals to become directors, from October 27 - December 31 2022 through SET portal and on the company's website.
5. All directors and executives report their securities holdings in compliance with the laws including disclosure in the annual report.
6. Determine guidelines for keeping and preventing the use of inside information in written form, notify everyone in the company of the guidelines, and sending email to inform prohibit persons linked to inside information from trading the Company's securities for 1 month before the release of quarterly and annual financial statements and 24 hours after the release of important information.
7. Require directors to report their conflict of interest at least before considering the agenda item and record them in the minutes of the Board of Directors' meeting, and prohibit directors with a significant conflict of interest from participating in the agenda item if such directors are unable to provide their opinions independently.

In 2023, no executives, employees, and related persons have an interest in the transactions of the company and its subsidiaries. It has been recorded in the minutes of the Board of Directors.
8. The Company has no transaction for the financial support to the company which is not the subsidiary or affiliate of the Company.

### ◆ 6.1.3 Practices regarding the role of stakeholders

The Company values the rights of all stakeholders, whether internal stakeholders such as the Company's shareholders and employees or external stakeholders such as customers and suppliers. The Company has treated stakeholders according to the following guidelines.

#### 1. Shareholders

- The Company performs its duties with honesty and integrity as well as following the professional principles with caution, prudence and fairness to both major and minor shareholders for the highest benefit of shareholders.
- The Company presents reports on the Company's status, operating results, financial information, accounting and other reports on a regular and complete basis. In addition, the Company participated in the Opportunity Day 2 times in 2023, an online meeting held in collaboration with the Stock Exchange of Thailand (SET) to provide investors with access to information sources and communicate with the company.
- The Company informs all shareholders equally about the Company's future operating trends, both positive and negative. which is based on possibility and has sufficient supporting information.
- The Company prohibits seeking benefits for oneself or others by using any Company information that has not been disclosed to the public, or perform any action in a manner that may cause a conflict of interest with the Company.

#### 2. Employees

The Company realizes that employees are the key to success in achieving the company's goals. Therefore, it is the Company's policy to treat employees fairly in terms of opportunities, compensation, appointments, transfers, and potential development. The company operates according to the following principles:

- The Company equally and fairly treats its employees and respect for their individuality.
- Provide fair compensation to employees Including the establishment of a provident fund and emphasizing the importance of caring for the welfare of employees.
- Maintain the working environment to be safe for the lives and property of employees.
- Emphasize the importance of employee development by providing thorough and regular opportunities to develop employees' abilities to be ready to support the growth of the organization.
- The appointment, transfer and including rewards and punishment of employees act with honesty and is based on the knowledge, abilities, and suitability of employees.
- Listen to comments and suggestions, which is based on the professional knowledge of employees.
- Set guidelines for combating anti-corruption as well as inculcate all employees to strictly comply with various laws and regulations related to employees.

#### 3. Customers

The company realizes the importance and striving to create satisfaction for customers. The company operates according to the following principles:

- Establish a system for controlling and supervising the production process, including always giving importance to improving and developing production technology and product quality inspection.
- Establish a system to control and monitor compliance with agreements made with customers strictly and with honesty, careful and consistency.
- Establish a system for controlling and maintaining customer confidential information as if it were the company's secrets. And do not use the information for the benefit of oneself or those involved illegally.
- The company emphasizes the importance of customer safety and hygiene as well as solving problems in every matter that customers complain or give suggestions. The company will survey customer satisfaction in the company's products and services at least once a year and use the results to improve and correct any shortcomings.

### **Personal data protection**

The company emphasizes the importance of protecting customer confidential data by creating and announcing a Data Protection Policy, including preparing documents and work manuals to be consistent with the Personal Data Protection Act (PDPA) includes Privacy policy, General data protection regulation, Personal data processing notification, Data subject request, Personal data request form, etc., including the establishment of a working group to oversee compliance with the law on personal data protection. The working group acts as a planner, set practices, supervise and monitor operations in accordance with the Personal Data Protection Act (PDPA).

The Company has established channels for reporting incident and complaint regarding data protection policy and has published policy through the Company's website. The contact channels are as follows.

- By E-mail : Function International Public Company Limited
- 313 Charoen Phatthana Rd., Bang Chan, Khlong Sam Wa, Bangkok 10510
- By Phone : 02 540 6263
- By E-mail : [privacy@functioninter.com](mailto:privacy@functioninter.com)

### **4. Supplier and/or Creditors**

The Company has a policy for employees to treat all suppliers and/or creditors fairly, honestly and without taking advantage. Taking into account the basics of receiving fair returns for all parties. Avoid situations that create conflicts of interest. Negotiation to solve problems is based on business relationships. The guidelines are as follows:

- The Company has a procedure for supplier selection fairly under the Company's criteria for evaluating and selection principles. It does not demand or receive or pay any dishonest benefits in trading with suppliers and/or creditors
- In the case where there is information about request or receive or pay any dishonest benefits. Details must be disclosed to suppliers and/or creditors, and work together to solve problems fairly and quickly
- Strictly follow the agreed upon conditions. In the event that the conditions cannot be complied, suppliers and/or creditors must be notified in advance in order to jointly consider finding solutions to problems.
- The Company emphasizes the importance of suppliers and/or creditors as important business partners. Therefore, it is committed to comply with all obligations under existing contracts, as well as not concealing information or facts that will cause damage to suppliers and/or creditors. And if there is any reason that will cause them to be unable to perform their obligations in the contract. The Company will inform suppliers and/or creditors in advance to find solutions to solve problems, includes guarantee conditions, capital management and defaulting on joint debts.
- The company has a policy to support local business by purchasing from quality local contractors or distributors.

### **5. Regulatory Compliance**

The Company has a policy to proceed with operations in accordance with the law, including registration in accordance with legal regulations regarding trademarks, patents, copyrights, and various licenses including licenses to certify various types of products of the company. The Company has registered in accordance with legal regulations. including have a control registration number, review the company's trademarks, patents, copyrights, and any licenses as will expire. The company will review and renew it so that consumers can have confidence in the production of the company's products for sale.

### **6. Communities, Societies, and Environment**

The Company has a policy to conduct business that is beneficial to the economy and society, and adhere to the practice of being a good citizen and fully comply with relevant laws and regulations. The Company is committed to developing and raising the quality of life of communities and society in the areas where the company is located to have better quality along with the company's growth. And there is a policy to promote participation with various agencies in the community and nearby areas in education, security, and others.

In addition, the Company focuses on providing water services along with protecting the environment. The Company has a policy to support various activities that enhance quality, occupational health and the environment, as well as maintaining a working environment that is always safe for the lives and property of employees.

#### ◆ 6.1.4 Practices regarding information disclosure and transparency

The Board of Directors has committed to correct, complete, timely and transparent disclosure of information, whether financial or non-financial information, according to the principles of SEC and SET, as well as other information which may influence the Company's securities prices and then decisions of the investors and stakeholders. The details are as follows:

1. The Board of Directors ensures that the financial reporting and the important information disclosure are accurate, sufficient, timely, and in compliance with relevant rules, standards, and guidelines.
2. The Board of Directors has reported the Sustainability Policy, Corporate Governance Policy, Code of Conduct, Risk Management Policy, and Environmental and Social Policy, as well as implementation results of such policies and the cases unable for implementations with reasons through channels such as Form 56-1 One Report and the Company's website.
3. The Board of Directors has monitored and ensured that the Company's liquidity and debt repayment ability. And if the company has or is expected to have financial problems, the Board of Directors shall ensure the plans for addressing the problem or that alternative procedures are in place to manage the financial problems while taking stakeholder rights and rationality into account.
4. Disclose the information regarding duties and responsibilities of the Board of Directors and subcommittees, number of meetings and meeting attendance in the previous year, opinions and suggestions, continuous educations and occupational trainings, disclosure of remuneration policy for directors and senior executives, as well as types or methods of remuneration. However, the disclosed remuneration should include the one that each director received from being the director of subsidiaries.
5. In addition to information disclosure in accordance with the specified criteria and through the annual disclosure form of the Stock Exchange of Thailand (Form 56-1 One Report), the Board of Directors shall consider the disclosure through other channels such as the Company's website in both Thai and English, which shall be done regularly along with presenting current information.
6. The Board of Directors has prepared a report of the Board of Directors' responsibility for the financial statement. It is displayed alongside the auditor's report in Form 56-1 One Report, and prepare Management Discussion and Analysis (MD&A) to support financial statements disclosure in every quarter.
7. Directors and executives of the Company have reported their own interest or related persons who have interests related to the management of the Company or its subsidiaries. This is in accordance with the rules and procedures announced by the Capital Market Supervisory Board. And the Company has included the agenda regarding reporting on conflict of interests mentioned above in the Board of Directors' meeting for acknowledgment on a quarterly basis.
8. The Board of Directors ensures that the management has established an investor relations unit or person responsible for communicating with shareholders and other stakeholders, such as investors and analysts, in an appropriate, equitable, and timely manner.

#### ◆ 6.1.5 Practices regarding responsibilities of the Board of Directors

1. The Board of Directors shall acknowledge the roles and responsibilities as an organizational leader who shall supervise the organization to secure good management, including outlining objectives, goals, strategies, operational policies, and allocating key resources for achieving objectives and goals to build sustainable value to the business.
2. The Board of Directors has supervised the business to be competitive and yield satisfying results by considering the long-term effects by conducting business ethically, respecting the human rights, and being responsible to shareholders and stakeholders, beneficial to the society and aiming to reduce environmental impact, as well as prompting the organization to be adaptable under changes.
3. The Board of Directors has supervised all directors and executives to ensure they perform their duties with responsibility, duty of care, and duty of loyalty, as well as ensuring the compliance with laws, regulations, shareholders' meeting resolutions, and policies or guidelines specified by the Company.

4. Independent directors are responsible for monitoring the management's performance, providing feedbacks and opinions, supporting policies that benefit shareholders, or opposing approaches that may cause unfairness or non-transparency which may affect the interest of shareholders and any groups of stakeholders, ensuring the Company determines and discloses relevant, necessary policies, including the related party transaction policy in the best interest of the Company and shareholders.
5. The Board of Directors understands their roles, scope of duties, and responsibilities, including clearly specifying the scope of duties and responsibilities for subcommittees and the management, as well as supervising them to perform their duties as assigned. Charters of the Board of Directors and subcommittees shall be established in written form and be reviewed at least once a year to be in accordance with the Company's direction. The Company's secretary shall be appointed to oversee the Board of Directors' activities, including coordinating the implementation of the Board of Directors' resolutions.
6. The Board of Directors has appointed five subcommittees, namely the Executive Committee, Audit Committee, Nomination and Compensation Committee, Corporate Governance Committee, and Risk Management Committee to scrutinize the operations under the specified scope of authorities, which shall enhance the efficiency of the Board of Directors. The composition and appointment of such subcommittees shall be in compliance with the criteria.
7. The Board of Directors has supervised and review the formulation of the Board of Directors' structure in terms of size, composition, and independent director proportion suitable and necessary to lead the organization to the specified objectives and main goals. The Board of Directors' composition and director information shall be disclosed in the annual report and on the Company's website.
8. The Board of Directors has nominated an appropriate person to be the Chairman and ensure that the Board of Directors' composition and operations are conducive to independent discretion. The Board of Directors shall clearly determine the rights and duties of the Chairman and the Chief Executive Officer, ensuring no one has unlimited authority by separating the person holding the Chairman position and the Chief Executive Officer position.
9. In proposing remuneration for the Board of Directors for shareholder approval, the Nomination and Compensation Committee has ensured the structure and rate of remuneration is in line with their responsibilities and motivate them to lead the organization toward both short-term and long-term goals, as well as presenting them to the Board of Directors for consideration, before proposing shareholders to approve the structure and rate of remuneration for directors in both monetary and non-monetary forms.
10. The Board of Directors has ensured that all directors are accountable for performing their duties and allocating sufficient time, and establish the criteria for directors holding positions in other listed companies not more than 5 companies, this is to ensure that directors are able to devote sufficient time to perform their duties in the Company.  
In 2023, no directors of the Company holds directorship positions in more than 5 listed companies.
11. The Board of Directors has conduct an annual performance assessment of the Board of Directors, subcommittees, and individual directors at least once a year and the results shall be applied for further development.
12. The Board of Directors shall ensure the board and each director understand their duties, the nature of business, and the laws concerning business operations, as well as encouraging all directors to obtain skill and knowledge enhancement to perform their duties on a regular basis. Newly appointed directors shall be given guidance and information that help them perform their duties, including objective understandings, main goals, visions, missions, organization values, as well as the nature of the business and guidelines for business operations. The Board of Directors' consistent training and knowledge development programs shall also be established.
13. The Board of Directors has a company's secretary who has the knowledge and experience necessary and appropriate to support the Board of Directors' operations. The Board of Directors sets schedule the board meeting and agenda in advance so that directors can manage time and attend meetings, as well as encouraging senior executives to attend the board meetings to provide more details as they are directly related to the issues and offer an opportunity to get to know the senior executives for consideration of the succession plans.



## 6.2 Code of Conduct

Function International Public Company Limited (“the Company”) has determined its Code of Conduct and established a good corporate governance manual and Code of Conduct as guidelines for the Company’s directors, executives, and employees at all levels. The documents shall be reviewed on an annual basis in accordance with corporate governance and disclosed on the Company’s website in the corporate governance category.



## 6.3 Major Changes and Developments in Policies, Practices and Corporate Governance in the Previous Year

In 2023, the Company has undergone major change and development in policies, practices, good corporate governance and code of conduct to enhance the corporate governance efficiency and to raise the corporate governance standard of corporate governance of the Company in accordance with CG Code as follows:

### 1. Strengthen Board Effectiveness

- Improving the charter of the Audit Committee by amending details it the matter of reviewing with internal auditor in order to conform to the performance of the Audit Committee’s duties.
- Adjust the performance assessment form for the Board of Directors and sub-committee from hard copy document form to online format to reduce paper used and increase work efficiency.

### 2. Improving policy, manual and guideline of the Company

- Improving Internal Control and Internal Audit Policy to be in line with operations.

### 3. Strengthen Effective Risk Management and Internal Control

- Control and support newly established subsidiaries to have an accounting system that complies with accounting standard and financial reporting standards that is consistent with the company’s operations.
- Control and support newly established subsidiaries to have appropriate risk management and internal control systems.
- Test the Business Continuity Management Plan on December 14, 2023 by simulating the event when a cyber threat occurs.

### 4. Ensure Disclosure and Financial Integrity

The Board of Directors emphasizes the importance of disclosure information in an accurate, complete, transparent and timely manner. The Company publicizes the information to investor through important channels, including the system of SET and the Company’s website, and including participating in Opportunity Day activities 2 times in 2023 to provide opportunities for investors to receive more information and communicate with the Company.

### Unaccomplished the Corporate Governance Code for Listed Company 2017

The Board of Directors recognizes its function of leadership as a governing body of the Company. To this end, the Board has prescribed a review of the application of the Corporate Governance Code for Listed Company 2017 (CG Code) to the Company business context. In 2023, there are important practices that the company has not yet able to adopt or has not been adopted as follows:

Practice	The Company's Practice
<ul style="list-style-type: none"> <li>Setting targets to reducing greenhouse gas emissions</li> </ul>	<p>In 2023, the Company has hired consultants to evaluate the organization's carbon footprint. It is expected that the report can be summarized for the auditor to verify and can be used as information to set goals and develop plans to reduce the organization's greenhouse gas emissions in 2024.</p>
<ul style="list-style-type: none"> <li>Setting goals for energy management, water, including waste management and/or pollution reduction</li> </ul>	<p>The company has collected data on the use of electricity, water, and the amount of trash, waste, various pollution and will summarize the information to set goals for further management.</p>
<ul style="list-style-type: none"> <li>Set organizational strategies that align with sustainability issues</li> </ul>	<p>The company is studying and evaluating key sustainability issues and participation with stakeholders, to set organizational strategies that align with sustainability issues and guidelines for managing important sustainability issues.</p>

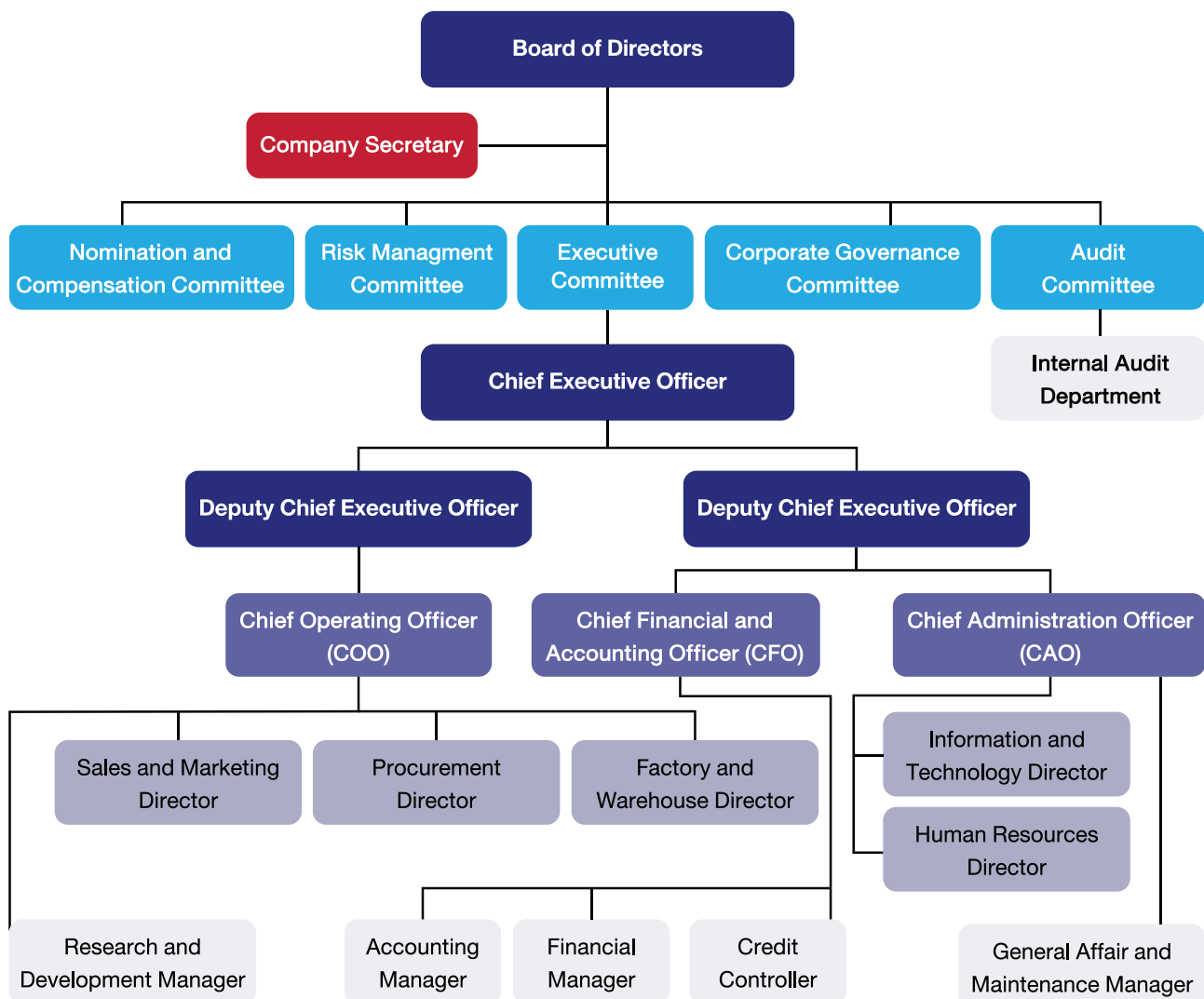


# 7

## Corporate Governance Structure

### 7.1 Corporate Governance Structure

The structure of the Board of Directors of the Company consists of Board of Directors and 5 sub-committees, namely Audit Committee, Executive Committee, Nomination and Compensation Committee, Risk Management Committee, and Corporate Governance Committee. The organizational structure as of December 31, 2023 is as follows:



**Note:**

- Top executive is the Chief Executive Officer
- The first four executives are Deputy Chief Executive Officer (DCEO), Chief Financial and Accounting Officer (CFO), Chief Operating Officer (COO) and Chief Administration Officer (CAO).

## 7.2 Information of the Board of Directors

### ◆ 7.2.1 Composition of the Board of Directors

The Company's Board of Directors consists of not less than five members and not less than half of the total director number shall reside in the Kingdom of Thailand as specified in the Company's Articles of Association. The Board of Directors shall consist of at least three independent directors and not less than one-third of the Company's total director number. All independent directors and audit committee members shall have complete qualifications in compliance with the Notification of the Capital Market Supervisory Board No. ThorChor. 39/2559 regarding permission to offer newly issued shares for sale (including amendments). The Company's Board of Directors consists of directors with diverse qualifications in terms of professional skills, gender, and age, regardless of race, political viewpoint, and religion.

As of December 31, 2023, the Board of Directors consists of eleven directors, six of whom are independent directors, accounting for 54.55% of the total number of directors.

### “ Term of Office ”

The Company's policy on the Board of Directors' term of office is in line with the Company's Articles of Association, which stipulate that at the annual general shareholders' meeting, one-third of the directors shall retire, starting with the director holding the longest office term. The Company's directors serve a 3-year term of office, while the retiring director may be nominated as a new director at the shareholders' meeting. The independent directors' term of office shall not be more than 9 years, unless approved by the shareholders' meeting.

### ◆ 7.2.2 Detail of the Board of Directors and the Company's controllers

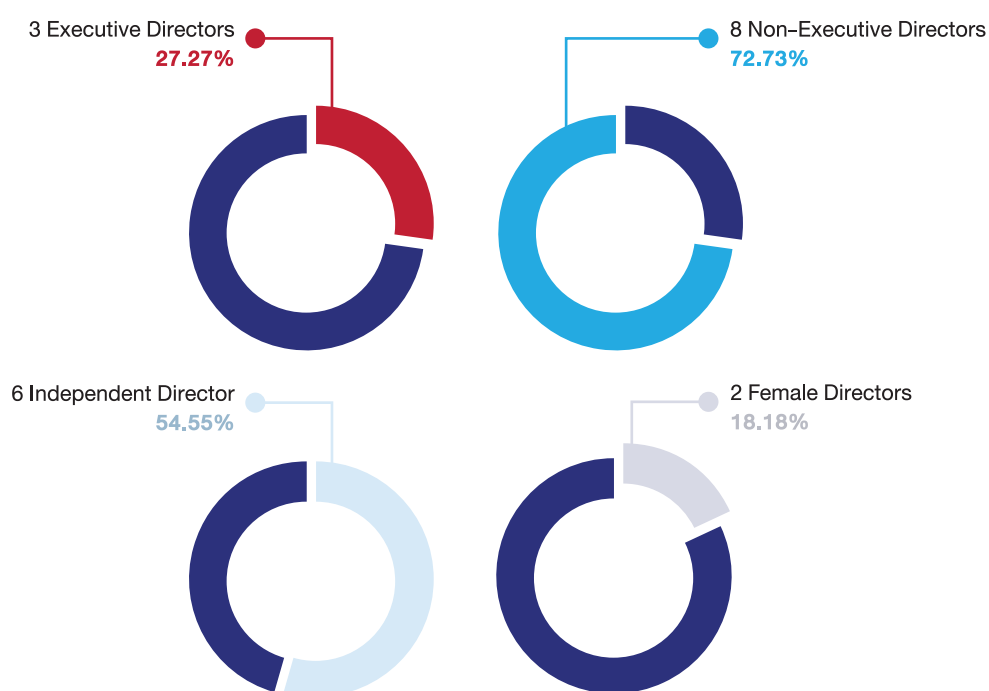
As of December 31, 2023, the Board of Directors comprises of 11 members as follows:

Name	Position	Date of Appointment
1. Dr. Naris Chaiyasoot	Chairman of the Board / Independent Director / Corporate Governance Committee	December 3, 2021
2. Assist. Prof. Amporn Theingtrakul	Independent Director / Vice Chairman of the Board / Chairman of Audit Committee	December 3, 2021
3. Mr. Taveesak Foongkiatcharoen	Independent Director / Audit Committee	December 3, 2021
4. Assoc. Prof. Dr. Intaka Piriyaikul	Independent Director / Audit Committee	April 11, 2023
5. Pol. Lt. Gen. Suraphong Chaijant	Independent Director / Chairman of Nomination and Compensation Committee / Risk Management Committee / Corporate Governance Committee	December 3, 2021
6. Dr. Somchint Pilouk	Independent Director / Chairman of Corporate Governance Committee / Nomination and Compensation Committee / Risk Management Committee	October 12, 2023
7. Dr. Vikorn Poovapat	Director / Chairman of Executive Committee / Chairman of Risk Management Committee / Corporate Governance Committee / Chief Executive Officer	December 3, 2021

Name	Position	Date of Appointment
8. Mr. Surapong Rungjang	Director / Executive Committee	December 3, 2021
9. Mr. Charan Lerdteeraphoj	Director / Executive Committee / Nomination and Compensation Committee	December 3, 2021
10. Mr. Arunsak Wongkawiwit	Director / Executive Committee / Risk Management Committee / Deputy Chief Executive Officer	December 3, 2021
11. Mr. Kaweewat Siriwongmongkol	Director / Chief Financial and Accounting Officer	July 7, 2022

\* Appointment date since transformed to be a public company

All directors (100%) have completed training courses organized for directors, at least in the Director Certification Program (DCP) or Director Accreditation Program (DAP).



With **Mr. Apisit Jirathalhakant** acting as company secretary that having passed the Company Secretary training course No. 93/2018 of the Thai Institute of Directors Association.

#### Authorized Director of the Company

Directors who have authorization to sign and bind the Company are Mr. Vikorn Poovapat or Mr. Arunsak Wongkawiwit and Mr. Surapong Rungjang or Mr. Charan Lerdteeraphoj or Mr. Kaweewat Siriwongmongkol. Two directors shall jointly sign with the company's seal be affixed.

