



**WOW
FACTOR**

Wow Factor Public Company Limited

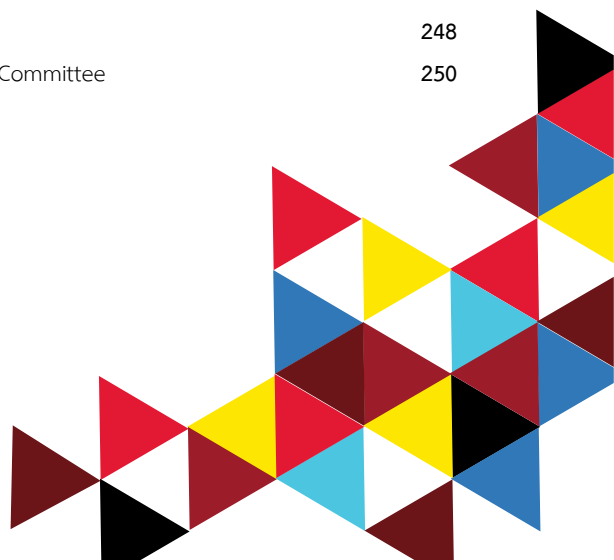


The Annual Registration Statement
Annual Report for the Year
2021

(Form 56-1 One Report)

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Message from the Board of Directors

In the year 2021, Wow Factor Company Public Company Limited (Group of Companies) has accelerated the development of its food business, especially in the world-class fast food restaurant business, “Domino’s Pizza”. Currently, its group of companies has been a successful food business with multi-portfolios, for example, 1) Pastry Business (Bake Cheese Tart, ZakuZaku, RAPL, Dhara Dhevi) 2) Japanese Restaurants (Kaganoya Shabu and Yuma Grill) 3) European Restaurants (Crepes & Co. and Le Boeuf) and 4) Pizza Restaurant (DOMINO’s PIZZA). Those businesses show the potential of the Company in acquiring exclusive rights both in Thailand and global brands with various nationalities, including the capability in developing their own brands. That’s why the Company has continually delivered many quality food products and services as well as a special dining experience for its customers.

In the year 2019-2021, the Company has faced challenges in business in dealing with the situation of the COVID-19 epidemic. This has caused directly a crucial impact on businesses around the world, especially in the food and tourism business, the evolution of technologies, and the changes in people’s lifestyle. The Company itself has had to adjust itself quickly for keeping the benefit of the Company, our shareholders, and stakeholders by revising business strategies, formulating long-term plans as well as extending branch distribution and marketing channels to cover the increasing needs of customers, for example, Bake Cheese Tart, ZakuZaku, and RAPL. In the case of Kagonoya, it has offered various promotions and new menus in order to meet more customer’s demand. Le Boeuf and Crepes & Co. have also put their effort to keep excellent service standards for customers’ worthwhile consumption. We believe that after the subsiding of the COVID-19 crisis, all restaurant brands under W group will be able to increase the extension of their businesses with the readiness of commercial potential, brand power, and their growing numbers of customers’ base.

In the year 2021, the Company has restructured its capital by changing the par value of the Company’s shares which included the par value (including par), and the reduction of registered and paid-up capital by reducing the par value of the Company’s share (reducing par) in order to clear the discount on share capital and reduce the accumulated loss to present the actual company’s financial status in the financial statements. In doing so, we feel confident that it will support the Company’s capability to pay dividends in the coming future when it has sufficient net profit and cash flow. In the next step, the Company is still striving to develop its business capability by extending branches of restaurants in every brand of the Company with at least 1-3 branches per brand, including using data-driven management to reduce weakness and increase brand power for sustainable growth. Nevertheless, the Company remains emphasized doing fair business and hearing the opinions of all groups of stakeholders.

As a consequence of collaboration between the executives and our staff, they are ready for coping with the changing situations and always put their high effort to create continuous planning management and conduct rapid responses to the plans. This has caused the Wow Factor Public Company Limited (Group of Companies) has been able to adjust itself effectively. On behalf of the Board of Directors, we would like to convey our most grateful and appreciative to our shareholders, business partners, customers, and stakeholders for your confidence, trust, and supports given to the Company. We are confident that with our efficient capability to be resilient in an uncertain situation, we still keep conducting the business with strong determination.