## Report of changes in shares holding of the Company's directors and executives

Name	Number of Shares		
	As of January 1, 2023	As of December 31, 2023	Increase/(Decrease) during the year (Shares)
1. Dr. Naris Chaiyasoot	1,400,000	1,400,000	-No Change-
2. Assist. Prof. Amporn Theingtrakul	280,000	280,000	-No Change-
3. Mr. Taveesak Foongkiatcharoen	1,200,000	1,200,000	-No Change-
4. Assoc. Prof. Dr. Intaka Piriyakul	-	-	-No Change-
5. Pol. Lt. Gen. Suraphong Chaijant	1,200,000	1,200,000	-No Change-
6. Dr. Somchint Pilouk	-	-	-No Change-
7. Dr. Vikorn Poovapat	21,297,700	21,297,700	-No Change-
8. Mr. Surapong Rungjang	400,000	400,000	-No Change-
9. Mr. Charan Lerdtteraphoj	600,000	600,000	-No Change-
10. Mr. Arunsak Wongkawiwit	188,000	188,000	-No Change-
11. Mr. Kaweewat Siriwongmongkol	100,000	-	(100,000)
12. Mrs. Voraya Poovapat	21,297,700	4,380,200	(16,917,500)
13. Mr. Piyapong Suwannarat	-	-	-No Change-
14. Mr. Yutthapong Manusayanont	-	-	-No Change-



### ◆ 7.2.3. Roles and Duties of the Board of Directors

#### Scope of Duties of the Board of Directors

The Board of Directors shall have the rights, duties, and responsibilities to supervise the company in accordance with the laws, the company's objectives, and regulations. Key duties and responsibilities can be summarized as follows:

1. Supervise the company in accordance with the laws, the company's objectives, and regulations, as well as the shareholders' meeting resolutions, with honesty, integrity and caution to preserve the interests of the Company.
2. Outline the vision, mission, policy, goals and the Company's business direction, as well as supervising the duties of the management to be in line with the policies and goals set by the Board of Directors with efficiency.
3. Consider and develop annual budget plans to ensure they are appropriate and consistent with the Company's objectives and goals, as well as auditing and controlling management budget expenditure in line with the annual budget plans.
4. Regularly monitor the Company's performance to meet the Company's plans and budgets, while the management shall report performance and other important matters related to the company to the Board of Directors at the board meeting on a quarterly basis.
5. Ensure that the Company obtains reliable accounting, financial reporting, and auditing systems so that the Company's financial statements are accurate, showing complete financial status and performance of the past accounting period in a sincere manner and be in line with the accounting standards. The Board of Directors shall bear their responsibilities in preparing financial and auditing reports in the annual report, covering important matters in compliance with the Stock Exchange of Thailand's policy of good practices for listed companies' directors.
6. Ensure that the Company obtains sufficient and suitable internal control and internal audit systems, as well as comprehensive risk management consisting of risk management consideration process, efficient reporting and follow-up, and a procedure for receiving complaints and taking action on whistleblowing. The assessments of the sufficient internal control system and risk management performance shall be monitored regularly.
7. Establish a policy on corporate governance in accordance with corporate governance principles in written form, and conduct a review of the Company's corporate governance policy to ensure that the Company can effectively implement such policies.
8. Appoint persons with knowledge, ability, and experience beneficial to the Company as the Chief Executive Officer and subcommittees. The nomination of the Board of Directors includes the Nomination and Compensation Committee, the Audit Committee, the Executive Committee, the Risk Management Committee, and the Corporate Governance Committee.
9. Appoint the company secretary to ensure that the Board of Directors and the Company comply with the laws, announcements, and regulations.
10. Consider and approve important matters related to the Company's operations for the best interests of the Company and the shareholders as a whole.
11. Determine the Company's annual remuneration structure and the appropriate criteria of remuneration and other benefits for directors, executives and employees based on factors such as performance assessments, responsibilities, knowledge, and skills, etc.
12. Determine policies, goals and business directions of subsidiaries, as well as appointing a representative with knowledge and skills from the Company to be a director of the subsidiaries in accordance with the shareholding proportion.
13. Establish clear and transparent policies and procedures for conducting transactions between the Company and its subsidiaries and relevant persons that can be verified to prevent a conflict of interest.

14. Fairly consider the matters based on the interests of all parties of shareholders and all groups of stakeholders of the Company. The directors are responsible for promptly notifying the Company of their interests in the Company's transactions, with such directors being unable to vote for approval of those transactions.
15. Supervise the Company to disclose its important information in a correct, complete, and timely manner through channels that all stakeholders can access equally and conveniently.
16. Ensure the sustainability of the Company's operations, including employee development plans, succession plan, and the efficiency of the succession nomination for the Company's directors and executives.
17. The Board of Directors may assign one or more directors or any other persons to act on behalf of the Board of Directors. The delegation of authority shall be clearly written or recorded as the Board of Directors' resolution in the meeting minutes, as well as clearly specifying the scope of authority of the attorney. The Board of Directors shall cancel, revoke, change, or modify such authorization as it deems appropriate. In addition, such authorization shall not include the act that allows the authorized persons to approve transactions for themselves or any persons with a conflict of interest, benefits, or other conflicts related to the Company, except for approving transactions in line with the policy and criteria permitted by the shareholders' meeting or the Board of Directors.
18. Determine wages, remuneration, and bonuses, as well as evaluating the Chief Executive Officer's performance in accordance with the remark of the Nomination and Compensation Committee.
19. Make important decisions such as policies and business plans for large investment projects, executive power, and any other topics required by law, etc. In the case of a decision on an asset acquisition or disposal, or related transactions, the Board of Directors shall comply with relevant announcements, regulations, and/or rules of the Securities and Exchange Act, the Capital Market Supervisory Board, and the Stock Exchange of Thailand, except that such transactions shall be approved by the shareholders' meeting resulting in the Board of Directors' inability to approve such transaction.
20. Determine the authority and level of approval for transactions, as well as any actions related to the company's operations for groups or persons as appropriate and in accordance with applicable laws, using an operating manual that is reviewed on a regular basis.
21. Propose the auditor nomination and consider the annual audit fee and present to the shareholders' meeting for approval and determine remuneration.
22. Supervise the subcommittees' activities to be in line with the specified charters.
23. The Board of Directors shall assess performance through self-assessment and overall performance assessment.

#### **Scope of Authority of the Chairman of the Board**

The Chairman of the Board shall lead the Board of Directors. The duties of the Chairman include at least the following:

1. Perform as the Board of Directors' meeting caller, with the meeting being conducted at the same place or electronically. If two or more directors request for a board meeting call, the Chairman shall schedule the meeting within 14 days from the request date.
2. Chair the meeting and be responsible for supervising and allocating sufficient time for each agenda to allow directors to independently present and discuss important matters while fairly considering the interest of the shareholders and stakeholders.
3. Supervise, monitor, and ensure that the Board of Directors' duties are efficient and achieve the organizational objectives and main goals.
4. Ensure that all directors participate in the support of corporate culture that contains ethics and good corporate governance.
5. Specify the Board of Directors' meeting agenda by discussing with the Chief Executive Officer, and establish measures to ensure that important matters are included in the agenda.
6. Allocate sufficient time for the management to present matters and thoroughly discuss important issues with directors, as well as encouraging directors to exercise prudent discretion and provide opinions independently.
7. Strengthen good relationships between executive directors, non-executive directors, the Board of Directors, and the management



## 7.3 Information of Subcommittees

The Board of Directors has appointed five subcommittees, namely the Audit Committee, the Executive Committee, the Nomination and Compensation Committee, the Risk Management Committee, and the Corporate Governance Committee.

### ◆ 7.3.1 Audit Committee

The Audit Committee consists of at least three independent directors with a 3-year term of office. As of December 31, 2023, there are three members of the Audit Committee as follows:

1. Assist. Prof. Amporn Theingtrakul *	Chairman of the Audit Committee
2. Mr. Taveesak Foongkiatcharoen	Audit Committee
3. Assoc. Prof. Dr. Intaka Piriyaikul	Audit Committee

\* Assist. Prof. Amporn Theingtrakul is a person with knowledge and experience in accounting and finance who can review the credibility of the Company's financial statements.

And Mr. Apisit Jirathalhakant, Company Secretary serves as acting secretary of the Audit Committee.

#### Scope of Authority and Responsibilities of the Audit Committee

1. Review the financial reports to ensure the accuracy, reliability, adequate information disclosure, as well as coordinating with external auditors and executives responsible for conducting financial reports both quarterly and annually.
2. Review the appropriate and efficient Internal Control and Internal Audit, as well as reviewing the independence of internal control units and approving the appointment, transfer, termination of the heads of internal control chiefs or other units responsible for internal control. The Audit Committee may recommend reviewing or examining any transactions deemed necessary and important, as well as submitting recommendations on important and necessary internal control improvements to the Board of Directors with coordination from internal auditor.
3. Review compliance with securities and exchange laws or the Stock Exchange of Thailand's legislation, policies, rules, regulations, and others related to the Company's business.
4. Review the Company's risk management through the reports of the Risk Management Committee to the Board of Directors, to ensure that appropriate and effective risk management processes and the monitoring of risk assessment from shifting situations and business environments are in place, as well as regularly determining risk-reducing measures in both the short and long term.
5. Consider, select, and nominate independent persons to act as the Company's auditors, including offering remuneration based on credibility, resource sufficiency, and experience of personnel assigned to audit the Company, as well as past performance. The Audit Committee shall attend a meeting with the auditors without the management at least once a year. In 2023, a meeting was held on February 20, 2023.
6. Consider related transactions or potential conflict of interest transactions in compliance with the laws and regulations of the Stock Exchange of Thailand, as well as accurately and comprehensively disclosing the Company's information on such matters to ensure that such transactions are reasonable and in the best interest of the Company.
7. Report on the Audit Committee performance to the Board of Directors at least four times a year.

8. Conduct an overt report of the Audit Committee to be disclosed in the Company's annual report, with the Chairman of the Audit Committee's signature and at least information as follows:
  - Remarks on the accuracy, comprehensiveness, and credibility of the Company's financial reports.
  - Remarks on the adequacy of the Company's Internal Controls.
  - Remarks on compliance with the securities and exchange laws, the Stock Exchange of Thailand's regulations, or others related to the company's business.
  - Remarks on the auditor's competence.
  - Remarks on related transactions or those that may contain a conflict of interest.
  - Remarks on the risk management of the Company and its subsidiaries.
  - Number of the Audit Committee meetings and attendance of each member.
  - Other transactions that shareholders and general investors shall be informed of in the scope of duties and responsibilities assigned by the Board of Directors.
9. Regarding duties of the Audit Committee, independent opinions from other consultants may be acquired at the Company's expense when deemed necessary.
10. Participate in the nomination, removal, and performance assessment of the internal audit officer.
11. Following the scope of duties, the Audit Committee members are authorized to invite the management, executives, or relevant employees to provide their opinions, attend meetings, or submit documents deemed relevant or necessary.
12. Have the authority to hire consultants or outsiders in accordance with the company's regulations to provide opinions or advice if necessary.
13. The Audit Committee shall assess its performance by self-assessment and report the results along with obstacles that may cause failure to achieve the committee's objectives to the Board of directors annually.
14. Review and revise the Charter of the Audit Committee.
15. Perform other tasks as assigned by the Board of Directors under the scope of duties and responsibilities of the Audit Committee. The Audit Committee is directly responsible to the Board of Directors, and the Board remains responsible for the Company's operations to third parties.

### ◆ 7.3.2. Executive Committee

The Executive Committee consists of total directors or executives of not less than three members, with a 3-year term of office. As of December 31, 2023, there are six members of the Executive Committee as follows:

1. Dr. Vikorn Poovapat	Chairman of Executive Committee
2. Mrs. Voraya Poovapat	Executive Committee
3. Mr. Surapong Rungjang	Executive Committee
4. Mr. Charan Lerdteeraphoj	Executive Committee
5. Mr. Arunsak Wongkawiwit	Executive Committee
6. Mr. Piyapong Suwannarat	Executive Committee

### Scope of Authority and Responsibilities of the Executive Committee

1. Supervise the Company's operations to be in line with policies determined by the Board of Directors and report the results to the Board of Directors' meetings. At least half of the total director number shall attend the board meeting, with the meeting resolutions being carried out by majority vote.
2. Consider the annual budget and budget procedures to the Board of Directors and supervise the expenditures in accordance with the budget approved by the Board of Directors.
3. Consider and determine policies, directions, strategies, goals, business plans, budgets, and executive authority of the Company and its subsidiaries, in coordination with senior management to propose to the Board of Directors for approval.
4. Supervise and monitor the Company's performance according to the approved business plan.
5. Approve the operations of the Company and its subsidiaries in matters within the scope assigned by the Board of Directors.
6. Scrutinize matters proposed by senior management in areas that are beyond the authority of the Board of Directors to present to the Board of Directors in another step.
7. Determine organizational structure.
8. Approve matters related to the Company's finance, investments, and assets within the scope of authorities and based on annual expenditure budget as approved in principle and/or assigned by the Board of Directors.
9. Have the authority to appoint a committee to study or consider matters as the Executive Committee deems appropriate, as well as hiring consultants related to the Company's supervision to achieve the highest management efficiency.
10. Assign the Chief Executive Officer to consider or perform any matters as the Executive Committee deems appropriate.
11. Consider the Company's profits and losses, and propose interim dividend payment and/or annual dividend payment to the Board of Directors.
12. Consider new business ventures or business terminations to the Board of Directors.
13. Ensure that there is a procedure for operators to report incidents, abnormal activities, or illegal acts to the Board of Directors in a timely manner. In the case that such events have significant impact, the Board of Directors shall be notified of them to consider for solutions within a reasonable period of time.
14. Take any action to support the aforementioned activities, or in accordance with the Board of Directors' opinion, or as authorized by the Board of Directors.
15. Propose to the Board of Directors' meeting on any matters resolved and/or approved by the meeting. The Board of Directors shall be informed by the next board meeting. However, the Board of Directors shall be unable to approve transactions that have a conflict of interest or in other manners concerning the conflict of interest with the Company and its subsidiaries.
16. Authorize one or more persons to act on behalf of the Executive Committee. The delegations of authorities and responsibilities of the Executive Committee shall not proceed if such delegations allow the authorized persons to approve transactions that have a conflict of interest with the Company and its subsidiaries (if any), except for the approval of transactions in compliance with the policies and criteria approved by the Board of Directors' meeting.

### ◆ 7.3.3. Nomination and Compensation Committee

The Nomination and Compensation Committee consists of total directors and/or executives of not less than three members, and one of them is an independent director, with a 3-year term of office. As of December 31, 2023, there are three members of the Nomination and Compensation Committee as follows:

1. Pol. Lt. Gen. Suraphong Chaijant	Chairman of Nomination and Compensation Committee
2. Mr. Charan Lerdteeraphoj	Nomination and Compensation Committee
3. Dr. Somchint Pilouk	Nomination and Compensation Committee

### Scope of Authority and Responsibilities of the Nomination and Compensation Committee

1. Select persons deserving to be nominated as new directors and nominate the Chief Executive Officer. The criteria and procedures of the nomination with transparency shall be specified to propose to the Board of Directors' meeting and/or the shareholders' meeting for approval.
2. Determine the annual remuneration structure of the Company's group, together with the criteria and guidelines for remuneration and other benefits for the directors. A fair and reasonable criteria or procedures for remuneration shall be specified to propose to the Board of Directors' meeting and/or the shareholders' meeting for approval.
3. Determine wages, remuneration, bonuses, and assess the Chief Executive Officer's performance to propose to the Board of Directors' meeting for approval.
4. Perform any other tasks as assigned by the Board of Directors.

### ◆ 7.3.4. Risk Management Committee

The Risk Management Committee consists of total directors and/or executives of not less than three members, with a 3-year term of office. As of December 31, 2023, there are five members of the Risk Management Committee as follows:

1. Dr. Vikorn Poovapat	Chairman of Risk Management Committee
2. Pol. Lt. Gen. Suraphong Chaijant	Risk Management Committee
3. Mr. Arunsak Wongkawiwit	Risk Management Committee
4. Mr. Piyapong Suwannarat	Risk Management Committee
5. Dr. Somchint Pilouk	Risk Management Committee

### Scope of Authority and Responsibilities of the Risk Management Committee

1. Determine and review policies and risk management frameworks, as well as proposing to the Board of Directors for approval.
2. Supervise and support the implementation of risk management to be in line with strategies, business goals, and shifting conditions.
3. Inspect the risk management report and provide opinions on the risks that may occur, including controlling or mitigating guidelines, as well as developing the risk management to be constantly efficient.
4. Report risk management results to the Board of Directors. In case of important factors or events that may have a significant impact on the Company, the Board of Directors shall be notified as soon as possible.
5. Establish frameworks and supervise risk management across the organization under the leadership of the Chief Executive Officer. If found that the risk management policy is inappropriate for the operating conditions, it shall be reported to the Board of Directors for approval to improve the risk management policy.
6. Establish risk management across the organization with the guidelines.
7. Ensure the accuracy, timeliness, and information consistency of the risk management across the organization to the Board of Directors.
8. Provide a policy on establish a culture of risk management awareness in the organization for promote and support practice throughout the organization.
9. Perform any other tasks as assigned by the Board of Directors.

### ◆ 7.3.5. Corporate Governance Committee

The Corporate Governance Committee consists of not less than three directors, with one of them an independent director, with a 3-year term of office. As of December 31, 2023, there are four members of the Corporate Governance Committee as follows:

1. Dr. Somchint Pilouk	Chairman of Corporate Governance Committee
2. Dr. Naris Chaiyasoot	Corporate Governance Committee
3. Dr. Vikorn Poovapat	Corporate Governance Committee
4. Pol. Lt. Gen. Suraphong Chaijant	Corporate Governance Committee

#### Scope of Authority and Responsibilities of the Corporate Governance Committee

1. Conduct, review, and improve corporate governance and anti-corruption policies under the framework of laws, criteria, rules, and regulations of relevant regulatory bodies such as the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as guidelines for corporate governance according to international standards, before presenting to the Board of Directors for up-to-date improvements on a regular basis and implementing as corporate governance guidelines for the Company's directors, management, and all employees.
2. Supervise and recommend practices on corporate governance and anti-corruption to the Board of Directors and management to ensure efficient, consistent, and appropriate corporate governance in accordance with the expectations of shareholders and stakeholders.
3. Monitor and assess the performance of the Company's directors and management in accordance with specified corporate governance practices.
4. Assign corporate governance and anti-corruption policies to the assigned group to support corporate governance as appropriate.
5. Determine frameworks and guidelines for sustainability management, including corporate responsibility toward societies, communities, and the environment, as well as monitoring the sustainability management and report to the Board of Directors.
6. Conduct an annual corporate governance report and present to the Board of Directors, as well as providing necessary comments and suggestions.
7. Perform any other tasks as assigned by the Board of Directors.

In this regard, the Company does not yet have a corporate sustainability committee. The Corporate Governance Committee has therefore taken on the responsibility of overseeing additional sustainability work.



## 7.4 Information of the Executives

### ◆ 7.4.1. Names and Positions of Executives

As of December 31, 2023, the Company has 6 executives as follows:

1. Dr. Vikorn Poovapat	Chief Executive Officer
2. Mrs. Voraya Poovapat	Deputy Chief Executive Officer
3. Mr. Arunsak Wongkawiwit	Deputy Chief Executive Officer
4. Mr. Kaweewat Siriwongmongkol	Chief Financial and Accounting Officer
5. Mr. Piyapong Suwannarat	Chief Operating Officer
6. Mr. Yutthapong Manusayanont	Chief Administration Officer

#### Scope of Authority and Responsibilities of Chief Executive Officer

1. Manage, supervise, and approve matters related to the Company's daily management for the Company's benefit and in compliance with the Company's policies, strategies, and operational plans specified by the Board of Directors and/or the Executive Committee. This is to ensure compliance with the objectives, rules, regulations, orders, and resolutions of the Board of Directors' meeting the shareholders' meeting subject to relevant laws and the scope of authority determined by the Board of Directors.
2. Establish policies, strategies, goals, business plans, and annual budget, as well as the management structure and executive powers of the Company to propose to the Executive Committee for consideration, before putting forward to the Board of Directors for approval.
3. Monitor, inspect, control, and report the Company's overall performance to the Board of Directors and the Executive Committee on a regular basis.
4. Supervise senior executives and personnel in each department to perform their duties and operate efficiently and effectively, encourage the consistent development of the organization and personnel, and maintain a good organization image.
5. Have the authority to determine and modify the Company's management structure and the management to comply with the Company's policies and the industry's competitive environment.
6. Have the authority to hire, appoint, transfer, lay off, terminate, and determine remuneration for employees at levels below the Chief Executive Officer within the scope compliant with the Company's regulations.
7. Have the authority to issue, amend, add, and improve the rules, regulations, and orders related to the Company's operations to ensure that the operations are in line with the Company's policies, as well as preserving the Company's interests and maintaining workplace discipline in the organization.
8. Authorize and/or assign other persons to operate and/or perform any matters on their behalf within the scope of approval authority, regulations, or orders specified by the Board of Directors and/or the Executive Board.
9. Have the authority to act and represent the Company to third parties in any businesses relevant and beneficial to the Company.
10. Have the authority to approve expenditures and/or other expenses that are general expenses of the Company within the approved credit limit, as well as the authority to consider, negotiate, and approve the entry into legal contracts and/or taking any actions related to the Company's operations in accordance with the authority and/or credit limit approved by the Board of Directors and/or the Executive Board.

11. Perform any other tasks as assigned by the Executive Committee and/or the Company's directors.

The aforementioned Chief Executive Officer's delegation of authority and responsibilities shall not include the authority and/or the authorization right to approve any conflict of interest transactions in which he or she, the attorney, or other persons who may a conflict of interest (as defined in the Notification of the Capital Market Supervisory Board) are involved. The approval of such transactions shall be proposed to the Board of Directors' meeting and/or the shareholders' meeting (depending on the case) to consider and approve such transactions in compliance with the Company's regulations or relevant laws.

#### ◆ 7.4.2. remuneration for Executive Committee and Executives Policy

The Company shall set remuneration for executives at a proper rate, in line with the Company's operating results, and comparable to general practices in the industry. The Nomination and Compensation Committee and the Board of Directors considered the remuneration, taking into account the organization's main goals, practices of the same business type, the Company's performance, work success, roles, duties, responsibilities, work-related behavior, and disciplinary assessment results, with approval based on the best interests of the company and shareholders.

#### ◆ 7.4.3. Total Amount of remuneration for Executive Committee and Executive

##### Monetary remuneration

In 2022 and 2023, the company paid monetary remuneration as salary, bonus, monthly consulting fee, and other monetary remuneration to Executive Committee and executives as follows:

List	2022	2023
Number of executives	6 persons	6 persons
Number of Executive Committee	2 persons	2 persons
Total remuneration/1 (million baht)	25.59	25.58

<sup>1</sup> Non-executive Executive Committee receive a monthly consulting fee. All executives and Executive Committee do not receive meeting allowances for sub-committee meetings and Board of Directors meetings.

##### Other remuneration

- Provident fund contributions

In 2023, the Company contributed to the provident fund for the Company's executives as follows:

List	2022	2023
Number of executives	4 persons	4 persons
Provident fund contributions (million baht)	0.17	0.22



## 7.5 Information on Employees

As of December 31, 2023, the Company has the number of employees as follows:

1.	Procurement Department	7	9.	Accounting Department	5
2.	Research and Development Department	12	10.	Financial Department	3
3.	Marketing and Public Relation Department	5	11.	Credit Controller Department	8
4.	Logistics Department	66	12.	Information Technology Department	4
5.	Sales Department	25	13.	General Affairs and Maintenance Department	17
6.	Pump and Valve Department	4	14.	Human Resources Department	6
7.	Support and Planning Department	14	15.	Internal Audit Department	-
8.	Factory Department	47	16.	Company Secretary Office	6
<b>Total</b>					<b>229</b>

The Company has hired three persons who are disabled or in other underprivileged groups and has contributed to the fund in compliance with the laws.

### Significant change in employee number in the past 3 years.

- None -

#### ◆ 7.5.1. Employee remuneration

##### Monetary remuneration

From 2022 - 2023, the Company paid monetary remuneration to full-time employees (excluding executives) as salaries, bonuses, and other benefits, such as commissions, overtime pay, allowances, and provident fund contributions. The remuneration accounted for the total amount as follows:

List	2022	2023
Employee number (persons)	228	229
Total remuneration (million baht) <sup>1</sup>	81.63	81.19

Note: <sup>1</sup> Excluding low-interest loan welfare that the Company lent to the employees. In 2022, the loan amount totaled 1.37 million baht for 68 employees. In 2023, the loan amount totaled 1.32 million baht for 58 employees.



◆ **7.5.2. Provident Fund**

To motivate employees to work with the Company and secure their future, since January 1, 2013, the provident fund (PVD) has been established under the supervision of MFC Asset Management in accordance with the Provident Fund Act B.E. 2530 (1987) (including any amendments). The employees are able to specify the deduction between a rate of 2–3% to their wage/salary. Beginning on July 17, 2018, the fund contribution of the employees is to be adjusted from 2 to 15%. The Company shall contribute at a rate of 2–3% of their wage/salary. In case of resignation or termination of an employee, the contribution shall be based on their length of service.

List	2023
Employees engaged in PVD	134 persons
Total employees	229 persons
Proportion of employees engaged in PVD/total employees	58.52%

◆ **7.5.3. Labor Dispute**

In the past 3 years, the Company had no labor dispute incident as a litigant party that may have a significant impact on the operations.



## 7.6 Other information

### ◆ 7.6.1. Company Secretary

The Board of Directors' Meeting No. 4/2021 held on November 11, 2021, resolved to appoint Mr. Apisit Jirathalhakant as the Company Secretary, given that he/she is a qualified person who passed the training course for company secretary from the Thai Institute of Directors Association. The aforementioned appointment was for the Company Secretary to perform duties in accordance with Section 89/15 of the Securities and Exchange Act B.E. 2535 (1992) (including any amendments) with responsibility, caution, and honesty, as well as complying with the laws, objectives, and resolutions of the Board of Directors' meeting and shareholders' meeting. The Company Secretary's duties and responsibilities are as follows:

1. Prepare and keep a record of the following documents:
  - Directors register
  - Board meeting notice, board meeting minutes, and the Company's annual report
  - Shareholders' meeting invitation letter and shareholders' meeting minutes
2. Keep a record of conflict-of-interest reports from directors or executives.
3. Submit conflict-of-interest reports in accordance with Section 89/14 of the Securities and Exchange Act B.E. 2535 (1992) (including any amendments) to the Company's directors and the Chairman of the Audit Committee within 7 days from the date of receiving such reports. The Company shall implement a records-retention policy to ensure that documents or evidence related to information disclosure are stored correctly and comprehensively. The documents shall be available for inspection for at least 10 years from the date they were issued.
4. Perform other tasks as specified by the Capital Market Supervisory Board.
5. Provide preliminary advice to company directors on the Company's laws, rules, and regulations, and monitor compliance for accuracy and consistency, including reporting to the Board of Directors any significant changes.
6. Compose important information reports and/or summarize resolutions of the Board of Directors meetings.
7. Compose the draft of management policies such as corporate governance policy, etc.
8. Inform relevant executives of the resolutions and policies of the Board of Directors and shareholders and monitor compliance.
9. Coordinate with regulators.

### ◆ 7.6.2. Person with Direct Responsibility in Accounting

Miss Thanuttha Junbangplee, Accounting Manager, is the person assigned to be directly responsible for the Company's accounting. Miss Thanuttha is a certified public accountant, qualified as an accountant in accordance with the SEC's criteria.

The relevant information and details of the person with direct responsibility for the Company's accounting are specified in Attachment 1.

### ◆ 7.6.3. Head of Investor Relations

The Board of Directors ensures that the management has established an investor relations unit or person responsible for communicating with shareholders and other stakeholders, such as investors and analysts, in an appropriate, equitable, and timely manner as follow:

<b>Name</b>	Mr. Apisit Jirathalhakant
<b>Address</b>	313 Charoen Phatthana Rd., Bang Chan, Khlong Sam Wa, Bangkok 10510
<b>E-mail</b>	ir@functioninter.co.th
<b>Website</b>	www.functioninter.co.th
<b>Tel.</b>	0-2540-6263

#### ◆ 7.6.4. Head of Internal Audit

The Company has hired P&L Internal Audit Co., Ltd. (“P&L”) to audit and evaluate the adequacy of the internal controls of the operations from 2018, with a person assigned as the head of the internal audit as follows:

<b>Company</b>	P&L Internal Audit Co., Ltd.
<b>Head of the internal audit</b>	Ms. Wanwimol Jongsureeyapas
<b>Position</b>	Vice President

The relevant information and details of the head of the internal audit are specified in Attachment

#### ◆ 7.6.5. Auditor fee

The Company has appointed certified public accountant D I A International Audit Co., Ltd., who obtained qualifications in accordance with the Stock Exchange of Thailand, based on expertise in auditing and independence that does not involve any relationships or conflicts of interest with the Company, executives, major shareholders, or other parties.

##### **Audit Fee**

The company paid an audit fee in 2023 to auditors for 1,320,000 baht, excluding travel allowance and other expenses related to the operations.

##### **Non-Audit Fee**

- None -



## 8.1 Summary of Board of Directors' Performance in Past Year

### ◆ 8.1.1 Nomination, Development, and Performance Evaluation of the Board of Directors

#### 1. Independent Directors

Independent directors shall obtain qualifications specified by public law, the Securities and Exchange Act, and the Stock Exchange of Thailand's regulations regarding independent director qualifications as follows:

- Hold no more than 1 percent of total voting shares of the Company, parent company, subsidiaries, affiliates, major shareholders, or controlling person, including the holding by the relatives of each independent director.
- Shall not be or use to be an executive director, employee, staff, advisor who receives regular wage, or a controlling person of the Company, parent company, subsidiaries, affiliates, major shareholders, or controlling persons, unless resigning from such position for at least 2 years prior to submitting an application to the Securities and Exchange Commission. The aforementioned prohibited qualification does not include if the independent director is a former official or advisor to a government agency that is the Company's major shareholder or the controlling person.
- Shall not be a blood relative or legally registered as father, mother, spouse, sibling, and child, including child-in-law of the executives, major shareholder, controlling person, or a person to be nominated as the executive or controlling person of the Company or its subsidiaries.
- Shall not have or use to have a business relationship with the Company, parent company, subsidiaries, affiliates, major shareholders, or controlling person in a way that may compromise his or her independent discretion, or be nor used to be a significant shareholder or controlling person of those related to the Company, parent company, subsidiaries, affiliates, major shareholders, or controlling persons, unless resigning from such position for at least 2 years prior to submitting an application to the Securities and Exchange Commission.
- Shall not be or use to be the auditor of the Company, parent company, subsidiaries, affiliates, major shareholders, or controlling person, including the audit company's significant shareholder, controlling person, or partner that affiliates the auditor of the Company, parent company, subsidiaries, affiliates, major shareholders, or controlling person, unless resigning from such position for at least 2 years prior to submitting an application to the Securities and Exchange Commission.
- Shall not be or use to be a professional service provider, including legal and financial advisor, who received payment of more than 2 million baht per year from the Company, parent company, subsidiaries, affiliates, major shareholders, or controlling person, including the significant shareholder, controlling person, or partner of the service provider, unless resigning from such position for at least 2 years prior to submitting an application to the Securities and Exchange Commission.
- Shall not be or use to be the nominated director to represent the Company's Board of Directors, the major shareholder, or the shareholder related to the major shareholder.
- Shall not operate a business of the same nature and in significant competition with the Company or its subsidiaries, nor be a significant partner of the partnership or a director involved in management, employees, staff, consultants who received regular payment or hold more than 1 percent of the total voting shares of the business of the same nature and in significant competition with the Company and its subsidiaries.
- Shall have no other qualifications that inhibit the independent delivery of opinions on the Company's operations.
- The independent directors having the above qualifications may be appointed by the Board of Directors to make decisions on the operations of the Company, parent company, subsidiaries, affiliates, sister companies, major shareholder, or controlling person through the collective decision method.

## 2. Nomination of Directors and Senior Executives

The Company prioritizes the nomination of qualified directors to perform corporate governance, as well as senior executives to manage the business for the utmost benefit of the Company and its shareholders. The Company's director and senior executives shall meet all qualifications in accordance with Section 68 of the Public Company Limited Act and Articles of Association, with no contradiction to Section 89/3 of the Securities and Exchange Act B.E. 2535 (1992) and prohibited characteristics according to the Notification of the Securities and Exchange Commission No. Kor Jor. 8/2553 regarding Determination of Untrustworthy Characteristics of Company Directors and Executives (including any amendments). The directors and executives shall obtain knowledge, skills, and work experience appropriate to the Company's operations. Upon consideration of persons to be nominated as directors, the Nomination and Compensation Committee shall proceed.

### Nomination of Company Directors

In the event of a vacancy in the director position, the Nomination and Compensation Committee shall be responsible for screening, selecting, and nominating qualified persons in terms of knowledge, abilities, skills, and experience that will benefit and consistent with business strategies of the Company, regardless of sex, age, educational background, or race, including political and religious viewpoints, to propose to the Board of Directors' meeting and the shareholders' meeting for appointment, respectively.

In 2023, the Company saw its four directors retire by rotation at the 2023 Annual General Meeting of shareholders. The Nomination and Compensation Committee then sought the persons to be nominated as directors based on qualifications and previous contributions that supported the work of the Board of Directors. The committee, therefore, proposed to the Annual General Meeting of shareholders that 3 such directors (1 person was not re-election) who had retired by rotation be re-appointed for another term of office, as follows:

1. General Pichit Boonyatikarn	Independent Director
2. Mr. Charan Lerdteeraphoj	Director
3. Mr. Arunsak Wongkawiwit	Director

And as the company does not appoint 1 independent director to return to the position, so that the management and business operations of the company go well. The committee appropriate to propose the Annual General Meeting of shareholders to approve the appointment of 1 new independent director, namely Mr. Intaka Piriyakul.

In October 2023, regarding the resignation from the independent director position of General Pichit Boonyatikarn, the Nomination and Compensation Committee No. 2/2023 held on October 12, 2023, resolved that Miss Somchint Pilouk is the person with knowledge, skills, experience, and proper qualifications that will benefit and consistent with business strategies of the Company. Therefore, the committee proposed to the Board of Directors that Miss Somchint Pilouk be appointed to fill the vacant director position for the remainder of the resigned director's term.

The Company has also granted minority shareholders the right to nominate qualified persons to be elected as directors through announcements on the Company's website and the Stock Exchange of Thailand website. However, no shareholder nominated a person to be elected as the Company's director in the past year.

### Nomination of Senior Executives

The Company has outlined the Succession Plan and the continuity of management with a policy on the nomination of the company directors and senior executives as a guideline for uniformity. When there is a vacancy in the executive position or an executive is not able to perform duties in the position, the Company shall appoint executives from a similar or lower level to act in the position until the nomination and selection of qualified persons in accordance with the criteria set by the Company, while the appointed persons shall obtain ideas, knowledge, abilities, experience, ethics, leadership, and suitability to the organizational culture. However, senior executives shall not engage in or participate in businesses of the same nature and in competition with the Company. The Nomination and Compensation Committee will consider and propose to the Board of Directors the appointment of the selection of an appropriate replacement for the position.

### Personnel Development

The Board of Directors and executives acknowledge the importance of human resources which is the core of the operations. The Company has a personnel development policy to enhance knowledge and skills for personnel, including positive attitude-building activities and teamwork cultivation through training, seminars, and study visits, both inside and outside the company. The Company has divided personnel development courses into three main categories: 1. Management Course, 2. Core Course, and 3. Specific Course.

Training and development plans for executives and directors are as follows:

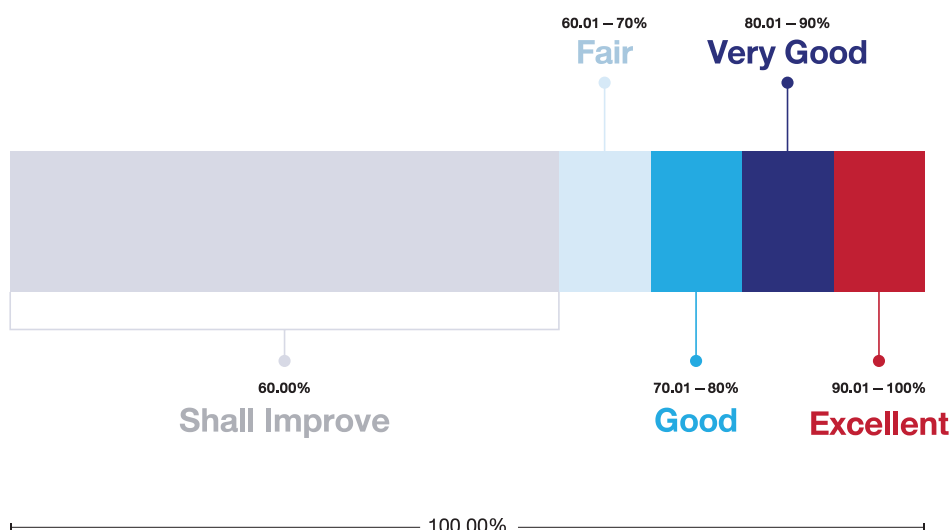
List	2022	2023
Management Course	10	2

In 2023, examples of courses attended by executives and directors include: Director Accreditation Program (DAP). In addition, the Company will provide documents and information to support the duties of newly appointed directors, including providing the Company's business advice and guidelines to the new directors.

### Evaluation of Board of Directors' Performance

The Board of Directors requires that the performance evaluation be conducted at least once a year as 1) Self-assessment of the board as a whole, 2) Self-assessment of individual directors, and 3) Self-assessment of subcommittees. The results will be applied as a framework for the review of performances, problems, and obstacles, as well as proposing suggestions for further improvement and development. The Company Secretary will lead the submission of the evaluation form before the Corporate Governance Committee collects and reports the results to the Board of Directors' meeting to consider implementing the suggestions and use the evaluation results as guidelines for improving and developing the efficiency of the committee's duties.

The evaluation criteria are calculated as a percentage of the full score as follows:



The evaluation results of the Board of Directors are as follows:

Performance evaluation of the board as a whole	Average score 96.37%	In an excellent level
Performance evaluation of individual directors average score	Average score 97.88%	In an excellent level
Performance evaluation of subcommittees		
Audit Committee	Average score 99.14%	In an excellent level
Nomination and Compensation Committee	Average score 95.50%	In an excellent level
Risk Management Committee	Average score 98.61%	In an excellent level
Corporate Governance Committee	Average score 94.85%	In an excellent level

#### ◆ 8.1.2 Meeting Attendance and Remuneration for Individual Directors

##### Meeting Attendance

The Board of Directors has scheduled the board and shareholders' meetings in advance throughout the year to allow all directors to be able to attend every meeting. The board shall schedule at least 4 meetings per year, with extraordinary meetings as necessary. Every meeting shall set a defined agenda in advance, to be sent to the directors at least 7 days prior so that the directors have time to study before attending the meeting.

In each meeting, the Chairman shall oversee and allocate sufficient time for the management to present information and for all directors to discuss important issues and express their opinions independently. The Board Secretary will record and compose the meeting's written minutes. After verification, the documents will be stored in the secretary's filing cabinet, with all directors able to inspect the documents at any time.

In 2023, the summary of the attendance of the Board of Directors' meetings, subcommittee meetings, and the Annual General Meeting of shareholders of each director is as follows:

Name-Surname	Position	All Attendances / Meetings (Times)						
		BOD	EXC	AC	NCC	RMC	CGC	AGM
1. Dr. Naris Chaiyasoot	Chairman of the Board / Independent Director / Corporate Governance Committee	6/6	-	-	-	-	2/2	1/1
2. Assist. Prof. Amporn Theingtrakul	Independent Director / Vice Chairman of the Board / Chairman of Audit Committee	6/6	-	4/4	-	-	-	1/1
3. Assoc. Prof. Dr. Rapepun Piriyaikul <sup>1</sup>	Independent Director / Audit Committee	1/1	-	1/1	-	-	-	1/1
4. Mr. Taveesak Foongkiatcharoen	Independent Director / Audit Committee	6/6	-	4/4	-	-	-	0/1
5. Assoc. Prof. Dr. Intaka Piriyaikul <sup>2</sup>	Independent Director / Audit Committee	5/5	-	2/2	-	-	-	-
6. General Pichit Boonyatikarn <sup>3</sup>	Independent Director / Chairman of Corporate Governance Committee / Nomination and Compensation Committee	4/4	-	-	1/1	-	1/1	1/1
7. Pol. Lt. Gen. Suraphong Chaijant	Independent Director / Chairman of Nomination and Compensation Committee / Risk Management Committee	6/6	-	-	3/3	2/2	-	1/1
8. Dr. Somchint Pilouk <sup>4</sup>	Independent Director / Chairman of Corporate Governance Committee / Nomination and Compensation Committee / Risk Management Committee	1/1	-	-	1/1	-	1/1	-
9. Dr. Vikorn Poovapat	Director / Chairman of Executive Committee / Chairman of Risk Management Committee / Corporate Governance Committee	6/6	14/14	-	-	2/2	2/2	1/1
10. Mr. Surapong Rungjang	Director / Executive Committee	6/6	14/14	-	-	-	-	1/1
11. Mr. Charan Lerdtteraphoj	Director / Executive Committee / Nomination and Compensation Committee	6/6	14/14	-	3/3	-	-	1/1
12. Mr. Arunsak Wongkawiwit	Director / Executive Committee / Risk Management Committee	6/6	14/14	-	-	2/2	-	1/1
13. Mr. Kaweewat Siriwongmongkol	Director	6/6	-	-	-	-	-	1/1



Name-Surname	Position	All Attendances / Meetings (Times)						
		BOD	EXC	AC	NCC	RMC	CGC	AGM
14. Mrs.Voraya Poovapat	Executive Committee	-	14/14	-	-	-	-	-
15. Mr.Piyapong Suwannarat	Executive Committee / Risk Management Committee	-	14/14	-	-	2/2	-	-

**Note :**

BOD = Board of Directors, EXC = Executive Committee, AC = Audit Committee, NCC = Nomination and Compensation Committee, CGC = Corporate Governance Committee RMC = Risk Management Committee, AGM = Annual General Meeting of Shareholder

<sup>1</sup> Assoc. Prof. Dr. Rapepun Piriyaikul resigned from the position of Independent Director / Audit Committee on April 11, 2023.

<sup>2</sup> Assoc. Prof. Dr. Intaka Piriyaikul was appointed as Independent Director on April 11, 2023.

<sup>3</sup> General Pichit Boonyatikarn resigned from the position of Independent Director / Chairman of Corporate Governance Committee / Nomination and Compensation Committee on October 9, 2023.

<sup>4</sup> Dr. Somchint Pilouk was appointed as Independent Director / Chairman of Corporate Governance Committee / Nomination and Compensation Committee / Risk Management Committee on October 12, 2023.

**Director remuneration**

The Company has clearly and transparently outlined the remuneration for directors and executives in line with their roles and responsibilities in supervising the Company's operation, under consideration of the Company's best interest and its shareholders as follows:

**Monetary remuneration**

The 2023 Annual General Meeting of shareholders held on April 11, 2023, resolved the remuneration for the Company's directors and subcommittees within the total amount not exceed 1,400,000 baht as follows:

1. Meeting allowance for the Board of Directors and sub-committees in 2023 (baht/meeting)					
Position	Board of Directors	Audit Committee	Nomination and Compensation Committee	Risk Management Committee	Corporate Governance Committee
1. Chairman	30,000	15,000	10,000	10,000	10,000
2. Director/ Member of Committee	10,000	7,500	5,000	5,000	5,000
2. Annual Bonus not exceed 800,000 baht					

**Note:**

- In the event of an independent director appointed as the chairman of each committee, he/she shall be entitled to receive the meeting allowance at the rate of the directors in the highest position.
- The Executive Committee shall not receive the meeting allowance and annual bonus as they already receive regular remuneration.

In 2023, the Company paid the meeting allowance remuneration to the Board of Directors as follows:

(Unit : Baht)

Name-Surname	Board of Directors	Audit Committee	Nomination and Compensation Committee	Risk Management Committee	Corporate Governance Committee	Total
1. Dr. Naris Chaiyasoot	180,000	-	-	-	10,000	190,000
2. Assist. Prof. Amporn Theingtrakul	60,000	60,000	-	-	-	120,000
3. Assoc. Prof. Dr. Rapepun Piriyaikul	10,000	7,500	-	-	-	17,500
4. Mr. Taveesak Foongkiatcharoen	60,000	30,000	-	-	-	90,000
5. Assoc. Prof. Dr. Intaka Piriyaikul	50,000	15,000	-	-	-	65,000
6. General Pichit Boonyatikarn	40,000	-	5,000	-	10,000	55,000
7. Pol. Lt. Gen. Suraphong Chaijant	60,000	-	20,000	10,000	-	90,000
8. Dr. Somchint Pilouk	10,000	-	5,000	-	5,000	20,000
9. Dr. Vikorn Poovapat	-	-	-	-	-	-
10. Mr. Surapong Rungjang	-	-	-	-	-	-
11. Mr. Charan Lerdtteeraphoj	-	-	-	-	-	-
12. Mr. Arunsak Wongkawiwit	-	-	-	-	-	-
13. Mr. Kaweewat Siriwongmongkol	-	-	-	-	-	-

Annual Bonus 446,100 baht

Other Remuneration

The company does not have any other remuneration except the meeting allowance and annual bonus for the Board of Directors.

### ◆ 8.1.3 Subsidiaries and Affiliates Supervision

The Company acknowledges the importance of investments and the supervision of subsidiaries and affiliates to ensure that its operations are in accordance with corporate governance. The Board of Directors' Meeting No. 1/2021 held on December 8, 2021, has reviewed and resolved to approve the policy named "Investment Policy, Operation Supervision, and Management in Subsidiaries and Affiliates," with details as follows:

1. The company shall appoint a representative to serve as a director in each subsidiary and affiliate, according to the shareholding in each company. The representative appointment shall be considered and approved by the Board of Directors' meeting.
2. The roles and responsibilities of directors in each subsidiary and affiliate shall include:
  - Perform tasks in compliance with the laws, objectives, Articles of Association, and the resolution of the board and shareholders' meeting with duty of loyalty, duty of care, accountability, and ethics.
  - Monitor and mentor the operations of the subsidiaries and affiliates as necessary in accordance with the contracts and relevant rules.
  - Monitor operational results of the subsidiaries and affiliates regularly, as well as give necessary feedback to ensure that they are in line with the goals, and address any issues in a timely and appropriate manner.
  - Consider, monitor, and provide feedback necessary for the subsidiaries and affiliates to maintain internal controls, risk management, anti-corruption, and efficient operations.
  - Consider, monitor, and proceed with the necessary development of important policies related to the operations of the subsidiaries and affiliates to ensure they are up-to-date and suitable for the business on a regular basis.
  - The Board of Directors of the subsidiaries or affiliates may authorize one or more directors or any other person to act on behalf of the board. However, the action shall not include the delegation or sub-delegation that allows the director or the authorized person to approve the conflict-of-interest transactions between himself/herself or other persons with the Company and/or its subsidiaries and/or affiliates.
3. The Company shall establish plans and procedures to ensure that its subsidiaries and affiliates disclose required information about their operational results, financial positions, and other information to relevant regulators and government agencies, including investors and the public, with accuracy and reliability. The storage of information and the accounts of the subsidiaries and affiliates shall be established for the Company to inspect and gather them for composing the consolidated financial statements on time.
4. In the event that the subsidiaries and affiliates have to enter into the connected or conflict-of-interest transaction, the Company shall supervise them to conduct the transaction with transparency and fairness, in accordance with the rules on connected transactions and asset acquisition/disposition of assets stipulated by the relevant regulators.
5. The Company shall take necessary actions to monitor the subsidiaries and affiliates to ensure they obtain adequate and appropriate information disclosure and internal controls.
6. The Company established a procedure for the nomination of directors in subsidiaries and affiliates and for the exercise of voting rights in the shareholders' meetings, which shall be approved by the Board of Directors except in the following cases:
  - An agenda item in the shareholders' meeting requires a resolution in accordance with the joint venture agreement. The voting shall be in accordance with the terms of the agreement.
  - The executive directors shall be able to vote on the following agenda items in the Annual General Meeting:
    - Certification of the previous shareholders meeting' minutes.
    - Review of the report of the Board of Directors and the Company's performance in the past year.
    - Approval of the annual balance sheet and profit and loss account.

#### ◆ 8.1.4 Compliance Monitoring on Corporate Governance

The Company prioritizes the implementation of corporate governance with specified policies and guidelines for corporate governance and code of conduct for the business, including appointing the Corporate Governance Committee to supervise and advise the Board of directors and the management in order to ensure the efficiency of the corporate governance. The committee also monitors, evaluates, and promotes compliance to build the confidence of all stakeholders.

Furthermore, the Company has monitored compliance on the corporate governance in 4 aspects as follows:

##### 1. Conflict of Interest Prevention

The Company established a “Conflict of Interest Policy” with details and guidelines for conducting conflict-of-interest transactions. The Company shall ensure that such transactions are transparent and fair when making transactions with outsiders in general by taking into account the best interest of the Company and fairness with related parties to prevent conflicts of interest. The guidelines are as follows:

- The company shall not issue loans or grant guarantees to directors or businesses in which they are shareholders.
- Directors shall not operate a business in competition with the Company.
- Directors and executives shall not abuse the Company’s opportunities or information for the benefit of themselves or others, including engaging with competing businesses or other related businesses.
- Directors and executives shall not attend the meeting or shall abstain from voting on conflict-of-interest transactions. If necessary, for the benefit of the Company, it shall be done as if it were a transaction with a third party.
- Directors must notify the board of their interest in contracts made by the Company.
- Directors and executives shall prepare a conflict-of-interest disclosure report annually or when needed.
- Any transactions of directors, such as the sale and purchase of goods or other assets, shall be conducted in accordance with the Company’s connected transaction policy.
- Independent directors shall attend every meeting that considers conflict-of-interest transactions.
- Directors, executives, and personnel of the Company who receive inside information shall avoid using inside information for their own benefit or passing it on for the benefit of others in a wrongful way.

Transactions between the Company and any connected parties that may lead to a conflict of interest shall be thoroughly reviewed by the Audit Committee. In case of an important connected transaction, it shall be approved by the Board of Directors’ meeting and/or the shareholders’ meeting, depending on the transaction’s type and size, according to the Capital Market Supervisory Board. Directors or executives with a conflict of interest shall not take part in approving such transactions. The transactions shall be conducted in accordance with normal market conditions by specifying the fair price and at-arm’s-length basis. If the price cannot be specified, the Company shall refer to the reports of an independent appraiser appointed to specify the fair prices for both parties.

In 2023, there were no complaints about committing offenses by directors, management and employees of the Company and its subsidiaries regarding conflicts of interest or operations that are against the policy, Regulations and Relevant Laws. The Company disclosed connected transaction information between the Company and related parties on the topic of Connected Transactions.

##### 2. Inside Information Supervision

The Company established an “Inside information Policy” with details and guidelines for preventing the use of inside information by connected persons as follows:

- Educate directors and executives regarding the submission of the reports of their holding in the Company to the SEC, including their spouse/partner and minor children. This includes a juristic person that they, their spouse/

partner, and minor children who hold more than 30% of voting rights altogether. Reports on the acquisition or disposition of securities of themselves, their spouse/partner, and minor children, as well as a juristic person that they, their spouse/partner, and minor children hold more than 30% of voting rights altogether as a major shareholder, shall be submitted to the SEC.

- Require directors, executives, and finance and accounting managers, including their spouse/partner and minor children, to conduct a report on their holding in the Company and changes in their holding to the SEC. This includes a juristic person that they, their spouse/partner, and minor children who hold more than 30% of voting rights altogether as a major shareholder. They shall also submit a report copy to the Company on the same day of submitting to the SEC.

In 2023, executives who trade the company's securities reported changes in securities holdings to the SEC within 3 business days from the date of the change via the SEC's website and also submit a report copy to the company.

- Require directors, executives, and employees who have been exposed to important inside information, which may lead to a change in the price of securities, to abstain from trading the Company's securities for 30 days before the release of the financial results or inside information to the public, including 24 hours after the information release. Those involved with inside information shall not disclose it to others until the disclosure to the SET and/or to the public.

In this regard, the Company's secretary notifies of the trading suspension on the Company's securities via email on a quarterly basis so that directors, executives, and employees involved in insider information are aware of the rules and comply with them. And no directors, executives or related employees will trade securities during such period.

- Prohibit directors, executives, employees, and other persons presumed to possess inside information, which may lead to a change in securities price and is not disclosed to the public, from trading the Company's securities or inducing others to trade the securities in both direct and indirect ways, regardless of their own interest or of others, including disclosing information for others to proceed with or without their interest.

In 2023, the Company did not find any acts of using inside information to gain such benefits.

- Require directors, executives, and employees not to disclose the Company's inside information and not to use their position with inside information obtained while working to disclose to the public to seek benefit in an unlawful way, including disclosing to a third party for their own or others' benefit in both direct and indirect ways, regardless of interest.

The directors, executives and employees has been strictly followed. The Company has not found any actions that reveal inside information that the Company has not yet disclosed to the public.

- Require directors, executives, and employees to comply with the Securities and Exchange Act B.E. 2535 (1992) regarding insider information usage (including any amendments), including other related regulations.

The Board of Directors has established the use of internal information in accordance with the laws and principles of good corporate governance, as defined in writing in the Code of Conduct and Inside Information Policy to prevent the use of information for trading securities of the Company or unlawful exploitation.

### 3. Anti-corruption Policy

The Company established an anti-corruption policy emphasizing morality, ethics, and transparency in the business in accordance with the Company's code of conduct, as well as ensuring transparency in its business, which is available for inspection. The Company also promoted raised awareness of corruption and trained employees to be aware of corruption and the procedures to tackle it. The Board of Directors regularly reviews the policy to ensure its suitability at least once a year. The anti-corruption policy and guidelines are as follows:

- Ensure checks and balances in the management structure among the purchasing department, the accounting and finance division, the management division, and the audit division to prevent the abuse of authority.
- Organize training courses for employees to educate them on the Company's anti-corruption policy and guidelines.
- Support and collaborate with public and private agencies, regulators, and all sectors of Thai society, with the aim of reducing corruption and advancing the country's development.
- Prohibit directors, executives, and employees from accepting all forms of corruption both directly and indirectly.
- Employees shall not be negligent when witnessing any acts of corruption related to the Company and shall report it to their supervisors or responsible persons, as well as cooperate in the investigation.
- The Company encourages the use of various communication channels so that employees and stakeholders can report suspicions with the assurance that the whistleblower will be protected.
- All directors, executives, and employees shall act with caution in the following matters:
  - The giving or receiving of gifts and the hosting of welcoming parties shall be conducted in accordance with the policy on welcoming allowance and gifts, as well as the Company's regulations.
  - Giving or accepting charitable donations or sponsorships shall be conducted with transparency and in legal compliance, and the receiver is required to report them according to the objectives of the Company.
  - All kinds of business relations and procurements, business operations, and business contacts shall be conducted with transparency, honesty, and availability for inspection in compliance with the law and regulations related to the business. The company has established channels for employees and connected parties to submit to the Board of Directors directly any clues, suggestions, or complaints concerning corruption or any activity that is not in conformity with the Company's standards.

### 4. Whistleblowing

The company established a policy to protect whistleblowers and related persons in order to encourage and support any stakeholders in the corporate governance principles to participate in reporting suspicious activities when witnessing non-compliance with the law, regulations, and the code of conduct. The policy to protect whistleblowers and related persons is as follows:

1. Channels for reporting an incident, complaint, or suggestion include verbal communication, letter, and email to the Chief Executive Officer and those assigned by the Chief Executive Officer/independent directors, including submitting to the opinion box at the human resource department.
2. To protect and justify the whistleblowers and related persons, the complaints must be as follows:
  - The complaints shall be truthful and clear so that the Company can conduct an investigation for further actions.
  - The information provided by whistleblowers shall be treated as confidential, and their names shall not be disclosed to the public unless required by law.
  - The whistleblowers shall be protected, whether they are employees or outsiders.
  - When determining the processing time of a complaint, the Company shall examine whether the matter reported is complicated and whether there is sufficient documentation to explain the complaint to the accused person.
  - Complaint recipients and those involved in the investigation shall ensure confidentiality and disclose only what is necessary with regard to the safety of complainants.
  - If the whistleblowers believe that they are under threat, they can request that the Company introduce appropriate protective measures, or the Company may do so without the whistleblowers' request given the sensitive situation. The Company ensures that the whistleblowers are treated with fairness.

### 3. Procedures for Handling Whistleblowing

- The Company’s investigating committee (appointed by the Chief Executive Officer or the deputy Chief Executive Officer from time to time) accepts the complaint and collaborates to gather relevant information.
- The investigation committee, in accordance with 3.1, processes the information by scanning it and determining the appropriate steps and methods for each issue.
- The investigation committee, in accordance with 3.1, adopts measures to prevent violations or noncompliance with the code of conduct and to compensate those affected, taking into account the overall damage.
- The investigation committee, in accordance with 3.1, reports the progress to whistleblowers if permitted. In the event of an offense, the investigation committee is responsible for preliminary reporting to the Chief Executive Officer, as well as reporting on corruption and complaints to the Audit Committee and the Board of Directors.

To achieve anti-corruption and whistleblowing awareness within the organization, the Company approved and disseminated the aforementioned policy via the Company’s communication channels, which are reviewed annually. The company has provided channels for whistleblowing for cases of suspected non-compliance with the code of conduct and law, including actions implying corruption or unequal treatment; the channels are as follows:

Website	<a href="https://www.functioninter.co.th/th/corporate-governance/whistleblower-form">https://www.functioninter.co.th/th/corporate-governance/whistleblower-form</a>
E-mail	audit.com@functioninter.co.th
Post	<b>Chairman of the Audit Committee</b> Function International Public Company Limited 313 Charoen Phatthana Rd., Bang Chan, Khlong Sam Wa, Bangkok 10510, Thailand

In 2023, the Company received no complaints about corruption, code of conduct violation, or non-compliance with corporate governance principles.



## 8.2 Performance Report of Subcommittees

### ◆ 8.2.1 Performance Report of Audit Committee

The Audit Committee of Function International Public Company Limited consists of three independent directors who are qualified and obtained experience in finance and accounting, taxation, risk management, information technology, and administration. Assist. Prof. Amporn Theingtrakul, an independent director, serves as the Chairman of the Audit Committee.

In 2023, the Audit Committee held a total of four meetings with Mr. Apisit Jirathalhakant acting as the committee's Secretary and reported results to the Board of Directors on a quarterly basis. Details on meeting attendance of the Audit Committee are as follows:

Name-Surname	Position	All Attendances / Meetings (Times)
1. Assist. Prof. Amporn Theingtrakul	Chairman of Audit Committee / Independent Director	4/4
2. Mr. Taveesak Foongkiatcharoen	Audit Committee / Independent Director	4/4
3. Assoc. Prof. Dr. Intaka Piriyaikul <sup>1</sup>	Audit Committee / Independent Director	2/2
4. Assoc. Prof. Dr. Rapepun Piriyaikul <sup>2</sup>	Audit Committee / Independent Director	1/1

**Note :**

<sup>1</sup> Assoc. Prof. Dr. Intaka Piriyaikul was appointed as Audit Committee to replace Assoc. Prof. Dr. Rapepun Piriyaikul on May 9, 2023

<sup>2</sup> Assoc. Prof. Dr. Rapepun Piriyaikul resigned from the position of Audit Committee on April 11, 2023.

The Audit Committee performed its duties independently in accordance with the roles and responsibilities specified in the charter and as assigned by the Board of Directors. The meetings with the management, internal auditors, and the Company's auditor on various important topics were conducted thoroughly, including the review of financial reports, connected transactions, internal controls, internal auditing, compliance with laws and regulations, regulations related to the business, review of risk management reported by the Risk Management Committee to the Board of Directors, the appointment of an auditor and audit fee, and the review of the Audit Committee Charter. Details are as follows:

#### 1. Financial Statement Review

The Audit Committee reviewed the Company's quarterly and annual financial statements for 2023 by inviting the relevant auditors and management to attend the meeting on the financial statement agenda to clarify and answer questions. The auditor was asked about the accuracy and completeness of the statements; significant updates to accounting entries affecting the financial statements; the adequacy, accuracy, and completeness of the information disclosed; notes to the financial statements; and the auditor's remarks. The audit committee was of the opinion that the financial reports were correctly presented with all essentials in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), and adopted the auditing standards in accordance with guidelines set by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King and the Securities and Exchange Commission (SEC), ensuring the completeness, timeliness, and reliability.

#### 2. Internal Controls Review

The Audit Committee placed utmost importance on the internal controls, ensuring independent internal controls were in place and directly reporting to the Audit Committee for adequacy. In 2023, the Audit Committee approved the annual internal audit plans and reviewed the internal controls with internal auditors. All outstanding issues were already assigned to the management. Except for cyber security issues, the Audit Committee recommended further investigation. And the internal auditor proposes to improve IT internal control to a higher standard than general standards. There will be continuous improvements which will be completed by 2024. The Audit Committee was of the opinion that the Company obtained internal controls that were adequate and appropriate, with regular improvement for efficiency in accordance with the independent operations of the internal auditing.



### **3. Legal Compliance Review**

The Audit Committee reviewed the business to ensure that it operated correctly according to the specified framework, including its compliance with the Securities and Exchange Law, the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand, and other laws related to the Company's operations. This was to ensure that the Company lawfully and appropriately operated in accordance with normal business conditions. The Audit Committee was of the opinion that the Company strictly and consistently complied with the laws.

### **4. Connected or Conflict-of-Interest Transaction Review**

The Audit Committee reviewed connected or conflict-of-interest transactions in accordance with the Stock Exchange of Thailand and the Securities and Exchange Commission. Based on the results, it was found that the Company complied with general trading conditions with fairness and rationality that would not lead to a benefit, with comprehensive, adequate information disclosure.

### **5. Risk Management Review**

The Audit Committee reviewed the Company's risk management practices reported by the Risk Management Committee to the Board of Directors' meeting, including reviewing the risks together with the internal auditors on a regular basis, while providing suggestions to improve the risk management systematically and appropriately to ensure that the Company has managed risks to an acceptable level.

### **6. Auditor Appointment**

The Audit Committee selected a certified auditor approved by the Securities and Exchange Commission, taking into account the performance, independence, qualifications, skills, knowledge, abilities, and experience in auditing, as well as audit fees. The committee suggested to the Board of Directors to propose the appointment of the auditor from DIA International Audit Co., Ltd., to the 2023 Annual General Meeting of Shareholders as the Company's auditor for the fiscal year ending December 31, 2023.

### **7. Charter Review and Audit Committee Performance Evaluation**

The Audit Committee reviewed the charter to ensure that its performance is efficient and up to date, and evaluated the Audit Committee's performance in accordance with the practices of the Stock Exchange of Thailand. The performance result was an excellent level.



(Assist. Prof. Amporn Theingtrakul)  
Chairman of Audit Committee

### ◆ 8.2.2 Performance Report of Executive Committee

The Executive Committee consists of six members, two of whom are executive directors, two non-executive directors, and two executives who have knowledge, competence, and experience. Dr. Vikorn Poovapat serves as the Chairman of Executive Committee.

In 2023, the Executive Committee held a total of 14 meetings to follow up and consider important matters as specified in the charter. Details on meeting attendance of the Executive Committee are as follows:

Name-Surname	Position	All Attendances / Meetings (Times)
1. Dr. Vikorn Poovapat	Chairman of Executive Committee	14/14
2. Mrs. Voraya Poovapat	Executive Committee	14/14
3. Mr. Charan Lerdteeraphoj	Executive Committee	14/14
4. Mr. Surapong Rungjang	Executive Committee	14/14
5. Mr. Arunsak Wongkawiwit	Executive Committee	14/14
6. Mr. Piyapong Suwannarat	Executive Committee	14/14

Mr. Apisit Jirathalhakant serves as the Secretary to the Executive Committee.

The Executive Committee performed their duties in supervising the Company's operations in accordance with the Board of Director's policies, as well as advising the board of the performance. The overview of the committee's activities is as follows:

1. Consider business plans and the annual budget, including presenting them to the Board of Directors.
2. Outline the policies, strategies, goals, and Delegation of Authority to be proposed to the Board of Directors.
3. Supervise and follow up on information disclosure to the Stock Exchange of Thailand in a complete and timely manner.
4. Supervise and follow up on the business performance, ensuring that it is in line with the approved business plans and budget.
5. Follow up on the business performance and financial reports on a monthly basis.
6. Follow up on the new building investment project and the installation of the solar panels project.
7. Scrutinize matters proposed by the management and then propose to the Board of Directors in sequence.
8. Review the charter, policies, regulations, and authoritative power to ensure they are appropriate for the operation and the present context.
9. Perform any tasks assigned by the Board of Directors.



(Dr. Vikorn Poovapat)  
Chairman of Executive Committee

### ◆ 8.2.3 Performance Report of Nomination and Compensation Committee

The Nomination and Compensation Committee consists of three directors, two of whom are independent directors and one a non-executive director who has knowledge, competence, and experience. Pol. Lt. Gen. Suraphong Chaijant serves as the Chairman of Nomination and Compensation Committee.

In 2023, the Nomination and Compensation Committee held a total of three meetings to follow up and consider important matters as specified in the charter. Details on meeting attendance of the Nomination and Compensation Committee are as follows:

Name-Surname	Position	All Attendances / Meetings (Times)
1. Pol. Lt. Gen. Suraphong Chaijant	Chairman of Nomination and Compensation Committee / Independent Director	3/3
2. Mr. Charan Lerdteeraphoj	Nomination and Compensation Committee	3/3
3. Dr. Somchint Pilouk <sup>1</sup>	Nomination and Compensation Committee / Independent Director	1/1
4. General Pichit Boonyatikarn <sup>2</sup>	Nomination and Compensation Committee / Independent Director	1/1

Note :

<sup>1</sup> Dr. Somchint Pilouk was appointed as Nomination and Compensation Committee to replace General Pichit Boonyatikarn on October 12, 2023

<sup>2</sup> General Pichit Boonyatikarn resigned from the position of Nomination and Compensation Committee on October 9, 2023.

Mr. Apisit Jirathalhakant serves as the Secretary to the Nomination and Compensation Committee.

The Nomination and Compensation Committee performed their duties as assigned by the Board of Directors as specified in the charter to carry out the tasks with fairness, suitability, transparency, and in accordance with the corporate governance, including proposing to the Board of Directors. The overview of the committee's activities is as follows:

1. Review the Nomination and Compensation Committee Charter in accordance with the corporate governance principles, ensuring its suitability within the present context, and report to the Board of Directors.
2. Select and nominate persons qualified to hold the director position and propose them to the Board of Directors.
3. Consider the Board of Directors and subcommittees remuneration and propose this to the Board of Directors.
4. Consider the criteria and methods for adjusting the pay rate and annual remuneration in line with the performance and economic conditions and propose them to the Board of Directors.
5. Evaluate the Nomination and Compensation Committee's performance in accordance with the practices of the Stock Exchange of Thailand, of which the results are excellent level.
6. Report the performance results to the Board of Directors on a regular basis.



(Pol. Lt. Gen. Suraphong Chaijant)  
Chairman of Nomination  
and Compensation Committee

## ◆ 8.2.4 Performance Report of Risk Management Committee

The Risk Management Committee consists of five directors, two of whom are executive directors, two independent directors, and one an expert executive who has knowledge, competence, experience, and understanding of risk management. Dr. Vikorn Poovapat serves as the Chairman of Risk Management Committee.

In 2023, the Risk Management Committee held a total of 2 meetings to follow up and consider important matters as specified in the charter. Details on meeting attendance of the Risk Management Committee are as follows:

Name-Surname	Position	All Attendances / Meetings (Times)
1. Dr. Vikorn Poovapat	Chairman of Risk Management Committee	2/2
2. Pol. Lt. Gen. Suraphong Chaijant	Risk Management Committee / Independent Director	2/2
3. Mr. Arunsak Wongkawiwit	Risk Management Committee	2/2
4. Mr. Piyapong Suwannarat	Risk Management Committee	2/2
5. Dr. Somchint Pilouk <sup>1</sup>	Risk Management Committee / Independent Director	-

Note: <sup>1</sup>Dr. Somchint Pilouk was appointed as Risk Management Committee on November 14, 2023

Mr. Apisit Jirathalhakant serves as the Secretary to the Risk Management Committee.

The Risk Management Committee has outlined and reviewed the risk management framework as specified in the charter and in accordance with COSO Enterprise Risk Management, including providing feedback on proper risk management and reporting to the Board of Directors. The overview of the committee's activities is as follows:

1. Review the Risk Management Committee Charter, including the policy, manual, framework for the overall organization, and annual risk management plans to ensure its suitability for and relevance to the Company's operations amid shifting circumstances, and reporting to the Board of Directors.
2. Identify the risk assessment covering strategic risks, operational risks, reporting risks, and risks related to laws, rules, and regulations that affect the business.
3. Monitor compliance and consider the risk management reports from the risk operation team, as well as provide feedback and advice guidelines to ensure the risks are under acceptable in the risk management policy.
4. Nominate the risk operation team to carry out risk management assessment in each department of the organization.
5. Evaluate the risk management unit's performance in accordance with the practices of the Stock Exchange of Thailand, of which the results are excellent level.
6. Report risk management results throughout the organization to the Board of Directors on a regular basis.

(Dr. Vikorn Poovapat)  
Chairman of Risk Management Committee

## ◆ 8.2.5 Performance Report of Corporate Governance Committee

The Corporate Governance Committee consists of four members, three of whom are independent directors, and one an executive director who is knowledgeable and experienced. Dr. Somchint Pilouk, who is an independent director, serves as the Chairman of Corporate Governance Committee.

In 2023, the Corporate Governance Committee held a total of two meetings to follow up and consider important matters as specified in the charter. Details on meeting attendance of the Corporate Governance Committee are as follows:

Name-Surname	Position	All Attendances / Meetings (Times)
1. Dr. Somchint Pilouk <sup>2</sup>	Chairman of Corporate Governance Committee / Independent Director	1/1
2. Dr. Naris Chaiyasoot	Corporate Governance Committee / Independent Director	2/2
3. Dr. Vikorn Poovapat	Corporate Governance Committee	2/2
4. Pol. Lt. Gen. Suraphong Chaijant <sup>1</sup>	Corporate Governance Committee / Independent Director	-
5. General Pichit Boonyatikarn <sup>3</sup>	Chairman of Corporate Governance Committee / Independent Director	1/1

**Note :**

<sup>1</sup> Pol. Lt. Gen. Suraphong Chaijant was appointed as Corporate Governance Committee on November 14, 2023

<sup>2</sup> Dr. Somchint Pilouk was appointed as Corporate Governance Committee on October 12, 2023

<sup>3</sup> General Pichit Boonyatikarn resigned from the position of Chairman of Corporate Governance Committee on October 9, 2023.

Mr. Apisit Jirathalhakant serves as the Secretary to the Corporate Governance Committee.

The Corporate Governance Committee performed its duties as assigned by the Board of Directors in accordance with the charter and carried out the duties with fairness, suitability, and transparency in accordance with corporate governance principles to build confidence and credibility among all groups of stakeholders. The overview of the major activities is as follows:

1. Review the Corporate Governance Committee Charter, the policy on corporate governance and corporate sustainability, and the manual on corporate governance and code of conduct to ensure the relevance to the present context and report to the Board of Directors.
2. Supervise the Company's operations in compliance with the requirements, laws, and regulations related to the business, and with the corporate governance principles, corporate sustainability development policy and anti-corruption policy.
3. Consider and follow up on the implementation of the Corporate Social Responsibility (CSR) Project for 2023, as well as the CSR plans for 2024.
4. Consider and follow up on the sustainability project plan.
5. Summarize information on the performance evaluation of the Board of Directors and subcommittees in accordance with the practices of the Stock Exchange of Thailand and report to the Board of Directors.
6. Report the performance in accordance with the corporate governance policy to the Board of Directors on a regular basis.

(Dr. Somchint Pilouk)  
Chairman of Corporate Governance Committee

## 9.1 Internal Control

The Company acknowledges the importance of internal controls that will help the business operate efficiently and effectively. The Audit Committee is responsible for reviewing the appropriate internal controls and conducting internal audits in accordance with the corporate governance principles. The Audit Committee meeting to approve transactions related to the Company's internal controls shall be attended by auditors, internal auditors, and executives as appropriate to report to the Audit Committee, who shall monitor the progress and seek solutions for any remarks in a timely manner.

The Company has appointed P&L Internal Audit Co., Ltd., an independent organization, as the internal auditor since 2018. Miss Warvimol Jongsureyapas is the head of the internal audit unit that has audited, followed up, resolved, and reported to the Audit Committee consistently.

In 2023, the Audit Committee approved the annual internal audit plan and reviewed the Company's internal controls together with the internal auditors. The outstanding issues have been completely assigned to the management. Except for cyber security issues, the Audit Committee recommended further investigation. And the internal auditor proposes to improve IT internal control to a higher standard than general standards. There will be continuous improvements which will be completed by 2024. Therefore, the Audit Committee viewed that the Company has adequate and appropriate internal controls with regular check-ups in accordance with the framework of the internal audit unit.



## 9.2 Connected Transactions

In 2023, the Company saw connected transactions with related parties or businesses, which are considered normal business transactions. The connected transactions were disclosed in the Note to Financial Statements No.4.

### **Measures or procedures for connected transactions approval**

In entering into transactions with conflict-of-interest parties, the matter shall be presented to the Audit Committee for consideration and approval of such transactions for the utmost benefit of the business and for the protection of the Company's investors and stakeholders. Such connected transactions shall comply with the Securities and Exchange Act, including regulations, notices, orders, and requirements of the Stock Exchange of Thailand. The procedures shall be in accordance with the disclosure of connected transactions, that conflict-of-interest parties shall not have the right to participate in the approval of such transactions.

**Guidelines for future connected transactions**

In conducting future connected transactions, the conditions shall be in accordance with general trade practices, referring to the appropriate price and market conditions. The Company shall forward the transaction rate to the Audit Committee and/or independent directors for consideration, including the necessity and suitability. In the event of any conflict-of-interest transaction, the Company shall comply with the rules, notices, and/or regulations of the Securities and Exchange Commission and/or the Stock Exchange of Thailand. The Company may require an independent expert or the Company's auditor to give opinions on such transactions and propose to the Board of Directors or shareholders for consideration, depending on the case. The company shall disclose connected transactions in the Notes to Financial Statements audited by the Company's auditor.





## **PART 3**

# **FINANCIAL STATEMENT**



## Report of the Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the financial statements of the Company, which has applied International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), and auditing standards as required by Federal of Accounting Professions Under the Royal Patronage of His Majesty the King have set and provided guidelines, which selected with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to these financial statements.

The Board of Directors has appointed the audit committee to supervise and review the credibility and accuracy of financial reports, the internal control system, Connected Transactions, risk management as well as complying with relevant laws. The report of opinions on various matters has been prepared in the report of the Audit Committee of this annual report.

The Board of Directors is of the opinion that with the company's internal control system that is sufficient and appropriate and continuously improving its effectiveness. Therefore, it can be confident that the Company financial statements for the year ended December 31, 2023, which was audited by a certified public accountant from DIA International Audit Company Limited are reliable in accordance with financial reporting standards.



(Dr. Vikorn Poovapat)  
Chief Executive Officer



(Dr. Naris Chaiyasoot)  
Chairman of the Board

# INDEPENDENT AUDITOR'S REPORT

## To the Shareholders of FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED

### Opinion

I have audited the accompanying consolidated and separate financial statements of FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES (the Group) and of FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED (the Company), which comprise the consolidated and separate statements of financial position as at December 31, 2023, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in shareholders' equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES and of FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED as at December 31, 2023, and their financial performance and consolidated and separate 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 Consolidated and Separate Financial Statements section of my report. I am independent of the Group and the company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key Audit Matters

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

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

### Provision for Devaluation of Inventories

Inventories as at December 31, 2023 amount of Baht 472.30 million represented 44.33% of the total assets in the consolidated financial statements. Estimation of net realizable value of inventories is required management's judgement, as well as policy in determining the selling price of inventories by the Management. By considering historical data on the level of inventories, based on the analysis of the aging cycle of goods. market competition economic and industrial conditions may cause risks related to the value of provision for devaluation of inventories.

I have obtained an assurance relating to provision for devaluation of inventories as follows.

- To inquire Management to obtain an understanding relating to net realizable value of inventories and test internal control system of movement of inventories.

- To observe inventories physical count at the end of the year.
- To analyze volume and movement of inventories to indicate slow-moving and long aging inventories.
- To inquire Management to obtain an understanding relating to the appropriateness of unit selling price as well as test the suitability of unit selling price in the invoices comparing with market price at the end of the year.
- To compare cost of goods with net realizable value of inventories and calculate selling price after reporting period less by necessary expenses to make the sell.
- To consider the adequacy of presentation and disclosure of inventories in notes to consolidated and separate financial statements.

#### **Other Information**

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

My opinion on the consolidated and separate financial statements does not cover the other information and I do not and will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements**

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

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

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

#### **Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with the Code of Ethics for Professional Accountants regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

D I A INTERNATIONAL AUDIT CO., LTD.

(Mrs. Suvimol Chrityakierne)

C.P.A. (Thailand) Registration No. 2982

February 27, 2024

**FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

(Unit: Baht)

	Note	Consolidated financial statements	Separate financial statements	
		December 31, 2023	December 31, 2023	December 31, 2022
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	78,329,279.24	71,658,180.53	228,106,367.55
Trade and other current receivables	6	72,804,211.50	78,239,287.12	67,576,572.67
Short-term loan receivable	7	650,990.00	650,990.00	516,925.00
Inventories	8	472,303,315.68	465,476,304.92	325,831,668.61
Other current assets		928,862.49	928,610.95	476,458.87
<b>Total current assets</b>		<b>625,016,658.91</b>	<b>616,953,373.52</b>	<b>622,507,992.70</b>
<b>Non-current assets</b>				
Restricted bank deposit		540,000.00	–	–
Investment in subsidiaries	9	–	160,312,150.00	–
Investment property	10	4,663,547.15	4,663,547.15	–
Property, plant and equipment	11	421,461,587.81	262,877,529.64	229,167,884.02
Right-of-use-assets	12	470,566.96	470,566.96	1,417,459.41
Intangible assets	13	4,725,447.73	4,725,447.73	5,813,743.90
Deferred tax assets	14	8,633,809.41	8,431,721.48	7,692,196.83
Other non-current assets	15	9,000.00	9,000.00	4,367,302.49
<b>Total non-current assets</b>		<b>440,503,959.06</b>	<b>441,489,962.96</b>	<b>248,458,586.65</b>
<b>TOTAL ASSETS</b>		<b>1,065,520,617.97</b>	<b>1,058,443,336.48</b>	<b>870,966,579.35</b>

\*Notes to the financial statements are an integral part of these financial statements.

**FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2023**

(Unit: Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	December 31, 2023	December 31, 2022
		December 31, 2023	December 31, 2023	December 31, 2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current liabilities</b>				
Short-term loans from financial institutions	16	247,540,065.76	247,540,065.76	81,870,016.39
Trade and other current payables	17	57,625,522.94	53,054,651.86	42,726,383.74
Current portion of lease liabilities	18	507,168.66	507,168.66	1,048,797.11
Income taxes payable		3,588,267.78	3,588,267.78	1,532,981.21
Current provision for employee benefits	19	529,325.00	529,325.00	751,735.00
Provision for from returned goods		281,187.99	281,187.99	102,543.35
Other current financial liabilities	20	628,911.33	628,911.33	-
<b>Total current liabilities</b>		<b>310,700,449.46</b>	<b>306,129,578.38</b>	<b>128,032,456.80</b>
<b>Non-current liabilities</b>				
Lease liabilities	18	74,634.67	74,634.67	497,803.33
Non-current provisions for employee benefit	19	35,388,452.80	35,388,452.80	32,290,447.52
Other non-current liabilities		3,200,000.00	3,200,000.00	500,000.00
<b>Total non-current liabilities</b>		<b>38,663,087.47</b>	<b>38,663,087.47</b>	<b>33,288,250.85</b>
<b>Total liabilities</b>		<b>349,363,536.93</b>	<b>344,792,665.85</b>	<b>161,320,707.65</b>

\*Notes to the financial statements are an integral part of these financial statements.

(Unit:Baht)

	Note	Consolidated	Separate financial statements	
		financial statements	December 31, 2023	December 31, 2022
		December 31, 2023	December 31, 2023	December 31, 2022
Shareholders' equity				
Share capital				
Authorized share capital				
450,000,000 common shares of Baht 1.00 each,	21	450,000,000.00	450,000,000.00	450,000,000.00
Issued and paid-up share capital				
450,000,000 common shares of Baht 1.00 each,		450,000,000.00	450,000,000.00	450,000,000.00
Premium on share capital				
Premium on common share	21	182,368,879.90	182,368,879.90	182,368,879.90
Retained earnings				
Appropriated				
Legal reserve	22	45,000,000.00	45,000,000.00	45,000,000.00
Unappropriated		35,746,691.67	36,281,790.73	32,276,991.80
Total equity attributable to owners of the parent		713,115,571.57	713,650,670.63	709,645,871.70
Non-controlling interests		3,041,509.47	-	-
Total shareholders' equity		716,157,081.04	713,650,670.63	709,645,871.70
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,065,520,617.97</b>	<b>1,058,443,336.48</b>	<b>870,966,579.35</b>

\*Notes to the financial statements are an integral part of these financial statements.

**FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
Revenues from sales and services		778,681,161.58	778,681,161.58	696,756,411.22	
Cost of sales and services		(564,070,964.34)	(563,758,151.65)	(501,210,818.71)	
Gross profit		214,610,197.24	214,923,009.93	195,545,592.51	
Other income		6,171,573.43	6,157,228.46	3,047,182.80	
Gain (loss) from fair value measurement of derivative		(142,818.17)	(142,818.17)	-	
Distribution costs		(76,434,894.55)	(76,434,894.55)	(67,209,162.61)	
Administrative expenses		(86,170,467.44)	(85,332,653.74)	(87,377,570.99)	
Profit from operation		58,033,590.51	59,169,871.93	44,006,041.71	
Financial income		956,869.74	954,115.84	263,145.48	
Financial cost – Interest expenses		(4,373,657.06)	(4,373,657.06)	(2,363,511.67)	
Profit before income tax expense		54,616,803.19	55,750,330.71	41,905,675.52	
Income tax expenses	14.2	(10,905,593.07)	(11,107,681.00)	(5,879,710.42)	
Profit for the year		43,711,210.12	44,642,649.71	36,025,965.10	
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
Actuarial gains (losses) of defined benefit plan		(181,834.72)	(181,834.72)	6,628,952.994	
Income tax of components of other comprehensive income		36,366.94	36,366.94	(1,325,790.59)	
Other comprehensive income for the year, net by tax		(145,467.78)	(145,467.78)	5,303,162.35	
Total comprehensive income for the year		43,565,742.34	44,497,181.93	41,329,127.45	
Profit (loss) attributable to					
Owners of the parent		44,107,550.65	44,642,649.71	36,025,965.10	
Non-controlling interests		(396,340.53)			
		43,711,210.12			
Total comprehensive income (loss) attributable to					
Owners of the parent		43,962,082.87	44,497,181.93	41,329,127.45	
Non-controlling interests		(396,340.53)			
		43,565,742.34			
Basic earnings per share	24	0.10	0.10	0.09	

\*Notes to the financial statements are an integral part of these financial statements.



**FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Unit: Baht)

Consolidated financial statements						
Retained earnings						
Note	Issued and paid-up share capital	Premium on common share	Appropriated Legal reserve	Unappropriated	Non-controlling interests	Total shareholders' equity
Balance as at January 1, 2023	450,000,000.00	182,368,879.90	450,000,000.00	32,276,991.80	-	709,645,871.70
Paid-up share capital by subsidiary	-	-	-	-	3,437,850.00	3,437,850.00
Dividend paid	-	-	-	(40,492,383.00)	-	(40,492,383.00)
Total comprehensive income for the year	-	-	-	43,962,082.87	(396,340.53)	43,565,742.34
Balance as at December 31, 2023	450,000,000.00	182,368,879.90	450,000,000.00	35,746,691.67	3,041,509.47	716,157,081.04

\*Notes to the financial statements are an integral part of these financial statements.

**FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Unit:Baht)

		Separate financial statements				
		Retained earnings				
	Note	Issued and paid-up share capital	Premium on common share	Appropriated Legal reserve	Unappropriated	Total shareholders' equity
Balance as at January 1, 2022		320,000,000.00	-	32,000,000.00	3,947,864.35	355,947,864.35
Increasing-shares capital	21	130,000,000.00	-	-	-	130,000,000.00
Premium on common share	21	-	182,368,879.90	-	-	182,368,879.90
Legal reserve	22	-	-	13,000,000.00	(13,000,000.00)	-
Total comprehensive income for the year		-	-	-	41,329,127.45	41,329,127.45
Balance as at December 31, 2022		450,000,000.00	182,368,879.90	45,000,000.00	32,276,991.80	709,645,871.70
Balance as at January 1, 2023		450,000,000.00	182,368,879.90	450,000,000.00	32,276,991.80	709,645,871.70
Dividend paid	23	-	-	-	(40,492,383.00)	(40,492,383.00)
Total comprehensive income for the year		-	-	-	44,497,181.93	44,497,181.93
Balance as at December 31, 2023		450,000,000.00	182,368,879.90	450,000,000.00	36,281,790.73	713,650,670.63

\*Notes to the financial statements are an integral part of these financial statements.

**FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Unit:Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Cash flows from operating activities			
Profit for the year	43,711,210.12	44,642,649.71	36,025,965.10
Adjustments of profit to cash receipted disbursement from operating activities			
Income tax expenses	10,905,593.07	11,107,681.00	5,879,710.42
Amortization of prepaid expenses	2,611,921.94	2,611,921.94	925,009.53
Depreciation of investment property	270,237.00	270,237.00	-
Depreciation of property, plant and equip- ment	17,765,340.99	17,673,157.70	15,808,630.03
Depreciation of right-of-use assets	946,892.45	946,892.45	875,487.18
Amortization	1,219,896.17	1,219,896.17	1,211,034.22
(Reversal) Expected credit losses	11,481.87	11,481.87	(7,239.30)
(Reversal) Provision for devaluation of inventories	649,806.14	649,806.14	(1,910,075.35)
Employee benefit	4,085,495.56	4,085,495.56	5,824,302.80
(Reversal) Provision for liabilities from return goods	178,644.64	178,644.64	(118,826.52)
(Gain) Loss from disposal of assets	65,761.83	65,761.83	(231,489.77)
(Gain) Loss on exchange rate	(793,993.55)	(503,988.82)	(231,485.13)
Loss from fair value measurement of deriv- ative	628,911.33	628,911.33	-
Interest income	(956,869.74)	(954,115.84)	(263,145.48)
Interest expenses	4,373,657.06	4,373,657.06	2,363,511.67
Profit from operation before change in operating assets and liabilities	85,673,986.88	87,008,089.74	66,151,389.40
(Increase) Decrease in operating assets			
Trade and other current receivables	(7,906,738.77)	(13,344,568.29)	(8,664,116.78)
Inventories	(147,181,193.45)	(140,354,182.69)	(43,564,049.00)
Other current assets	(452,403.62)	(452,152.08)	277,032.05
Restricted bank deposit	(540,000.00)	-	-
Other non-current assets	(2,000.00)	(2,000.00)	410,444.56
(Increase) Decrease in operating assets	(156,082,335.84)	(154,152,903.06)	(51,540,689.17)

\*Notes to the financial statements are an integral part of these financial statements.

**FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

(Unit: Baht)

	Note	Consolidated financial statements	Separate financial statements	
		December 31, 2023	December 31, 2023	December 31, 2022
Increase (Decrease) in operating liabilities				
Trade and other current payables		16,053,024.49	13,386,881.57	(1,132,468.61)
Other non-current liabilities		2,700,000.00	2,700,000.00	500,000.00
Increase (Decrease) in operating liabilities		18,753,024.49	16,086,881.57	(632,468.61)
Cash received (paid) from operating		(51,655,324.47)	(51,057,931.75)	13,978,231.62
Employee benefit paid		(1,391,735.00)	(1,391,735.00)	(1,168,529.00)
Income tax paid		(9,755,552.14)	(9,755,552.14)	(9,691,902.82)
Net cash provided by (used in) operating activities		(62,802,611.61)	(62,205,218.89)	3,117,799.80
Cash Flows from investing activities				
Cash received (paid) for short-term loans receivable		(134,065.00)	(134,065.00)	(147,301.44)
Cash paid for investment in subsidiaries		-	(160,312,150.00)	-
Cash paid for purchasing property, plant and equipment		(210,982,580.21)	(54,501,071.64)	(49,716,650.72)
Cash paid for purchasing intangible assets		(131,600.00)	(131,600.00)	(306,270.00)
Cash received from disposal of assets		12,747.11	12,747.11	255,215.42
Cash received from interest		939,926.17	939,926.17	262,499.45
Net cash provided by (used in) investing activities		(210,295,571.93)	(214,126,213.36)	(49,652,507.29)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institution		165,670,049.37	165,670,049.37	(35,695,217.92)
Cash paid for dividend		(40,492,383.00)	(40,492,383.00)	-
Cash paid for interest		(4,329,624.03)	(4,329,624.03)	(2,364,406.78)
Cash paid for repayment lease liabilities		(964,797.11)	(964,797.11)	(847,745.86)
Cash paid from loans		-	-	(9,527,000.00)
Cash received from share of non-controlling interest		3,437,850.00	-	-
Cash received from increasing share capital		-	-	312,368,879.90
Net cash provided by (used in) financing activities		123,321,095.23	119,883,245.23	263,934,509.34
Net increase (decrease) in cash and cash equivalents		(149,777,088.31)	(156,448,187.02)	217,399,801.85
Cash and cash equivalents as at the beginning of year		228,106,367.55	228,106,367.55	10,706,565.70
Cash and cash equivalents as at the end of year	5	78,329,279.24	71,658,180.53	228,106,367.55

\*Notes to the financial statements are an integral part of these financial statements.

**FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**ADDITIONAL INFORMATION OF STATEMENT OF CASH FLOWS**

**Non-cash transaction**

For the year ended December 31, 2023, the Group purchased equipment by credit as assets payable in consolidated financial statements Baht 5.48 million. and separate financial statements Baht 3.28 million. (December 31, 2022 : separate financial statements Baht 5.50 million)

For the year ended December 31, 2022, in separate financial statements the Company has entered into financial lease for forklift Baht 0.41million.

For the year ended December 31, 2022, in separate financial statements the Company sold assets by credit presented as other current receivables Baht 0.39 million.

*\*Notes to the financial statements are an integral part of these financial statements.*

# FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## INTERIM NOTES TO FINANCIAL STATEMENT

### FOR THE YEAR ENDED DECEMBER 31, 2023

#### 1. GENERAL INFORMATION

Company registration : FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED (“The Company”) is a public company incorporated and domiciled in Thailand.

Location : 313 Charoen Pattana Road, Bang Chan District, Khlong Sam Wa, Bangkok.

Business : Distribution water filter, pump, chemical and equipment for water filter

Major shareholder : FUNCTION GROUP COMPANY LIMITED has 61.65 % of shareholding of issued-paid up share capital

#### 2. BASIS FOR INTERIM FINANCIAL STATEMENTS PREPARATION AND PRESENTATION

##### 2.1 Basis for financial statements preparation

These financial statements have been prepared in accordance with Thai Financial Reporting Standards (TFRS); including interpretations and guidelines promulgated by the Federation of Accounting Professions (FAP) and the regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017 regarding the preparation and submission of financial statements and reports for the financial performance of the listed companies B.E. 2560. The format of presentation of the financial statements is not significantly different from the Notification of the Department of Business Development regarding the condensed form should be included in the financial statements (No. 3) B.E. 2562 dated December 26, 2019.

The Group’s financial statements have been prepared under the historical cost convention, except as transaction disclosed in related accounting policy.

##### 2.2 Basis of consolidated financial statements preparation

2.2.1 The consolidated financial statements have included the financial statements of FUNCTION INTERNATIONAL PUBLIC COMPANY LIMITED subsidiaries and associated companies as follows.

Name of Company	Type of business	(Percentage of holding % of share capital) December 31, 2023
Function Lyuden Technology Co., Ltd.	Manufacturing and distribution equipment for water filter system	51.00
Function Runyang Electronic Co., Ltd.	Manufacturing and distribution equipment for water filter system	51.00
Function Ningbo Aceboom Motor Co., Ltd.	Manufacturing and distribution equipment for water filter system	51.00
Function Industry Co., Ltd.	Rent for Factory and duty free zone area	99.00

According to the Board of Director meeting No. 3/2023 held on June 28, 2023, the Company passed resolution to incorporate 3 new companied in Thailand with a share of 51 percent. The company has already paid for the shares. Total amount is 1.91 million baht as stated in note 9.

According to the Board of Director meeting No. 5/2023 held on October 12, 2023, the Company passed resolution to incorporate a new company in Thailand with a share of 99 percent. The company has already paid for the shares. Total amount is 158.40 million baht as stated in note 9.

## Loss of control

When the Company loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

2.2.2. The Group 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.

2.2.3. Subsidiaries are fully consolidated, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

2.2.4. The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

2.2.5. Material balances and transactions between the Group and its subsidiary companies have been eliminated from the consolidated financial statements.

2.2.6. Non-controlling interest is amount of profit or loss and net assets of subsidiary which is not belong to the Company and is separately presented in consolidated profit or loss and shareholder's equity in consolidated statement of financial position.

### **2.3 Financial reporting standards become effective in the current period**

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

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

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **3.1 Revenues and Expenses Recognition**

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenues from services are recognized when services have been completely rendered.

Revenues from rental under operating lease recognized in profit and loss by straight line method over the lease term.

Interest income is recognized on accrual basis by effective interest rate.

Other incomes and expenses are recognized on accrual basis.

### **3.2 Cash and Cash Equivalents**

Cash and cash equivalents mean cash on hand and deposits at financial institution, which are due within three months, without commitment.

### **3.3 Inventories**

Inventories are measured at the lower of cost and net realisable value of cost and net realisable value.

Cost is calculated using the FIFO cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost and includes an appropriate share of production overheads based on normal operating capacity.

### 3.4 Investment in subsidiaries

Subsidiary company means the Company that the Company has direct and indirect voting right more than a half of total voting right or power to control financial policy and operation of subsidiary. Such subsidiary is included in consolidated financial statements preparation commencing on the date that the parent company has control power until the date that disposal of subsidiary is made. Transactions and outstanding balance between the Group including unrealized gain or loss are eliminated in consolidated financial statements. Accounting policy of subsidiary will be changed for using same accounting policy of the Group for preparing consolidated financial statements. Investment in subsidiary is presented in separate financial statement at cost less provision for impairment (If any).

### 3.5 Investment property

Investment properties of the Group are land and buildings, which are held for long-term rental yields or for capital appreciation and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Buildings	20 years
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### 3.6 Property, Plant and Equipment

Building and equipment are stated at cost less accumulated depreciation and provision for impairment (If any). Except for land and assets under construction are stated at cost less provision for impairment (If any). The cost is included related direct expenses to make assets ready to be used at the location. Depreciation is calculated on a straight-line method over the estimated useful lives of each assets which is separately considered for material component and estimated useful lives are as follows.

Factory building and office	20-50 Years
Building improvement	5-20 Years
Instrument	5 Years
Office equipment and computer	5-10 Years
Furniture	5 Years
Vehicle	5 Years
Utility system	5-15 Years

No depreciation is provided on freehold land and assets under construction.

The residual value and estimated useful lives will be reviewed and adjusted at the end of fiscal year.

The cost of major renovation and replacement cost of property, plant and equipment according to specific period will be included in book value of assets and charged for depreciation. However, in case the replaced items were included in book value of assets will be written off.



### 3.7 Intangible Assets

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

The Group amortizes intangible assets, which have definite useful lives, over its economic life and performs an impairment review of the assets whenever there is an indicator that such the assets may be impaired. The Group will review remaining term and method of amortization of such intangible assets at least at each financial year-end. Amortization expenses recognizes as expenses in the statement of comprehensive income.

Intangible assets, which have definite useful life, is as follows:

Computer program	3-10 years
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### 3.8 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired and goodwill and indefinite useful lives of intangible assets each year. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

The Group an impairment loss is recognised in profit or loss.

### 3.9 Borrowing cost capitalization

Borrowing cost is capitalized as cost of assets when borrowing cost directly attributable to the acquisition of assets that takes a substantial of time to get ready for intended use. Capitalization of borrowing cost is stopped when assets is ready to use.

### 3.10 Leases

The Group as a lessee

#### Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, 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 as follows.

Instrument leasehold right	3 years
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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

### **3.11 Related Parties Transaction**

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Group. Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group which has a power in planning and operating control.

### **3.12 Provision**

The Group recognizes a provision for liabilities when an entity has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits resources will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. If some or all the expenditure under the provision are virtually expected to be reimbursed, the Group will separately recognize that amount as assets. The amount recognized should not exceed the amount of the provision.

The estimates and assumptions may have a risk of causing an adjustment to the carrying amounts of assets within the next financial year relate primarily to provision for employee benefits at the statement of financial position date. The provision for employee benefits is determined using actuarial technique and the management assertion for these estimates rather uncertain. Due to the long-term nature of this provision, such estimated is subject to significant uncertainty (Note 3.13.2). The other estimates are further detailed in the corresponding disclosures.

### **3.13 Provident Fund and Employee Benefits**

#### *3.13.1 Provident Fund*

The Group has established provident fund under the defined contribution plan. The fund's assets are separated entities which are administered by the external fund manager. The Group and employees made contribution into such provident fund. The Group's contribution payments to the provident fund were recorded as expenses in the statement of comprehensive income in the incurred period.

#### *3.13.2 Employee Benefits*

The Group provided post-employment benefits obligation, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefit is calculated by using the actuarial technique. The present value of benefits is the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity Unit Credit Method approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other. Actuarial gains or losses will be recognized in other comprehensive income in the occurring period. The costs associated with providing these benefits are charged to profit or loss so as to spread the cost over the employment period.

### **3.14 Foreign currencies**

Assets and liabilities denominated in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the date of the transactions. The outstanding balance of assets and liabilities in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date.

Gains or losses from foreign exchanges are recognized as income or expenses.

### **3.15 Income Tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

#### *3.15.1 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.

### 3.15.2 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.

- Deferred tax liabilities for all taxable temporary differences.
- 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 utilized.
- Where the deferred tax assets relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

Nevertheless, unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered. The Group recognized deferred tax directly to shareholders' equity, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

### 3.16 Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures, and actual results could differ. Significant judgments and estimates are as follow:

#### Allowance for expected credit losses of trade accounts receivables

In determining an allowance for expected credit losses of trade receivables and contract assets, 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 historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

#### Provision for devaluation of inventories

In estimating the allowance for devaluation on inventories, management has used judgment to estimate losses that are expected to arise from such inventories. Net realizable value is the estimated selling price in the ordinary course of business less the necessary expenses to make the sale, allowance for obsolete goods estimated by considering inventories aging.

#### Property, plant and equipment and depreciation

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

In addition, the plant, property and equipment are subject to impairment if there is an indication that they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavorable regulatory and court decisions that impact the business.

The impairment analysis of plant, property and equipment requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units subject to the review. Events and factors that may significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

#### **Deferred tax assets**

Deferred tax assets are recognized for temporary difference arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as at the end of reporting period when it is highly probable that the Group and subsidiaries will generate sufficient taxable profits from their future operations to utilize these deferred tax assets. If management need to estimate the amounts of the deferred tax assets that the Group and its subsidiaries should recognize, they take into account the amount of taxable profit expected in each future period.

#### **Lease classification – as a 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.

#### **Non-current provisions for employee benefit**

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and employee turnover rates and so on.

#### **Provision for liabilities from lawsuit judgement**

The Group has contingent liabilities from being assessed import duty by Custom Department. The management used judgment to assess the effect of these matters and this involves evaluating the degree of probability that a loss will be incurred and the management's ability to make a reasonable estimate of the amount of that loss. Changes in the factors used in management's evaluation and unanticipated events may result in actual results differing from the estimates. However, if management believes that no significant loss will result, no related provision are recorded as at the end of reporting period.

### **3.17 Financial Instruments**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

#### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

#### **Financial assets at amortised cost**

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### **Financial assets at FVTPL**

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.

### **Classification and measurement of financial liabilities**

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

### **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or 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 the statement of profit or loss.

### **Impairment of financial assets**

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. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated 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.

### **3.18 Derivative**

The Group has used derivative in forward contract in order to protect exchange rate risk.

Derivatives are 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. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### **3.19 Basic earnings per share**

Earnings per share as presented in the statements of comprehensive income is the basic earnings per share which is determined by dividing the net profit for the year by the weighted average number of common shares issued and paid-up during the year.

### 3.20 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.

#### 4. RELATED PARTIES TRANSACTIONS

During the period, the Group has significant transactions with related party. Those transactions occurred in accordance with terms and condition as mutually agreed between related parties in the normal course of business:

##### 4.1 Relationship and pricing policy with related person and parties are as follows:

Name of the related party	Relationship	Trade list	nationality	Pricing policy
1 Function Marine Co., Ltd.	Common Director and shareholder	Office rental Sales of goods and services	Thai	At agreed price Market price
2 Srichongkho Co., Ltd.	Common Director and shareholder	Office rental Sales of goods and services	Thai	At agreed price Market price Market price
3 Function Lyuden Technology Co., Ltd.	Shareholding and directorship	Office rental	Thai	At agreed price
4 Function Runyang Electronic Co., Ltd.	Shareholding and directorship	Office rental	Thai	At agreed price
5 Function Ningbo Aceboom Motor Co., Ltd.	Shareholding and directorship	Office rental Purchase of goods	Thai	At agreed price Market price
6 Function Industry Co., Ltd.	Shareholding and directorship	-	Thai	-
7 Shanghai Lyuden Environment &Technology Co., Ltd.	Shareholder of subsidiary	Purchase of goods and assets	Chinese	Market price
8 Ningbo Aceboom Electric Motor Co., Ltd.	Shareholder of subsidiary	Purchase of goods and assets Sales of goods	Chinese	Market price
9 Jiangyin Runyang Electronic Appliance	Shareholder of subsidiary	Purchase of goods and assets	Chinese	Market price
10 Related persons	Major shareholder and Director	Sales of goods and services	Thai	Market price

##### 4.2 Transaction in statement of financial position

Balances of transactions with related parties as at December 31, 2023 and 2022 are as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2022
Trade accounts receivable				
Function Marine Co., Ltd.	-	-	-	3,220.70
Srichongkho Co., Ltd.	1,671.34	1,671.34	1,671.34	53,189.70
Related parties	-	-	-	1,489.44

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Other accounts receivable			
Function Marine Co., Ltd.	50,614.21	50,614.21	51,954.92
Srichongkho Co., Ltd.	-	-	58,978.40
Function Lyuden Technology Co., Ltd.	-	1,696,248.23	-
Function Runyang Electronic Co., Ltd.	-	1,674,684.83	-
Function Ningbo Aceboom Motor Co., Ltd.	-	2,023,113.02	-
Function Industry Co., Ltd.	-	270.00	-
Shanghai Lyuden Environment & Technology Co., Ltd.	211,394.12	34,457.22	-
Jiangyin Runyang Electronic Appliance	926,934.77	-	-
Ningbo Aceboom Electric Motor Co., Ltd.	128,379.77	248.62	-
Advance			
Function Marine Co., Ltd.	13,382.29	13,382.29	11,913.33
Srichongkho Co., Ltd.	33,093.38	33,093.38	33,158.93
Function Lyuden Technology Co., Ltd.	-	638,310.02	-
Function Runyang Electronic Co., Ltd.	-	637,711.61	-
Function Ningbo Aceboom Motor Co., Ltd.	-	638,048.41	-
Trade accounts payable			
Function Ningbo Aceboom Motor Co., Ltd.	-	189,754.66	-
Shanghai Lyuden Environment & Technology Co., Ltd.	1,341.80	-	-
Ningbo Aceboom Electric Motor Co., Ltd.	2,383,036.95	-	-
Other accounts payable			
Shanghai Lyuden Environment & Technology Co., Ltd.	338,360.92	-	-
Ningbo Aceboom Electric Motor Co., Ltd.	574,238.53	-	-
Jiangyin Runyang Electronic Appliance	1,130,836.22	-	-
Related parties	150.00	-	-
Deposit for office rental			
Function Marine Co., Ltd.	49,000.00	49,000.00	49,000.00
Srichongkho Co., Ltd.	45,000.00	45,000.00	45,000.00



### 4.3 Transaction in statement of comprehensive income

Significant revenues and expenses with related parties for the year ended December 31, 2023 and 2022 are as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
<b>Rental income</b>			
Function Marine Co., Ltd.	570,142.00	570,142.00	581,812.00
Srichongkho Co., Ltd.	672,760.00	672,760.00	628,292.00
Function Lyuden Technology Co., Ltd.	-	94,984.62	-
Function Runyang Electronic Co., Ltd.	-	94,984.62	-
Function Ningbo Aceboom Motor Co., Ltd.	-	94,984.62	-
	<u>1,242,902.00</u>	<u>1,527,855.86</u>	<u>1,210,104.00</u>
<b>Revenues from services</b>			
Srichongkho Co., Ltd.	29,300.00	29,300.00	8,700.00
	<u>29,300.00</u>	<u>29,300.00</u>	<u>8,700.00</u>
<b>Revenues from sales</b>			
Function Marine Co., Ltd.	412,630.00	412,630.00	392,673.00
Srichongkho Co., Ltd.	194,443.00	194,443.00	309,630.00
Related parties	145,259.18	145,259.18	231,612.21
	<u>752,332.18</u>	<u>752,332.18</u>	<u>933,915.21</u>
<b>Purchases of goods</b>			
Function Ningbo Aceboom Motor Co., Ltd.	-	253,344.00	-
Shanghai Lyuden Environment &Technology Co., Ltd.	25,780,361.00	24,735,325.19	-
Ningbo Aceboom Electric Motor Co., Ltd.	23,633,037.52	19,240,098.99	-
Jiangyin Runyang Electronic Appliance	870,356.28	-	-
	<u>50,283,754.80</u>	<u>44,228,768.18</u>	<u>-</u>
<b>Purchases of assets</b>			
Shanghai Lyuden Environment &Technology Co., Ltd.	357,293.97	-	-
Ningbo Aceboom Electric Motor Co., Ltd.	607,299.21	-	-
Jiangyin Runyang Electronic Appliance	1,195,525.31	-	-
	<u>2,160,118.49</u>	<u>-</u>	<u>-</u>
<b>Distribution costs / Administrative expense</b>			
Srichongkho Co., Ltd.	32,000.00	32,000.00	155,240.00
	<u>32,000.00</u>	<u>32,000.00</u>	<u>155,240.00</u>

## 5. CASH AND CASH EQUIVALENTS

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Cash	1,924,640.03	80,500.00	60,500.00
Cheque due not deposit yet	1,922,327.51	1,922,327.51	127,535.04
Current accounts	147,005.17	57,005.17	8,896.14
Savings account	74,335,306.53	69,598,347.85	227,909,436.37
<b>Total</b>	<b>78,329,279.24</b>	<b>71,658,180.53</b>	<b>228,106,367.55</b>

## 6. TRADE AND OTHER CURRENT RECEIVABLES

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Trade accounts receivable			
Post-dated cheque	10,260,677.60	10,260,677.60	10,203,556.01
Trade accounts receivable	36,461,273.96	36,461,273.96	34,600,460.48
<b>Total</b>	<b>46,721,951.56</b>	<b>46,721,951.56</b>	<b>44,804,016.49</b>
Less Allowance for expected credit losses	(11,481.87)	(11,481.87)	-
<b>Total trade account receivable</b>	<b>46,710,469.69</b>	<b>46,710,469.69</b>	<b>44,804,106.49</b>
Other current receivables			
Deposit for goods	10,095,742.71	10,095,742.71	16,784,061.49
Prepaid expense	8,677,915.70	8,677,915.70	5,446,032.08
Advance payment	3,774,538.24	3,774,538.24	331,547.53
Revenue department receivable	1,338,560.22	984,332.04	-
Receivable connected transactions	1,363,798.55	7,440,181.85	110,933.32
Other receivables	843,186.39	556,106.89	423,366.43
Less Allowance for expected credit losses	-	-	(323,384.67)
<b>Total other current receivables</b>	<b>26,093,741.81</b>	<b>31,528,817.43</b>	<b>22,772,556.18</b>
<b>Total trade and other current receivables</b>	<b>72,804,211.50</b>	<b>78,239,287.12</b>	<b>67,576,572.67</b>

As at December 31, 2023 and 2022, the carrying amount of trade accounts receivable and post-dated cheque classified by aging that overdue as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Not yet due	42,572,939.50	42,572,939.50	42,020,492.14
Overdue			
Not over 3 months	4,149,012.06	4,149,012.06	2,731,563.75
3 - 6 months	-	-	51,960.60
6 - 12 months	-	-	-
More than 12 months	-	-	-
<b>Total trade accounts receivable</b>	<b>46,721,951.56</b>	<b>46,721,951.56</b>	<b>44,804,106.49</b>

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Allowance for expected credit losses as at January 1	-	-	7,239.30
Increase (Decrease) during the period	11,481.87	11,481.87	(7,239.30)
<b>Total Allowance for expected credit losses as at December 31,</b>	<b>11,481.87</b>	<b>11,481.87</b>	<b>-</b>

## 7. SHORT-TERM LOAN RECEIVABLE

As at December 31, 2023 and 2022, The Group has loan to employee bearing interest rate 1% per month.

## 8. INVENTORIES

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Finished goods	425,201,661.22	418,590,081.14	290,435,502.15
Supplies and packaging	1,580,529.33	1,365,098.65	1,310,883.02
Goods in transit	51,358,048.50	51,358,048.50	39,272,400.67
<b>Total</b>	<b>478,140,239.05</b>	<b>471,313,228.29</b>	<b>331,018,785.84</b>
Less Provision for devaluation of inventories	(5,836,923.37)	(5,836,923.37)	(5,187,117.23)
<b>Total</b>	<b>472,303,315.68</b>	<b>465,476,304.92</b>	<b>325,831,668.61</b>

## 9. INVESTMENT IN SUBSIDIARIES

Detail of investment in subsidiaries as at December 31, 2023 as follows:

Name of Company	(Unit : Baht)			(%)
	Separate financial statements			
	share capital	Paid-up Capital	Cost method	Percentage of shareholding
Function Lyuden Technology Co., Ltd.	5,000,000	1,250,000	637,450.00	51
Function Runyang Electronic Co., Ltd.	5,000,000	1,250,000	637,450.00	51
Function Ningbo Aceboom Motor Co., Ltd.	5,000,000	1,250,000	637,450.00	51
Function Industry Co., Ltd.	160,000,000	160,000,000	158,399,800.00	99
Total			<u>160,312,150.00</u>	

According to the Board of Director meeting No. 3/2023 held on June 28, 2023, and according to the Board of Director meeting No. 5/2023 held on October 12, 2023 the Company passed resolution to incorporate 4 new companied in Thailand as follows:

- Function Lyuden Technology Co., Ltd., engaging in manufacturing, assemble and distribution filter for water filter system, was registered at Ministry of Commerce on July 11, 2023.
- Function Runyang Electronic Co., Ltd., engaging in manufacturing, assemble and distribution transformers for water filtration system and, was registered at the Ministry of Commerce on July 11, 2023.
- Function Ningbo Aceboom Motor Co., Ltd., engaging in manufacturing, assemble and distribution Booster pump for water filtration system, was registered at the Ministry of Commerce on July 18, 2023.
- Function Industry Co., Ltd.the engaging in factory for rent in the future and duty free zone, was registered at Ministry of Commerce on October 30, 2023.



## 10. INVESTMENT PROPERTY

As at December 31, 2023, the investment property of the Group have movement summarized as follows:

(Unit: Baht)

	Consolidated and Separate financial statements		
	Land	Building and Office	Total
Assets – Cost			
As at January 1, 2023	-	-	-
Transfer from property, plant and equipment	3,700,000.00	7,178,487.62	10,878,487.62
As at December 31, 2023	3,700,000.00	7,178,487.62	10,878,487.62
Accumulated depreciation			
As at January 1, 2023	-	-	-
Transfer from property, plant and equipment	-	5,944,703.47	5,944,703.47
Depreciation for the year	-	270,237.00	270,237.00
As at December 31, 2023	-	6,214,940.47	6,214,940.47
Net book value			
As at December 31, 2023	3,700,000.00	963,547.15	4,663,547.15

As at December 31, 2023, partial of land and building and construction Baht 4.66 million, are pledged as collateral for credit line from a bank as stated in note 16.

During the period of 2023, the Company has provided land and building rental to a related party so that property, plant and equipment are transfer from investment properties.

The fair value of investment properties as at December 31, 2023 was assessed at Baht 12.67 million by using the Cost Approach method which is summary method of value of asset. Since the assessed asset has specific construction form, it is unable to find out same or similar information, Level of fair value is at level 3.

Rental income during the year related to investment properties was as follows:

(Unit: Baht)

	Consolidated and Separate financial statements	
	December 31, 2023	
Rental income	506,268.00	

## 11. PROPERTY, PLANT AND EQUIPMENT

As at December 31, 2023 and 2022, the property, plant and equipment of the Group have movement summarized as follows:

(Unit: Baht)

Consolidated financial statements										
	Land	Factory building and Office	Building improvement	Utility system	Instrument	Office equipment and Computer	Furniture and fixture	Vehicle	Assets under construction	Total
Assets – Cost										
As at January 1, 2023	48,897,187.76	106,726,742.11	18,611,772.91	7,774,200.55	17,995,099.71	22,549,953.86	10,615,794.22	10,404,621.50	90,870,445.28	334,445,817.90
Purchase	156,345,000.00	-	127,116.00	433,266.90	3,191,418.36	5,621,514.90	62,000.00	2,699,000.00	46,592,021.71	215,071,337.87
Disposal / Write off	-	-	-	-	(186,208.44)	(472,558.70)	(50,550.00)	-	-	(709,317.14)
Transfer to Investment Property	(3,700,000.00)	(7,178,487.62)	-	-	-	-	-	-	-	(10,878,487.62)
Transfer in (out)	-	77,654,520.56	621,860.00	19,104,483.38	17,465,297.72	5,554,242.46	12,472,062.84	-	(132,872,466.96)	-
As at December 31, 2023	201,542,187.76	177,202,775.05	19,360,748.91	27,311,950.83	38,465,607.35	33,253,152.52	23,099,307.06	13,103,621.50	4,590,000.03	537,929,351.01

(Unit: Baht)

Consolidated financial statements										
	Land	Factory building and Office	Building improvement	Utility system	Instrument	Office equipment and Computer	Furniture and fixture	Vehicle	Assets under construction	Total
Accumulated depreciation										
As at January 1, 2023	-	48,423,829.16	4,919,294.36	5,530,070.22	15,090,542.27	16,866,998.95	7,612,278.55	6,834,920.37	-	105,277,933.88
Depreciation for the year	-	5,445,134.95	1,180,804.58	1,827,465.27	2,829,592.24	3,284,237.22	2,518,802.59	679,304.14	-	17,765,340.99
Accumulated depreciation of Disposal / Write off	-	-	-	-	(161,022.05)	(419,238.15)	(50,548.00)	-	-	(630,808.20)
Transfer to Investment Property	-	(5,944,703.47)	-	-	-	-	-	-	-	(5,944,703.47)
As at December 31, 2023	-	47,924,260.64	6,100,098.94	7,357,535.49	17,759,112.46	19,731,998.02	10,080,533.14	7,514,224.51	-	116,467,763.20
Book value										
As at December 31, 2023	201,542,187.76	129,278,514.41	13,260,649.97	19,954,415.34	20,706,494.90	13,521,154.50	13,018,773.92	5,589,396.99	4,590,000.02	421,461,587.81
Depreciation included in the statement of comprehensive income For the year 2023										17,673,157.70

Building and equipment that fully depreciated but still in use has total costs as at December 31, 2023, Baht 27,459,944.65.

As at December 31, 2023, partial of land Baht 40,313,515.00, partial of building and construction Baht 153,032,171.04, are pledged as collateral for credit line from a bank as stated in note 16.

As at December 31, 2023, the Group recorded financial costs of Baht 72,639.70, as partial of the property, plant and equipment.

## Separate financial statements

	Land	Factory building and Office	Building improvement	Utility system	Instrument	Office equipment and Computer	Furniture and fixture	Vehicle	Assets under construction	Total
Assets – Cost										
As at January 1, 2022	48,897,187.76	106,726,742.11	18,551,772.91	7,774,200.55	20,431,155.76	21,864,685.68	10,684,207.62	10,719,121.50	35,866,914.16	281,515,988.05
Purchase	-	-	-	-	20,618.45	911,048.18	62,500.00	-	55,063,531.12	56,057,697.75
Disposal / Write off	-	-	-	-	(2,771,174.50)	(225,780.00)	(130,913.40)	-	-	(3,127,867.90)
Transfer in (out)	-	-	60,000.00	-	314,500.00	-	-	(314,500.00)	(60,000.00)	-
As at December 31, 2022	48,897,187.76	106,726,742.11	18,611,772.91	7,774,200.55	17,995,099.71	22,549,953.86	10,615,794.22	10,404,621.50	90,870,445.28	334,445,817.90
Purchase	-	-	127,116.00	433,266.90	860,176.90	5,621,514.90	62,000.00	2,699,000.00	46,592,021.71	56,395,096.41
Disposal / Write off	-	-	-	-	(186,208.44)	(472,558.70)	(50,550.00)	-	-	(709,317.14)
Transfer to Investment Property	(3,700,000.00)	(7,178,487.62)	-	-	-	-	-	-	-	(10,878,487.62)
Transfer in (out)	-	77,654,520.56	621,860.00	19,104,483.38	17,465,297.72	5,554,242.46	12,472,062.84	-	(132,872,466.96)	-
As at December 31, 2023	45,197,187.76	177,202,775.05	19,360,748.91	27,311,950.83	36,134,365.89	33,253,152.52	23,099,307.06	13,103,621.50	4,590,000.03	379,253,109.55



(Unit: Baht)

Separate financial statements										
	Land	Factory building and Office	Building improvement	Utility system	Instrument	Office equipment and Computer	Furniture and fixture	Vehicle	Assets under construction	Total
Accumulated depreciation										
As at January 1, 2022	-	43,091,139.01	3,771,927.80	4,079,426.78	15,635,901.18	14,190,950.27	5,848,810.46	5,955,290.60	-	92,573,446.10
Depreciation for the year	-	5,332,690.15	1,147,366.56	1,450,643.44	1,930,268.42	2,889,795.71	1,893,706.66	1,164,159.09	-	15,808,630.03
Accumulated depreciation of Disposal / Write off	-	-	-	-	(2,760,156.65)	(213,747.03)	(130,238.57)	-	-	(3,104,142.25)
Transfer in (out)	-	-	-	-	284,529.32	-	-	(284,529.32)	-	-
As at December 31, 2022	-	48,423,829.16	4,919,294.36	5,530,070.22	15,090,542.27	16,866,998.95	7,612,278.55	6,834,920.37	-	105,277,933.88
Depreciation for the year	-	5,445,134.95	1,180,804.58	1,827,465.27	2,737,408.95	3,284,237.22	2,518,802.59	679,304.14	-	17,673,157.70
Accumulated depreciation of Disposal / Write off	-	-	-	-	(161,022.05)	(419,238.15)	(50,548.00)	-	-	(630,808.20)
Transfer to Investment Property	-	(5,944,703.47)	-	-	-	-	-	-	-	(5,944,703.47)
As at December 31, 2023	-	47,924,260.64	6,100,098.94	7,357,535.49	17,666,929.17	19,731,998.02	10,080,533.14	7,514,224.51	-	116,375,579.91
Book value										
As at December 31, 2022	48,897,187.76	58,302,912.95	13,692,478.55	2,244,130.33	2,904,557.44	5,682,954.91	3,003,515.67	3,569,701.13	90,870,445.28	229,167,884.02
As at December 31, 2023	45,197,187.76	129,278,514.41	13,260,649.97	19,954,415.34	18,467,436.73	13,521,154.50	13,018,773.92	5,589,396.99	4,590,000.02	262,877,529.64
Depreciation included in the statement of comprehensive income										
For the year 2022										15,808,630.03
For the year 2023										17,673,157.70

Building and equipment that fully depreciated but still in use has total costs as at December 31, 2023 and 2022, Baht 27,459,944.65 and Baht 22,369,929.93, respectively.

As at December 31, 2023 and 2022, partial of land Baht 40,313,515.00, partial of building and construction Baht 153,032,171.04 and Baht 148,535,285.95, respectively, are pledged as collateral for credit line from a bank as stated in note 16.

As at December 31, 2023 and 2022, the Company recorded financial costs of Baht 72,639.70 and Baht 235,852.45, respectively, as partial of the property, plant and equipment.

## 12. RIGHT-OF-USE ASSETS

As at December 31, 2023 and 2022, right-of-use assets of the Group have movement summarized as follows:

(Unit: Baht)

	Consolidated	Separate financial
	financial statements	statements
	Instrument leasehold right	Instrument leasehold right
Cost		
As at January 1, 2022		2,424,650.93
Purchase		405,626.73
As at December 31, 2022	2,830,277.66	2,830,277.66
Purchase	-	-
As at December 31, 2023	2,830,277.66	2,830,277.66
Accumulated depreciation		
As at January 1, 2022	-	537,331.07
Depreciation for the year	-	875,487.18
As at December 31, 2022	1,412,818.25	1,412,818.25
Depreciation for the year	946,892.45	946,892.45
As at December 31, 2023	2,359,710.70	2,359,710.70
Net book value		
As at December 31, 2022		1,417,459.41
As at December 31, 2023	470,566.96	470,566.96

### 13. INTANGIBLE ASSETS

As at December 31, 2023 and 2022, intangible assets of the Group have movement summarized as follows:

(หน่วย:บาท)

	Consolidated financial statements	Separate financial statements
	Computer Software	Computer Software
Cost		
As at January 1, 2022		12,000,323.29
Purchase		306,270.00
As at December 31, 2022	12,306,593.29	12,306,593.29
Purchase	131,600.00	131,600.00
As at December 31, 2023	12,438,193.29	12,438,193.29
Accumulated amortization		
As at January 1, 2022		5,281,815.17
Amortization for the year		1,211,034.22
As at December 31, 2022	6,492,849.39	6,492,849.39
Amortization for the year	1,219,896.17	1,219,896.17
As at December 31, 2023	7,712,745.56	7,712,745.56
Net book value		
As at December 31, 2022		5,813,743.90
As at December 31, 2023	4,725,447.73	4,725,447.73

### 14. DEFERRED TAX ASSETS

14.1 The deferred tax consists of as at December 31, 2023 and 2022, summarized as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Deferred tax assets	8,633,809.41	8,431,721.48	7,692,196.83
Total	8,633,809.41	8,431,721.48	7,692,196.83

Movement of deferred tax assets incurred during the year were as follows:

(Unit: Baht)

	Consolidated financial statements			
	Recorded as (expense) / revenue in			
	January 1, 2023	Profit or Loss	Other comprehensive income	December 31, 2023
	(Note 14.2)			
Deferred Tax Assets				
Allowance for expected credit losses	-	2,296.37	-	2,296.37
Provision for devaluation of inventories	1,037,423.45	129,961.23	-	1,167,384.68
Provision for liabilities from return goods	20,508.67	35,728.92	-	56,237.59
Lease liabilities	309,320.09	(192,959.42)	-	116,360.67
Non-current provisions for employee benefit	6,608,436.50	538,752.12	36,366.94	7,183,555.56
Tax loss carried forward	-	202,087.93	-	202,087.93
Deferred Tax Liabilities				
Right of use assets	(283,491.88)	189,378.49	-	(94,113.39)
Total	7,692,196.83	703,157.71	36,366.94	8,633,809.41

(Unit: Baht)

	Separate financial statements			
	Recorded as (expense) / revenue in			
	January 1, 2023	Profit or Loss	Other comprehensive income	December 31, 2023
	(Note 14.2)			
Deferred Tax Assets				
Allowance for expected credit losses	-	2,296.37	-	2,296.37
Provision for devaluation of inventories	1,037,423.45	129,961.23	-	1,167,384.68
Provision for liabilities from return goods	20,508.67	35,728.92	-	56,237.59
Lease liabilities	309,320.09	(192,959.42)	-	116,360.67
Non-current provisions for employee benefit	6,608,436.50	538,752.12	36,366.94	7,183,555.56
Deferred Tax Liabilities				
Right of use assets	(283,491.88)	189,378.49	-	(94,113.39)
Total	7,692,196.83	703,157.71	36,366.94	8,431,721.48

(Unit: Baht)

	Separate financial statements			
	Recorded as (expense) / revenue in			
	January 1, 2022	Profit or Loss	Other comprehensive income	December 31, 2022
	(Note 14.2)			
Deferred Tax Assets				
Allowance for expected credit losses	1,447.86	(1,447.86)	-	-
Provision for devaluation of inventories	1,419,438.52	(382,015.07)	-	1,037,423.45
Provision for liabilities from return goods	44,273.97	(23,765.30)	-	20,508.67
Lease liabilities	383,343.91	(74,023.82)	-	309,320.09
Non-current provisions for employee benefit	7,003,072.33	931,154.76	(1,325,790.59)	6,608,436.50
Deferred Tax Liabilities				
Right of use assets	(377,463.97)	93,972.09	-	(283,491.88)
<b>Total</b>	<b>8,474,112.62</b>	<b>543,874.80</b>	<b>(1,325,790.59)</b>	<b>7,692,196.83</b>

14.2 The income tax expense (revenue) for the year ended December 31, 2023 and 2022, summarized as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
	Current income tax:		
Corporate income tax for the year	11,810,838.71	11,810,838.71	6,423,585.22
Deferred tax:			
Deferred tax from the temporary differences and reversal of temporary differences	(905,245.64)	(703,157.71)	(543,874.80)
<b>Income tax expense (revenue) presented in the statement of comprehensive income</b>	<b>10,905,593.07</b>	<b>11,107,681.00</b>	<b>5,879,710.42</b>

14.3 Reconcile between income tax expense and the product of accounting profit (loss) multiplied by the applicable tax rate for the years ended December 31, 2023, and 2022 were as follows:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
Profit before income tax expense	54,616,803.19	55,750,330.71	41,905,675.52	
Tax rate	20.00%	20.00%	20.00%	
Amount of corporate income tax from tax rate	10,923,360.64	11,150,066.14	8,381,135.10	
The effect of income tax:				
Prohibited taxable expenses	(17,767.57)	(42,385.14)	(2,501,424.68)	
Income tax expense (revenue) presented in the statement of comprehensive income	10,905,593.07	11,107,681.00	5,879,710.42	
Effective income tax rate	19.97%	19.92%	14.03%	

#### 15. OTHER NON-CURRENT ASSETS

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
Other security deposit	9,000.00	9,000.00	7,000.00	
Advance payment for construction	-	-	4,360,302.49	
Total	9,000.00	9,000.00	4,367,302.49	

The Group paid advance for construction 10% of construction value. By making construction installment payment, the Group will amortize advance payment for construction at the rate 10% of construction value charged by the Contractor.

#### 16. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
Trust Receipt payable	247,540,065.76	247,540,065.76	81,870,016.39	
Total	247,540,065.76	247,540,065.76	81,870,016.39	

As at December 31, 2023 and 2022, the Group has bank overdraft and short-term loan from 2 banks total credit line Baht 570.54 million. Interest rate MLR - MOR per annum secured by pledged partial of land building and construction as stated in note 10 to 11.

## 17. TRADE AND OTHER CURRENT PAYABLES

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
	December 31, 2023	December 31, 2023	December 31, 2022
Trade accounts payable			
Trade accounts payable	24,949,210.58	24,949,210.58	20,640,775.37
Trade accounts payable related transactions	2,384,378.75	189,754.66	-
Other current payables			
Assets payable	3,504,464.00	3,504,464.00	5,881,757.66
Retention payable	7,120,729.71	7,120,729.71	4,192,258.16
Deposit for rental space related transactions	94,000.00	94,000.00	94,000.00
Deposit received	1,252,229.25	1,252,229.25	1,244,811.90
Accrued expenses	9,094,898.67	8,933,144.80	6,681,464.67
Revenue Department payable	890,710.31	890,570.52	1,637,187.72
Other payables	6,291,315.99	6,120,548.34	2,354,128.26
Other payables related transactions	2,043,585.68	-	-
<b>Total trade and other current payables</b>	<b>57,625,522.94</b>	<b>53,054,651.86</b>	<b>42,726,383.74</b>

## 18. LEASE LIABILITIES

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
	December 31, 2023	December 31, 2023	December 31, 2022
Lease liabilities	591,600.00	591,600.00	1,599,600.00
Less Deferred interest expenses	(9,796.67)	(9,796.67)	(52,999.56)
<b>Total</b>	<b>581,803.33</b>	<b>581,803.33</b>	<b>1,546,600.44</b>
Less Current portion	(507,168.66)	(507,168.66)	(1,048,797.11)
<b>Lease liabilities – net</b>	<b>74,634.67</b>	<b>74,634.67</b>	<b>497,803.33</b>

As at December 31, 2023 and 2022, the Group has total 3 lease agreements which will be ended in April 2024 – July 2025.

The Group has commitment for minimum lease payment under lease agreement as follows.

(Unit: Baht)

	Consolidated and Separate financial statements		
	December 31, 2023		
	Not over 1 year	1–5 years	Total
Future minimum leases payment	516,000.00	75,600.00	591,600.00
Deferred interest expenses	(8,831.33)	(965.34)	(9,796.67)
Present value of future minimum leases payment	507,168.67	74,634.66	581,803.33

(Unit: Baht)

	Separate financial statements		
	December 31, 2023		
	Not over 1 year	1–5 years	Total
Future minimum leases payment	1,092,000.00	507,600.00	1,599,600.00
Deferred interest expenses	(43,202.89)	(9,796.67)	(52,999.56)
Present value of future minimum leases payment	1,048,797.11	497,803.33	1,546,600.44

Expenses for the year ended December 31, 2023 and 2022 relating to lease recognized in profit or loss

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
	December 31, 2023	December 31, 2023	December 31, 2022
Depreciation of right-of-use assets	946,892.45	946,892.45	875,487.18
Interest expenses from lease liabilities	43,202.89	43,202.89	72,654.14
Expenses relating to short-term lease	144,000.00	144,000.00	229,500.00
Expenses relating to a lease of low-value assets	315,000.00	315,000.00	429,000.00
Total expenses	1,449,095.34	1,449,095.34	1,606,641.32



## 19. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

The Group operate a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022	
Obligations under the statement of financial position were as follows:				
Present value of obligations	35,917,777.80	35,917,777.80	33,042,182.52	

Movements in the present value of the provisions obligation for employee benefit are as follows:

(Unit: Baht)

	Consolidated financial statements	
	December 31, 2023	
Present value of employee benefit obligations As at January 1,	33,042,182.52	
Employee benefit paid during the year	(1,391,735.00)	
Portion that recognized in profit or loss		
Current service costs	3,166,107.00	
Interest costs	934,108.82	
Actuarial (Gain) / Losses from long service awards plan	(14,720.26)	
Recognized through other comprehensive income		
Portion that recognized in other comprehensive income (Gains)Losses on actuarial	181,834.72	
	35,917,777.80	
<u>Less</u> Current Portion of Provisions for employee benefit	(529,325.00)	
Balance as at December 31,	35,388,452.80	

(Unit: Baht)

	Separate financial statements	
	December 31, 2023	December 31, 2022
Present value of employee benefit obligations As at January 1,	33,042,182.52	35,015,361.66
Employee benefit paid during the year	(1,391,735.00)	(1,168,529.00)
Portion that recognized in profit or loss		
Current service costs	3,166,107.00	5,058,265.03
Interest costs	934,108.82	766,037.83
Actuarial (Gain) / Losses from long service awards plan	(14,720.26)	-
Recognized through other comprehensive income		
Portion that recognized in other comprehensive income (Gains)Losses on actuarial	181,834.72	(6,628,953.00)
	35,917,777.80	33,042,182.52
<u>Less Current Portion of Provisions for employee benefit</u>	<u>(529,325.00)</u>	<u>(751,735.00)</u>
Balance as at December 31,	35,388,452.80	32,290,447.52

Expenses that recognized in comprehensive income for the year ended December 31, 2023 and 2022 as follows:

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
	December 31, 2023	December 31, 2023	December 31, 2022
Cost of sales and services	348,467.24	348,467.24	514,532.06
Distribution costs	1,548,557.72	1,548,557.72	2,138,149.39
Administrative expenses	2,188,470.60	2,188,470.60	3,171,621.41
Total expenses	4,085,495.56	4,085,495.56	5,824,302.86

Actuarial losses that recognized in other comprehensive income arose from:

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
	December 31, 2023	December 31, 2023	December 31, 2022
Change in assumptions			
Experience adjustments	(385,118.28)	(385,118.28)	(3,421,370.00)
Change in Demographic assumptions	-	-	(318,441.00)
Change in Financial assumptions	566,953.00	566,953.00	(2,889,142.00)
Total	181,834.72	181,834.72	(6,628,953.00)

Assumptions for Actuarial Technique were as follows:

(Unit: Baht)

	Consolidated and Separate financial statements	
	December 31, 2023	December 31, 2022
	Discount rate	2.76%
Salary growth rate	4.70%	4.70%
Employee turnover rate	0.00% - 21.00% (Depend on working period of employee)	0.00% - 21.00% (Depend on working period of employee)
Mortality rate	100% (TMO2017)	100% (TMO2017)
Disability rate	0% (TMO2017)	0% (TMO2017)

#### Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
	December 31, 2023	December 31, 2023	December 31, 2022
Employee benefit obligations plan	(Decrease) Increase	(Decrease) Increase	(Decrease) Increase
Discount rate - Increase 1%	(2,741,109.00)	(2,741,109.00)	(2,729,307.00)
Discount rate - Decrease 1%	3,098,128.00	3,098,128.00	3,093,546.00
Salary growth rate - Increase 1%	3,231,381.00	3,231,381.00	3,206,940.00
Salary growth rate - Decrease 1%	(2,883,090.00)	(2,883,090.00)	(2,850,997.00)
Employee turnover rate - Increase 10%	(843,737.00)	(843,737.00)	(869,661.00)
Employee turnover rate - Decrease 10%	913,281.00	913,281.00	940,835.00

## 20. OTHER CURRENT FINANCIAL LIABILITIES

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
	December 31, 2023	December 31, 2023	December 31, 2022
Financial assets at FVTPL			
Unrealized loss from changing in fair value of derivative instruments	628,911.33	628,911.33	-
<b>Total other current financial liabilities</b>	<b>628,911.33</b>	<b>628,911.33</b>	<b>-</b>

## 21. AUTHORIZED SHARE CAPITAL

The Company had proposed initial public offering to sell 130 million common shares from increasing share capital at par Baht 1.00 each at the price of Baht 2.50 per share to the general public, Directors, Executives and employees' total amount of Baht 325 million. On May 17, 2022. The Company already received payment from such increasing share capital and registered such increasing share capital at Ministry of Commerce. In selling such increasing share capital, the Company has direct costs associated with IPO amount of Baht 12.63 million presented as a deduction from premium on common shares. The Stock Exchange of Thailand accepted common shares of the Company as securities listed on the Stock Exchange of Thailand and commenced trading on May 19, 2022.

## 22. LEGAL RESERVE

According to section 116 of the Public Company Limited Act B.E.2535, the Company has appropriated its reserve as a legal reserve not less than 5% of the annual net profit deducted by the total deficit brought forward (if any) until the reserve reaches an amount not less than 10% of the authorized share capital. The legal reserve is not available for dividends distribution.

## 23. DIVIDENDS

On April 11, 2023, the Annual general meeting of the year 2023 approved to pay dividend to shareholders from performance of the year 2022 and retained earnings Baht 0.06 per share amount of 450 million shares total amount of Baht 27 million, such dividend was already paid on April 28, 2023.

On August 15, 2023, the Board of Directors meeting of 4/2023 approved to pay interim dividend to shareholders from performance of the period ended June 30, 2023 Baht 0.03 per share amount of 450 million shares total amount of Baht 13.50 million, such dividend was already paid on September 12, 2023.

## 24. BASIC EARNINGS PER SHARE

Basic earnings per share were calculated by dividing net profit for the year with number of the weighted average common shares that issued and paid-up.

Basic earnings per share for year ended December 31, 2023 and 2022

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
Profit for the year	44,107,550.65	44,642,649.72	36,025,965.10
Number of the weighted average common shares	450,000,000.00	450,000,000.00	401,561,463.84
Basic earnings per share	0.10	0.10	0.09

## 25. EXECUTIVE COMPENSATION

Executive compensation are expenses about salaries, remunerations, and other benefits only paid to the directors as an executive and paid to management, in accordance with the definitions of the Office of the Securities and Exchange Commission. Executive directors under definition includes a chief executive officer, the next four executive levels immediately below that chief executive officer.

Key management personnel compensation for the year ended December 31, 2023 and 2022 as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Salaries and short-term benefits	25,582,008.00	25,582,008.00	25,473,873.00
Post-employment benefits	1,396,912.29	1,396,912.29	1,881,168.88
<b>Total</b>	<b>26,978,920.29</b>	<b>26,978,920.29</b>	<b>27,355,041.88</b>

## 26. DIRECTORS' REMUNERATION

Directors' remuneration represents benefit paid to the Group's directors according to shareholder meeting consisting of meeting allowance.

Director's remuneration for the year ended December 31, 2023 and 2022 as follows:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements	
	December 31, 2023	December 31, 2023	December 31, 2022
Director's remuneration	647,500.00	647,500.00	590,000.00

## 27. PROVIDENT FUND

The Group and the employees have jointly established provident fund in accordance with the provident fund Act B.E. 2530. The Group and employees pay monthly contribution at rates 3% of salaries. The provident fund will be paid to employees when they resign according to the regulation of the fund of the Group. This provident fund has been managed by MFC Asset Management Plc. Contribution paid to provident fund for the year ended December 31, 2023 in consolidated financial statements are Baht 738,831.41 and separate financial statements Baht 735,699.41 (December 31, 2022: in separate financial statements Baht 1,176,188.47).

## 28. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, 2023 and 2022, as follows:

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
Change of inventories	(135,134,073.28)	(128,208,794.62)	(49,836,190.42)
Purchase	683,710,612.16	677,178,070.75	539,905,149.18
Employee expenses	76,852,550.36	75,653,238.76	75,896,565.57
Commission	17,120,039.60	17,120,039.60	15,890,344.53
Management benefit expenses	26,978,920.29	26,978,920.29	27,355,041.88
Depreciation and amortization	20,202,366.61	20,110,183.32	17,895,151.43
Transportation	4,654,780.80	4,654,780.80	4,247,580.00

## 29. FINANCIAL INFORMATION BY SEGMENT

29.1 Segment information is presented in accordance with the Group internal report which Chief Operating Decision-Maker has consistently received and reviewed for making decision to allocate resources and assessed result of operation of each segment. The Chief Operating Decision-Maker is the managing director of the Group by considering performance product segment of the Group.



29.2 Financial information divided by product segment of the Group for the year ended December 31, 2023 and 2022 were as follows:

(Unit: Baht)

Consolidated financial statements								
For the year ended December 31, 2023								
	Household product	Commercial product	Industrial product	Filter substance and chemical product	Pump and valve product	AQAUTЕК product	Revenues from services	Total
Revenue	175,172,466.45	233,987,786.08	197,326,486.94	97,972,568.90	20,740,962.09	53,261,496.79	219,394.33	778,681,161.58
Cost of sales and services	(133,358,762.45)	(163,811,894.58)	(144,668,287.10)	(75,446,278.70)	(13,717,857.47)	(33,067,884.04)	-	(564,070,964.34)
Gross profit	41,813,704.00	70,175,891.50	52,658,199.84	22,526,290.20	7,023,104.62	20,193,612.75	219,394.33	214,610,197.24
Other income								6,171,573.43
Loss from fair value measurement of derivative								(142,818.17)
Distribution costs								(76,434,894.55)
Administrative expenses								(86,170,467.44)
Profit from operation								58,033,590.51
Financial income								956,869.74
Financial cost								(4,373,657.06)
Profit before income tax								54,616,803.19
Income tax (expenses) revenues								(10,905,593.07)
Profit for the year								43,711,210.12
Property, plant and equipment								421,461,587.81
Other assets								644,059,030.16
Total assets								1,065,520,617.97

(Unit: Baht)

Separate financial statements								
For the year ended December 31, 2023								
	Household product	Commercial product	Industrial product	Filter substance and chemical product	Pump and valve product	AQAUTEK product	Revenues from services	Total
Revenue	175,172,466.45	233,987,786.08	197,326,486.94	97,972,568.90	20,740,962.09	53,261,496.79	219,394.33	778,681,161.58
Cost of sales and services	(133,284,806.65)	(163,721,050.62)	(144,588,059.47)	(75,404,439.02)	(13,710,250.06)	(33,049,545.83)	-	(563,758,151.65)
Gross profit	41,887,659.80	70,266,735.46	52,738,427.47	22,568,129.88	7,030,712.03	20,211,950.96	219,394.33	214,923,009.93
Other income								6,157,228.46
Loss from fair value measurement of derivative								(142,818.17)
Distribution costs								(76,434,894.55)
Administrative expenses								(85,332,653.74)
Profit from operation								59,169,871.93
Financial income								954,115.84
Financial cost								(4,373,657.06)
Profit before income tax								55,750,330.71
Income tax (expenses) revenues								(11,107,681.00)
Profit for the year								44,642,649.71
Property, plant and equipment								262,877,529.64
Other assets								795,565,806.84
Total assets								1,058,443,336.48



(Unit: Baht)

Separate financial statements								
For the year ended December 31, 2022								
	Household product	Commercial product	Industrial product	Filter substance and chemical product	Pump and valve product	AQAUTEK product	Revenues from services	Total
Revenue	173,236,614.20	212,916,826.21	181,709,895.58	69,909,378.02	12,629,899.77	46,188,527.40	165,270.04	696,756,411.22
Cost of sales and services	(130,750,312.19)	(145,756,380.78)	(133,220,041.84)	(55,820,722.60)	(7,959,257.56)	(27,704,103.74)	-	(501,210,818.71)
Gross profit	42,486,302.01	67,160,445.43	48,489,853.74	14,088,655.42	4,670,642.21	18,484,423.66	165,270.04	195,545,592.51
Other income								3,047,182.80
Distribution costs								(67,209,162.61)
Administrative expenses								(87,377,570.99)
Profit from operation								44,006,041.71
Financial income								263,145.48
Financial cost								(2,363,511.67)
Profit before income tax								41,905,675.52
Income tax (expenses) revenues								(5,879,710.42)
Profit for the year								36,025,965.10
Property, plant and equipment								229,167,884.02
Other assets								641,798,695.33
Total assets								870,966,579.35

The Company did not present assets classified by product segment because the Company jointly used assets.

29.3 The Group operates in only one geographic segment in Thailand. The Group, therefore did not present financial information by geographical segment due to revenues from sales (export) not exceeding 10% of total revenues.

29.4 Information relating to major customer

For the year ended December 31, 2023 and 2022, the Group had no revenue from major customer that more than 10% of the Company's revenue.

### **30. FINANCIAL INSTRUMENTS**

The Group's financial instruments principally comprise cash and cash equivalents, investment, Trade and other current receivables, Short-term loan receivable, Other current assets, Short-term loans from financial institutions. and Trade and other current payables. The financial risks associated with these financial instruments and how they are managed is described below.

#### **30.1 Credit risk**

The Group's is exposed to credit risk primarily with respect to deposits with trade accounts receivable. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. 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.

#### **30.2 Credit risk derived from non-compliance with contract terms**

Credit risk derived from non-compliance with contract terms is the risk occurred from non-compliance with contract terms by counterparties which making damage to the Group. Financial assets as shown in the statement of financial position are stated at the book value deducted by allowance for doubtful accounts and treated as maximum value of credit risk derived from non-compliance with contract terms.

#### **30.3 Interest Rate Risk**

The Group exposure to interest rate risk relate primarily to their deposits at cash and cash equivalents, trade and other current receivables, short-term loan receivable, other current assets, short-term loans from financial institutions and trade and other current payables. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at December 31, 2023 and 2022, significant financial asset and financial liability are classified by type of interest rate are as follows:

(Unit: Baht)

Consolidated financial statements						
As at December 31, 2023						
Transaction	Note	Floating interest rate	Fixed Interest rate	No Interest rate	Total	Interest rate
<b>Financial Asset</b>						
Cash and cash equivalents	5	74,335,306.53	-	3,993,972.71	78,329,279.24	0.50-0.55%
Trade and other current receivables	6	-	-	50,079,077.95	50,079,077.95	-
Short-term loan receivable	7	-	650,990.00	-	650,990.00	12.00%
Restricted bank deposit		540,000.00	-	-	540,000.00	0.50-0.55%
Other current assets		-	-	928,862.49	928,862.49	-
<b>Financial Liability</b>						
Short-term loans from financial institutions	16	247,540,065.76	-	-	247,540,065.76	3.19-3.28%
Trade and other current payables	17	-	-	56,662,520.92	56,662,520.92	-
Lease liabilities	18	-	581,803.33	-	581,803.33	4.22%
Other current financial liabilities Derivatives	20	-	-	628,911.33	628,911.33	-

Separate financial statements											
Transaction	Note	As at December 31, 2023					As at December 31, 2022				
		Floating interest rate	Fixed Interest rate	No Interest rate	Total	Interest rate	Floating interest rate	Fixed Interest rate	No Interest rate	Total	Interest rate
<b>Financial Asset</b>											
Cash and cash equivalents	5	69,598,347.85	-	2,059,832.68	71,658,180.53	0.50-0.55%	227,909,436.37	-	196,931.18	228,106,367.55	0.05-0.10%
Trade and other current receivables	6	-	-	49,356,207.35	49,356,207.35	-	-	-	45,383,388.50	45,383,388.50	-
Short-term loan receivable	7	-	650,990.00	-	650,990.00	12.00%	-	516,925.00	-	516,925.00	12.00%
Other current assets		-	-	928,610.95	928,610.95	-	-	-	476,458.87	476,458.87	-
<b>Financial Liability</b>											
Short-term loans from financial institutions	16	247,540,065.76	-	-	247,540,065.76	3.19-3.28%	81,870,016.39	-	-	81,870,016.39	2.21-2.44%
Trade and other current payables	17	-	-	51,802,422.61	51,802,422.61	-	-	-	42,726,383.74	42,726,383.74	-
Lease liabilities	18	-	581,803.33	-	581,803.33	4.22%	-	1,546,600.44	-	1,546,600.44	4.22%
Other current financial liabilities Derivatives	20	-	-	628,911.33	628,911.33	-	-	-	-	-	-

The Group has considered that the effect on profit before income tax from reasonable changing in interest rate possibly incurred as at December 31, 2023 and 2022, was not material amount.

### 30.4 Exchange Rate Risk

The Group has exchange rate risk due to purchasing goods in foreign currency. The Group has made forward contract as instrument for exchange rate risk protection not more than 1 year.

30.4.1 The Group has accounts payable denominated in foreign currency as at December 31, 2023 and 2022 are as follows:

	Consolidated	Separate financial statements	
	financial statements	December 31, 2023	December 31, 2022
Trade accounts payable			
USD	757,644.37	687,319.06	548,755.25
Other current payable			
USD	60,699.62	-	-

30.4.2 The Group has considered that the effect on profit before income tax from reasonable changing in exchange rate possibly incurred as at December 31, 2023 and 2022 was not material amount.

### 30.5 Fair Value of Financial Instruments

Financial assets as shown in the statement of financial position consist of cash and cash equivalent, trade and other current receivable and short-term loan. Financial liabilities as shown in the statement of financial position consist of short-term loan from financial institution and trade and other current payable lease liabilities.

The book value of financial assets and liabilities are approximately close to their estimated fair values.



Book value and fair value of financial asset and financial liability as at December 31, 2023 and 2022 were as follows:

(Unit: Baht)

<b>Consolidated financial statements</b>				
<b>As at December 31, 2023</b>				
Transaction	Book Value			Fair Value
	Fair value through profit or loss	Amortised cost	Total	
<b>Financial Asset</b>				
Cash and cash equivalents	-	78,329,279.24	78,329,279.24	78,329,279.24
Trade and other current receivables	-	50,079,077.95	50,079,077.95	50,079,077.95
Short-term loan receivable	-	650,990.00	650,990.00	650,990.00
Restricted bank deposit	-	540,000.00	540,000.00	540,000.00
Other current assets	-	928,862.49	928,862.49	928,862.49
<b>Total Financial Asset</b>	-	130,528,209.68	130,528,209.68	130,528,209.68
<b>Financial Liability</b>				
Short-term loans from financial institutions	-	247,540,065.76	247,540,065.76	247,540,065.76
Trade and other current payables	-	56,662,520.92	56,662,520.92	56,662,520.92
Lease liabilities	-	581,803.33	581,803.33	581,803.33
Other current financial liabilities				
<b>Derivatives</b>	628,911.33	-	628,911.33	628,911.33
<b>Total Financial Liability</b>	628,911.33	304,784,390.01	305,413,301.34	305,413,301.34

(Unit: Baht)

Transaction	Separate financial statements			
	As at December 31, 2023			
	Book Value			Fair Value
	Fair value through profit or loss	Amortised cost	Total	
<b>Financial Asset</b>				
Cash and cash equivalents	-	71,658,180.53	71,658,180.53	71,658,180.53
Trade and other current receivables	-	49,356,207.35	49,356,207.35	49,356,207.35
Short-term loan receivable	-	650,990.00	650,990.00	650,990.00
Other current assets	-	928,610.95	928,610.95	928,610.95
<b>Total Financial Asset</b>	-	122,593,988.83	122,593,988.83	122,593,988.83
<b>Financial Liability</b>				
Short-term loans from financial institutions	-	247,540,065.76	247,540,065.76	247,540,065.76
Trade and other current payables	-	51,802,422.61	51,802,422.61	51,802,422.61
Lease liabilities	-	581,803.33	581,803.33	581,803.33
Other current financial liabilities				
Derivatives	628,911.33	-	628,911.33	628,911.33
<b>Total Financial Liability</b>	628,911.33	299,924,291.70	300,553,203.03	300,553,203.03

(Unit: Baht)

Transaction	Separate financial statements			
	As at December 31, 2022			
	Book Value			Fair Value
	Fair value through profit or loss	Amortised cost	Total	
<b>Financial Asset</b>				
Cash and cash equivalents	-	228,106,367.55	228,106,367.55	228,106,367.55
Trade and other current receivables	-	45,383,388.50	45,383,388.50	45,383,388.50
Short-term loan receivable	-	516,925.00	516,925.00	516,925.00
Other current assets	-	476,458.87	476,458.87	476,458.87
<b>Total Financial Asset</b>	-	274,483,139.92	274,483,139.92	274,483,139.92
<b>Financial Liability</b>				
Short-term loans from financial institutions	-	81,870,016.39	81,870,016.39	81,870,016.39
Trade and other current payables	-	42,726,383.74	42,726,383.74	42,726,383.74
Lease liabilities	-	1,546,600.44	1,546,600.44	1,546,600.44
<b>Total Financial Liability</b>	-	126,143,000.57	126,143,000.57	126,143,000.57

The fair value of derivative instruments has been calculated by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as interest rate yield curves, The Group has considered to counter party credit risk when determining the fair value of derivatives.

### 30.6 Level of Fair Value

As at December 31, 2023, the Group has assets measured at fair value which are separately disclosed by level of fair value as follows:

(Unit: Baht)

	Consolidated and Separate financial statements			
	As at December 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Assets and liabilities measured at fair value</b>				
Other current financial liabilities Derivatives	-	628,911.33	-	628,911.33



### 31. CAPITAL MANAGEMENT

The primary objective of the Group capital management is to ensure that it has an appropriate financial structure and preserves the ability to continue their business as a going concern.

As at December 31, 2023, the debt to equity ratio in the consolidated financial statements is 0.49 : 1.

As at December 31, 2023, the debt to equity ratio in the separate financial statements is 0.48 : 1  
(December 31, 2022 is 0.23 : 1).

### 32. COMMITMENTS AND CONTINGENT LIABILITIES

32.1 As at December 31, 2023 and 2022, the Company has contingent liabilities for letter of guarantee are for electricity usage with Metropolitan Electricity Authority Baht 460,000.00.

32.2 As at December 31, 2023 and 2022, the Group has commitment to Forwards, secured by partial of land, partial buildings and bank deposits.

32.3 As at December 31, 2023 and 2022, the Company has commitment to letter of credit USD 12,528.00 converted into Thai Baht 428,756.35 and USD 24,379.60 converted into Thai Baht 842,617.49, respectively.

32.4 As at December 31, 2023 and 2022, the Company has commitment to deliver goods from purchasing order by receiving deposit Baht 2,028,607.27 and Baht 1,319,556.82, respectively.

32.5 As at December 31, 2022, the Company has commitment from hire of service in the amount of Baht 4,547,905.00. The Company already paid Baht 3,887,149.50 and has the outstanding balance Baht 660,755.50.

32.6 As at December 31, 2022, the Company has commitment from hire of construction of buildings in the amount of Baht 135,000,000.00 The Company already paid Baht 87,636,891.32 and has the outstanding balance Baht 47,363,108.68.

32.7 As at December 31, 2023 and 2022, the Group has commitment to pay under long-term leases as following detail:

	(Unit: Baht)
	<b>Consolidated financial statements</b>
	<b>December 31, 2023</b>
Due within 1 year	478,290.00
Due more than 1 year but not more than 5 years	200,892.50
Total	<b>679,182.50</b>

(Unit: Baht)

	Consolidated and Separate financial statements	
	December 31, 2023	December 31, 2022
Due within 1 year	478,290.00	367,545.00
Due more than 1 year but not more than 5 years	200,892.50	537,942.50
Total	679,182.50	905,487.50

32.8 As at December 31, 2023 and 2022, the Group has commitment with space rental service contract with 5 related companies with term of lease 1-3 years ended in February and October 2024 as following detail:

(Unit: Baht)

	Consolidated financial statements	
	December 31, 2023	
Due within 1 year	220,194.12	
Due more than 1 year but not more than 5 years	-	
Total	220,194.12	

(Unit: Baht)

	Consolidated and Separate financial statements	
	December 31, 2023	December 31, 2022
Due within 1 year	1,249,194.12	221,866.64
Due more than 1 year but not more than 5 years	-	-
Total	1,249,194.12	221,866.64

### 33. EVENTS AFTER REPORTING PERIOD

According to the Board of Director meeting no.1/2024 held on February 27, 2024, the Company passes resolution to pay dividend to shareholders from, performance of the year 2023 at the rate Baht 0.04 per share amount of 450 million shares total amount of Baht 18 million. Accordingly, such dividend shall be approved by the ordinary shareholder meeting of the Company.

### 34. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements have been approved to be issued by the Group's Board of Directors on February 27, 2024.







## **Part 4**

# **Certification of Information and Data Accuracy**

## Data Authentication for 56-1 One Report Submissions

The Company has carefully reviewed the information in this annual registration statement / annual report. The Company hereby certifies that such information is correct, complete, not false, not misleading, or missing information that should be required. In addition, the Company hereby certifies that

(1) The financial statements and financial information summarized in the annual registration statement/annual report presents accurate and complete information in all material respects regarding the financial position, operating results, and cash flows of the Company and its subsidiaries.

(2) The Company has established a good information disclosure system in order to ensure that the Company has disclosed the important information of the Company and its subsidiaries correctly and completely as well as to control and supervise the implementation of the system.

(3) The Company has set up a good internal control system and has supervised to ensure compliance with such system. In addition, The Company has informed the internal control system assessment information of the latest available date to the Company's auditors and Audit Committees, which covers deficiencies and significant changes in the internal control system, including wrongful acts that may affect the preparation of the Company's and subsidiaries' financial reports.

Name-Surname	Position	Signature
1. Mr. Vikorn Poovapat	Director / Director authorized to sign on behalf of the Company	 _____
2. Mr. Surapong Rungjang	Director / Director authorized to sign on behalf of the Company	 _____

# Attachment

# 1

**Details of Directors, Executives, Person assigned to take responsibility directly in the supervision of accounting and company secretary**

**Name-Surname**

Dr. Naris Chaiyasoot

**Age**

69 years

**Position**

Chairman of the Board / Independent Director /  
Corporate Governance Committee

**Date of Appointment as Director**

December 3, 2021  
(Since transformed to be a public company)

**Shareholding**

0.31%

(As of December 31, 2023)

**Relationship with director and executive of the Company**

- None -



**Education / Training**

- Ph.D. Economics, University of Hawaii
- Master of Economics, Thammasat University
- Bachelor of Economics, Thammasat University
- Directors Certification Program (DCP) Class 82/2006 (IOD)
- Directors Accreditation Program (DAP) Class 32/2005 (IOD)
- Advance Audit Committee Program (AACP) Class 29/2018 (IOD)
- Role of the Chairman Program (RCP) Class 45/2019 (IOD)
- Finance for Non - Finance Directors (FND) Class 19/2005 (IOD)
- Chartered Director Class (CDC) Class 3/2008 (IOD)

**Experience**

**(5 years past experiences)**

**Dec 2021 – Present**

Independent Director / Chairman of The Board Corporate Governance Committee,  
Function International PCL.

**2018 – Dec 2021**

Independent Director / Chairman of The Board / Corporate Governance Committee, Function International Co., Ltd.

**Other Listed Companies**

- |                    |   |
|--------------------|---|
| 2015 – Present     | Independent Director / Chairman of The Board / Chairman of Corporate Governance and Nomination Committee / Audit Committee, Banpu Power Public Company Limited                              |
| 2016 – Present     | Independent Director / Chairman of The Board , AP (Thailand) Public Company Limited   |
| 2013 – Present     | Independent Director / Chairman of Audit Committee / Chairman of Nomination and Compensation Committee, GMM Grammy Public Company Limited   |
| Apr 2021 – Present | Independent Director / Chairman of The Board / Chairman of Audit Committee and Corporate Governance Committee, Nomination Committee / Compensation Committee, United Palm Oil Industry PCL. |

**Other Companies / Other agency**

- |                |  |
|----------------|--|
| 2015 – Present | Chairman of The Board, R.X. Company Limited        |
| 2020 – Present | Chairman of The Board, Travelex (Thailand) Limited |

**Name-Surname**

Assist. Prof. Amporn Theingtrakul

**Age**

67 years

**Position**

Independent Director / Chairman of Audit Committee

**Date of Appointment as Director**

December 3, 2021  
(Since transformed to be a public company)

**Shareholding**

0.06%

(As of December 31, 2023)

**Relationship with director and executive of the Company**

- None -



**Education / Training**

- Master of Accounting, Thammasat University
- Master of Accounting, Dhurakij Pundit University
- Bachelor of Accounting, Ramkhamhaeng University
- Director Accreditation Program (DAP) Class 153/2018 (IOD)

**Experience**

(5 years past experiences)

Dec 2021 – Present Independent Director / Chairman of Audit Committee, Function International PCL.

2017 – Dec 2021 Independent Director / Chairman of Audit Committee, Function International Co., Ltd.

**Other Listed Companies**

- None -

**Other Companies /  
Other agency**

2018 – Present Accounting System and Internal Control Consultant, Kasemchaifood Co., Ltd.

2016 – Present Consultant, J&T Auditing Co., Ltd.

2017 – 2020 Director, JS2A Accounting and Business Consultants Company Limited

**Name-Surname**

Mr. Taveesak Foongkiatcharoen

**Age**

69 years

**Position**

Independent Director / Audit Committee

**Date of Appointment as Director**

December 3, 2021  
(Since transformed to be a public company)

**Shareholding**

(As of December 31, 2023)

0.27%

**Relationship with director and executive of the Company**

- None -



**Education / Training**

- Bachelor of Accounting, Thammasat University
- Bachelor of Laws, Thammasat University
- Director Certification Program (DCP) Class 261/2018 (IOD)
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Class 21, King Prajadhipok's Institute
- Graduate Diploma in Business Law, Thammasat University
- The Senior Administrators Program (2005), Sasin Graduate Institute of Business Administration and Kellogg School of Management
- Corporate Governance in Digital Era, Fiscal Policy Research Institute Foundation

**Experience**

(5 years past experiences)

Dec 2021 - Present Independent Director / Audit Committee, Function International PCL.

2018 - Dec 2021 Independent Director / Audit Committee, Function International Co., Ltd.

**Other Listed Companies**

Sep 2018 - Jul 2020 Director / Chairman of Risk Management Committee, Dhipaya Insurance PLC.

**Other Companies /  
Other agency**

Mar 2021 - Present University Council, The Eastern University of Management and Technology

2018 - May 2020 Director, Government Savings Bank



<b>Name-Surname</b>	Assoc. Prof. Dr. Intaka Piriyakul	
<b>Age</b>	42 years	
<b>Position</b>	Independent Director / Audit Committee	
<b>Date of Appointment as Director</b>	April 11, 2023	
<b>Shareholding</b> (As of December 31, 2023)	- None -	
<b>Relationship with director and executive of the Company</b>	- None -	

<b>Education / Training</b>	<ul style="list-style-type: none"> <li>- Ph.D. Business Administration (Marketing), Ramkhamhaeng University</li> <li>- Master of Economics (Business Economics), National Institute of Development Administration (NIDA)</li> <li>- Bachelor of Engineering (Computer Engineering), King Mongkut's Institute of Technology Ladkrabang</li> <li>- Director Accreditation Program (DAP) Class 208/2023 (IOD)</li> </ul>
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<b>Experience</b> (5 years past experiences)	May 2023 - Present	Audit Committee, Function International PCL.
	Apr 2023 - Present	Independent Director, Function International PCL.
	<b>Other Listed Companies</b>	
	- None -	
<b>Other Companies / Other agency</b>		
	2016 - Present	Lecture of the Department of Business Administration (Marketing), Faculty of Business Administration, Srinakharinwirot University
	2018 - 2020	Deputy Dean for Administration, Faculty of Business Administration, Srinakharinwirot University

**Name–Surname**

Pol. Lt. Gen. Suraphong Chaijant

**Age**

59 years

**Position**

Independent Director /Chairman of Nomination and Compensation Committee / Risk Management Committee / Corporate Governance Committee

**Date of Appointment as Director**

December 3, 2021  
(Since transformed to be a public company)

**Shareholding**

(As of December 31, 2023)

0.27%

**Relationship with director and executive of the Company**

- None -



**Education / Training**

- Master of Political Science, Chulalongkorn University
- Bachelor of Public Administration, Royal Police Cadet Academy (Class 40)
- Director Accreditation Program (DAP) Class 154/2018 (IOD)

**Experience**

(5 years past experiences)

- |                    |   |
|--------------------|---|
| Dec 2021 - Present | Independent Director / Chairman of Nomination and Compensation Committee / Risk Management Committee, Corporate Governance Committee, Function International PCL. |
| 2017 - Dec 2021    | Independent Director / Chairman of Nomination and Compensation Committee / Risk Management Committee, Function International Co., Ltd.                            |

**Other Listed Companies**

- None -

**Other Companies /  
Other agency**

- |                     |  |
|---------------------|--|
| Oct 2022 - Present  | Deputy Inspector General, Royal Thai Police            |
| Oct 2020 - Sep 2022 | Commissioner of Office of Legal Affairs and Litigation |
| Oct 2019 - Sep 2020 | Deputy Commissioner of Immigration Bureau              |
| 2017 - Sep 2019     | Deputy Commissioner of Provincial Police Region 7      |

**Name-Surname**

Dr. Somchint Pilouk

**Age**

63 years

**Position**

Independent Director / Chairman of Corporate Governance Committee / Nomination and Compensation Committee / Risk Management Committee

**Date of Appointment as Director**

October 12, 2023

**Shareholding**

(As of December 31, 2023)

- None -

**Relationship with director and executive of the Company**

- None -



#### Education / Training

- Doctor of Philosophy (Environmental Engineering and Management), Asian Institute of Technology (AIT)
- Master of Engineering (Executive), Asian Institute of Technology (AIT)
- Master of Engineering (Civil Engineering), Kasetsart University
- Bachelor of Science (Occupational Health), Mahidol University
- Director Certification Program (DCP) Class 283/2019 (IOD)
- The Executive Program in Energy Literacy for a Sustainable Future, TEA, Class 15/2020, Thailand Energy Academy
- Urban Leaders Course, Class 6/2018, Navamindradhiraj University
- Top Executive Program in Industrial Development and Investment, Class 3/2016, Institute of Business and Industrial Development (IBID)
- Senior Executives on Justice Administration, Class 6/2015, Judicial Training Institute, Office of the Administrative Court
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives, Class 17/2014, the College of Politics and Governance, King Prajadhipok's Institute
- Advanced Certificate Course in Public Economics Management for Executives, Class 10/2012, the College of Politics and Governance, King Prajadhipok's Institute

#### Experience

(5 years past experiences)

Oct 2023 - Present Independent Director / Chairman of Corporate Governance Committee / Nomination and Compensation Committee, Risk Management Committee  
Function International PCL.

##### Other Listed Companies

Aug 2023 - Present Independent Director / Audit Committee  
Gunkul Engineering Public Company Limited

2018 - 2021 Director  
Eastern Water Resources Development and Management PCL

##### Other Companies / Other agency

Present Adviser to the Dean, Faculty of Public Health, Thammasat University

2018 - Apr 2021 Governor, Industrial Estate Authority of Thailand

2018 - 2021 Director, Global Utilities Services Co., Ltd.

**Name-Surname**

Dr. Vikorn Poovapat

**Age**

54 years

**Position**

Director / Chairman of Executive Committee /  
Chairman of Risk Management Committee /  
Corporate Governance Committee /  
Chief Executive Officer

**Date of Appointment as Director**

December 3, 2021  
(Since transformed to be a public company)

**Shareholding**

4.73%

*(As of December 31, 2023)***Relationship with director and executive of the Company**

Spouse of Mrs. Voraya Poovapat,  
an executive and shareholder  
holding 0.97%

**Education / Training**

- Ph.D. Business Administration, Ramkhamhaeng University
- Master of Business Administration (MBA), Kasem Bundit University
- Bachelor of Science in Industry Education, King Mongkut's Institute of Technology Ladkrabang
- Director Certification Program (DCP) Class 269/2019 (IOD)
- Director Accreditation Program (DAP) Class 143/2017 (IOD)
- CMA Program, Capital Market Academy
- Thammasat Leadership Program (TLP) Class 5 - Foundation of Thammasat Leadership Program
- Relationship Management for Executives Program Class 9,  
Directorate of Civil Affairs - Royal Thai Air Force
- Advanced Certificate Course in Public Economics Management for Executives Class 10,  
King Prajadhipok's Institute
- Relationship Management for Executives Program Class 2, Royal Thai Armed Forces
- Relationship management for the logistics and the defense industry Class 10,  
The RTA Logistics School
- Relationship Management for Executives Program Class 7, Royal Thai Navy

**Experience****(5 years past experiences)**

Dec 2021 - Present Director / Chairman of Executive Committee / Chairman of Risk Management Committee / Corporate Governance Committee / Chief Executive Officer, Function International PCL.

**Other Listed Companies***- None -*


Oct 2023 - Present Director, Function Industry Co., Ltd.

Jul 2023 - Present Director, Function Lyuden Technology Co., Ltd.  
Director, Function Runyang Electronic Co., Ltd.  
Director, Function Ningbo Aceboom Motor Co., Ltd.

1997 - Dec 2021 Director / Chairman of Executive Committee / Chairman of Risk Management Committee / Corporate Governance Committee / Chief Executive Officer, Function International Co., Ltd.

**Other Companies / Other agency**

2005 - Present Authorized Director, Function Marine Co., Ltd.  
2010 - Present Authorized Director, Srichongkho Co., Ltd.  
2016 - Present Authorized Director, Function Group Co., Ltd.

<b>Name-Surname</b>	Mr. Surapong Rungjang	
<b>Age</b>	63 years	
<b>Position</b>	Director / Executive Committee	
<b>Date of Appointment as Director</b>	December 3, 2021 (Since transformed to be a public company)	
<b>Shareholding</b> <i>(As of December 31, 2023)</i>	0.09%	
<b>Relationship with director and executive of the Company</b>	- None -	

<b>Education / Training</b>	<ul style="list-style-type: none"> <li>- Bachelor's Degree, General Management, Sukhothai Thammathirat Open University</li> <li>- Director Accreditation Program (DAP) Class 154/2018 (IOD)</li> <li>- Water treatment Business by GE Technology &amp; Infrastructure, Malaysia</li> </ul>
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<b>Experience</b> <i>(5 years past experiences)</i>	Dec 2021 - Present	Director / Executive Committee, Function International PCL.
	Oct 2023 - Present	Director, Function Industry Co., Ltd.
	Jul 2023 - Present	Director, Function Lyuden Technology Co., Ltd. Director, Function Runyang Electronic Co., Ltd. Director, Function Ningbo Aceboom Motor Co., Ltd.
	2017 - Dec 2021	Director, Function International Co., Ltd.
	2018 - Dec 2021	Executive Committee, Function International Co., Ltd.
	2006 - 2021	Director of Procurement, Function International Co., Ltd.
	<b>Other Listed Companies</b>	
- None -		
<b>Other Companies / Other agency</b>		
- None -		

**Name-Surname**

Mr. Charan Lerdtteeraphoj

**Age**

62 years

**Position**Director / Executive Committee /  
Nomination and Compensation Committee**Date of Appointment as Director**December 3, 2021  
(Since transformed to be a public company)**Shareholding**

(As of December 31, 2023)

0.13%

**Relationship with director and executive of the Company**

- None -

**Education / Training**

- Master of Science Program in Human Resource and Organization Development (HROD), National Institute of Development Administration (NIDA)
- Bachelor of Business Administration (General Management), Dhonburi Rajabhat University
- Director Accreditation Program (DAP) Class 154/2018 (IOD)
- Advanced Certificate Course in Public Economics Management for Executives Class 10, King Prajadhipok's Institute
- Advanced Certificate Course in Thai – Asean Economic Community Class 3, King Prajadhipok's Institute
- Advanced Certificate Course in Promotion of Peaceful Society Class 5, King Prajadhipok's Institute

**Experience**

(5 years past experiences)

Dec 2021 – Present Director / Executive Committee / Nomination and Compensation Committee, Function International PCL.

2017 – Dec 2021 Director / Executive Committee / Nomination and Compensation Committee, Function International Co., Ltd.

**Other Listed Companies**

- None -

**Other Companies / Other agency**

2015 – Present Director, HANP Solution Co., Ltd.

2023 – Present Director, HAM Security Guard Co., Ltd.

2015 – May 2022 Director, Three Sakul Co., Ltd.

2018 – 2021 The Judge for Contribution Labor, Juvenile and Family Court Suphanburi Province

**Name-Surname**

Mr. Arunsak Wongkawiwit

**Age**

50 years

**Position**Director / Executive Committee /  
Risk Management Committee /  
Deputy Chief Executive Officer**Date of Appointment as Director**December 3, 2021  
(Since transformed to be  
a public company)**Shareholding**

(As of December 31, 2023)

0.04%

**Relationship with director and  
executive of the Company**brother of Mrs. Voraya Poovapat,  
executive and shareholder holding  
0.97%**Education / Training**

- Director Certification Program (DCP) Class 298/2020 (IOD)
- Director Accreditation Program (DAP) Class 143/2017 (IOD)
- Super Entrepreneur Program for Society Class 9, Institute of Intelligent Investors (III)
- Fresh water production from sea water technology course

**Experience****(5 years past experiences)**

- |                    |   |
|--------------------|---|
| Dec 2021 - Present | Director / Executive Committee / Risk Management Committee /<br>Deputy Chief Executive Officer, Function International PCL.   |
| Oct 2023 - Present | Director, Function Industry Co., Ltd.   |
| Jul 2023 - Present | Director, Function Lyuden Technology Co., Ltd.<br>Director, Function Runyang Electronic Co., Ltd.   |
| 2020 - Dec 2021    | Director, Function Ningbo Aceboom Motor Co., Ltd.   |
| 2019 - Dec 2021    | Deputy Chief Executive Officer, Function International Co., Ltd.<br>Director / Executive Committee / Risk Management Committee,<br>Function International Co., Ltd. |
| 1999 - 2020        | Chief Operating Officer, Function International Co., Ltd.   |

**Other Listed Companies**

- None -

**Other Companies / Other agency**

- None -

**Name-Surname**

Mr. Kaweewat Siriwongmongkol

**Age**

47 years

**Position**

Director / Chief Financial and Accounting Officer

**Date of Appointment as Director**

July 7, 2022

**Shareholding**

- None -

(As of December 31, 2023)

**Relationship with director and executive of the Company**

- None -



**Education / Training**

- Master Degree, M.B.A. in Accounting, Ramkhamhaeng University
- Bachelor's Degree in Financial Accounting, UTTC
- Director Accreditation Program (DAP) Class 151/2018 (IOD)
- Orientation Course – CFO Focus on financial reporting Class 4/2018, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

**Experience**

(5 years past experiences)

- Jul 2022 - Present Director, Function International PCL.
- May 2021 - Present Chief Financial and Accounting Officer (CFO), Function International PCL.
- Oct 2023 - Present Director, Function Industry Co., Ltd.
- Jul 2023 - Present Director, Function Lyuden Technology Co., Ltd.  
Director, Function Runyang Electronic Co., Ltd.  
Director, Function Ningbo Aceboom Motor Co., Ltd.

**Other Listed Companies**

- None -

**Other Companies / Other agency**

- Sep 2015 - May 2021 Director / Chief Financial Officer (CFO), Sunshine International Co.,Ltd.



**Name-Surname**

Mrs.Voraya Poovapat

**Age**

54 years

**Position**

Deputy Chief Executive Officer /  
Executive Committee

**Date of Appointment as Executive**

January 1997

**Shareholding**

0.97%

(As of December 31, 2023)

**Relationship with director and  
executive of the Company**

Spouse of Dr. Vikorn Poovapat,  
an executive and shareholder  
holding 4.73% and sister of  
Mr. Arunsak Wongkawiwit,  
executive and shareholder  
holding 0.04%



**Education / Training**

- Master of Business Administration,  
National Institute of Development Administration (NIDA)
- Bachelor of Engineering (Electronics),  
King Mongkut's Institute of Technology Ladkrabang
- Director Accreditation Program (DAP) Class 143/2017 (IOD)

**Experience**

(5 years past experiences)

- |                    |   |
|--------------------|---|
| Dec 2021 - Present | Executive Committee / Deputy Chief Executive Officer,<br>Function International PCL.      |
| 1997 - Dec 2021    | Executive Committee / Deputy Chief Executive Officer,<br>Function International Co., Ltd. |
| 1997 - Feb 2020    | Director, Function International Co., Ltd.  |

**Other Listed Companies**

- None -

**Other Companies / Other agency**

- |                  |  |
|------------------|--|
| 2016 - Present   | Authorized Director, Function Group Co., Ltd.  |
| 2005 - 2021      | Authorized Director, Function Marine Co., Ltd. |
| 2010 - 2021      | Authorized Director, SRICHONGKHO Co., Ltd.     |
| 2016 - June 2020 | Authorized Director, Coska Cosmetic Co., Ltd.  |

**Name-Surname**

Mr. Piyapong Suwannarat

**Age**

46 years

**Position**

Chief Operating Officer /  
Executive Committee /  
Risk Management Committee

**Date of Appointment as Executive**

May 10, 2022

**Shareholding**

(As of December 31, 2023)

- None -

**Relationship with director and  
executive of the Company**

- None -



**Education / Training**

- Master of Engineering in Engineering Management,  
Colorado State University, USA  
- Bachelor of Engineering in Industrial Engineering, Mahidol University

**Experience**

(5 years past experiences)

Jul 2022 - Present      Executive Committee / Risk Management Committee,  
Function International PCL.

May 2022 - Present      Chief Operating Officer (COO), Function International PCL.

**Other Listed Companies**

- None -

**Other Companies / Other agency**

2016 - 2022              Executive Committee / Operation & Business Development Director,  
Lux Royal (Thailand) Co., Ltd.

**Name-Surname**

Mr. Yutthapong Manusayanont

**Age**

47 years

**Position**

Chief Administration Officer

**Date of Appointment as Executive**

August 15, 2022

**Shareholding**

(As of December 31, 2023)

- None -

**Relationship with director and executive of the Company**

- None -



**Education / Training**

- Master of Engineering (Computer Engineering),  
King Mongkut's Institute of Technology Ladkrabang
- Bachelor of Engineering (Computer Engineering),  
King Mongkut's Institute of Technology Ladkrabang

**Experience**

(5 years past experiences)

Aug 2022 - Present    Chief Administration Officer,  
Function International PCL.

**Other Listed Companies**

- None -

**Other Companies / Other agency**

2021 - 2022            VP: IT Director, Advance Finance Public Company Limited  
2019 - 2021            Assistant IT Manager, Greyhound Cafe Co., Ltd.  
2017 - 2019            Senior IT Manager, DZ Card (Thailand) Co., Ltd.

<b>Name-Surname</b>	Apisit Jirathalhakant	<b>Age</b>	49 years
<b>Position</b>	Company Secretary	<b>Date of Appointment</b>	February 27, 2020
<b>Shareholding</b> (As of December 31, 2023)	0.01%	<b>Relationship with director and executive of the Company</b>	- None -

<b>Education / Training</b>	<ul style="list-style-type: none"> <li>- Master of Economics, Ramkhamhaeng University</li> <li>- Bachelor Degree of Business Administration, Ramkhamhaeng University</li> <li>- Company Secretary Program (CSP) Class 93/2018 (IOD)</li> </ul>
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<b>Experience</b> (5 years past experiences)	Feb 2020 - Present	Company Secretary, Function International PCL.
	<b>Other Listed Companies</b>	
	2016 - 2022	Company Secretary, Seven Utilities and Power PCL.
	<b>Other Companies / Other agency</b>	
	Jun 2019 - Feb 2020	Company Secretary, Smothong Group Co., Ltd.

<b>Name-Surname</b>	Miss Thanuttha Junbangplee	<b>Age</b>	53 years
<b>Position</b>	Accounting Manager	<b>Date of Appointment</b>	August 1, 2022
<b>Shareholding</b> (As of December 31, 2023)	- None -		(began to take responsibility directly in the supervision of accounting)
<b>Relationship with director and executive of the Company</b>	- None -		

<b>Education / Training</b>	- Bachelor of Accounting, North Bangkok University
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<b>Experience</b> (5 years past experiences)	2023 - Present	Accounting Manager, Function International PCL.
	Dec 2021 - 2023	Assistant Accounting Manager, Function International PCL.
	2006 - Dec 2021	Assistant Accounting Manager, Function International Co., Ltd.
	<b>Other Listed Companies</b>	
	- None -	
	<b>Other Companies / Other agency</b>	
	2016 - 2022	

# Attachment

## 2

### Details of Head of Internal Audit and Head of Compliance

**Internal Audit** : P&L Internal Audit Co., Ltd.  
Miss Wanwimol Jongsureeyapas / Head of internal audit

**Education / Training** :

- Master of Business Administration for Executives, Faculty of Business Administration, National Institute of Development Administration
- Bachelor of Accountancy, Accounting Major, Dhurakij Pundit University
- Internal Auditing Certificate Program – IACP, Federal of Accounting Professions Under the Royal Patronage of His Majesty the King
- Certificate of Certified Professional Internal Auditor of Thailand (CPIAT): The Institute of Internal Auditors of Thailand
- Prepared Course for Certified Internal Auditor: Pre – C.I.A.: Chulalongkorn University
- Business Management for Internal Audit in the Digital 4.0, Federal of Accounting Professions Under the Royal Patronage of His Majesty the King
- Clinic IA: Topic “Fraud Audit and Caution for Auditor”, The Institute of Internal Auditors of Thailand
- Clinic IA: Topic “COSO 2014”, The Institute of Internal Auditors of Thailand

**Experience** :

2013 – present	Executive Committee P&L IT Audit Co., Ltd.
2006 – present	Deputy Chief of Operation Department P&L Internal Audit Co., Ltd.

# Attachment

## 3

### Assets used in the business

Details of more information can be found at: **Part 1 Business Operations and Performance**

>> **Topic 1. Company Structure and Operations**

>> **1.2.2.4 Assets Used in Business Operations**



# Attachment

# 4

## Corporate Governance Policy and Code of Conduct

Details of more information can be found at: **Part 2 Corporate Governance**

>> **Topic 6. Corporate Governance Policy**

or at the website

<https://www.functioninter.co.th/th/corporate-governance/cg-policy>  
topic **Corporate Governance**

**Corporate Governance Policy**

<https://www.functioninter.co.th/storage/downloads/cg-policy/20221230-fti-cg-policy-th.pdf>

**Code of Conduct**

<https://www.functioninter.co.th/storage/downloads/cg-report-and-download/20221230-fti-cg-code-of-conduct-th.pdf>



Details of more information can be found at: Part 2 Corporate Governance

>> Topic 8. Corporate Governance Report

>> 8.2.1 Performance Report of Audit Committee









**FUNCTION INTERNATIONAL**  
*All Solutions of Water*

**Function International Public Company Limited**  
is a manufacturer, importer and distributor full-cycle water treatment products.

Function International Public Company Limited was established with a clear objective of contributing to the country's economic development, striving to lead in the design, manufacturing, and trading of water purifiers, purification system as well as components for the ultimate in water quality utilization. Founded in January 1977 by Dr. Vikorn Poovapat, introduced household water purifiers and continued expansion to the industrial market.

We serve what customers require and are always customer centric.  
We are currently accepted and widely recognized by local and worldwide.



Function International Public Company Limited

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