Ms. Yaowaroj Klinboon
(Acting) Chairman of the Board of Directors



Mr. Sirutt Ratanapaitoon
Chief Executive Officer

The Board of Directors



Yaowaroj Klinboon

(Acting) Chairman of the Board of Directors /
Member of the Audit Committee / Chairman of the
Nomination and Remuneration Committee



Sirutt Ratanapahton

Director / Chief Executive Officer



Kusol Sangkananta

Director



Jenvit Jivakulchainan

Member of the Audit Committee / Member
of the Nomination and Remuneration
Committee



Boonlerd Iewpornchai

Member of the Audit Committee /
Member of the Nomination and
Remuneration Committee



Sithipong Netiphat

Director



Vimol Hanpanishkitkarn

Director / Chief Financial Officer

Remark: Information as of February 25, 2022

Financial Highlights



Financial Highlights

	(Unit: Baht)		
	2021	2020	2019
Consolidated Statement of Financial Position			
Total Current Assets	99,467,275	89,712,579	402,629,239
Total Assets	1,320,592,989	1,280,542,881	1,255,982,725
Total Current Liabilities	451,731,776	159,309,434	125,631,057
Total Liabilities	647,185,631	332,436,944	292,376,055
Total Shareholders' Equity	673,407,358	948,105,937	963,606,670
Consolidated Income Statement			
Revenue from Sales and Services	412,455,935	415,615,163	424,645,291
Gross Profit	193,444,879	129,623,457	145,153,157
Selling and Distribution Expenses	(281,033,820)	(133,147,353)	(83,396,486)
Administrative Expenses	(191,175,106)	(131,176,424)	(154,227,180)
Loss Before Finance Costs and Income Tax	(265,318,334)	(217,829,912)	(22,134,351)
Loss for the Year	(276,451,839)	(237,130,033)	(21,884,772)
Consolidated Statement of Cash Flows			
Net Cash used in Operating Activities	(139,045,984)	(30,113,967)	(32,046,096)
Net Cash used in Investing Activities	(73,972,176)	(345,969,745)	(243,031,079)
Net Cash provided from Financing Activities	197,614,781	377,765,035	269,012,023
Net increase (decrease) in Cash and Cash Equivalents	(15,403,379)	2,044,491	(6,338,526)
Cash and Cash Equivalents at beginning of the year	43,416,317	41,371,826	47,710,352
Cash and Cash Equivalent at ending of the year	28,012,938	43,416,317	41,371,826
Liquidity Ratio			
Liquidity Ratio (times)	0.22	0.56	3.20
Quick Ratio (times)	0.07	0.30	1.11
Cash Ratio (times)	(0.46)	(0.21)	(0.38)
Account Receivable Turnover Ratio (times)	93.99	8.20	5.06
Average Collection Period (days)	3.88	44.50	72.13
Finish Goods Turnover Ratio (times)	39.13	15.12	7.95
Average Inventory Period (days)	9.33	24.15	45.91
Inventory Turnover Ratio (times)	7.91	5.44	3.17
Average Sales Period (days)	46.12	67.11	115.15
Account Payable Turnover Ratio (times)	4.11	5.76	7.83

	(Unit: Baht)		
	2021	2020	2019
Average Payment Period (days)	88.78	63.42	46.63
Cash Cycle (days)	(38.77)	48.20	140.65
Profitability Ratio			
Gross Profit Margin Ratio (%)	46.90	31.19	34.18
Operating Profit Margin Ratio (%)	(67.59)	(32.14)	(21.78)
Other Profit Margin Ratio (%)	3.15	(19.33)	11.42
Cash to Profit Margin Ratio (%)	49.88	22.36	34.66
Net Profit Margin Ratio (%)	(64.86)	(55.13)	(4.96)
Return on Equity Ratio (%)	(34.10)	(27.31)	(3.25)
Efficiency Ratio			
Return on Assets Ratio (%)	(21.26)	(18.70)	(2.15)
Return on Fixed Assets Ratio (%)	(192.78)	(112.21)	6.56
Asset Turnover Ratio (times)	0.33	0.34	0.43
Financial Policy Ratio			
Debt to Equity Ratio (times)	0.96	0.35	0.30
Interest Coverage Ratio (times)	N/A	N/A	N/A
Cash Basis Ratio (times)	N/A	N/A	N/A
Dividend Payout Ratio (%)	N/A	N/A	N/A

Vision

“To be a leader in the food business with superb services, delivering directly high-quality food experience of various nationalities to consumers in Thailand, conduct our business with good governance to create sustainable growth for the Company, shareholders, and stakeholders”

Mission



Create power branding accepted by customers to increase market shares every year



2

Aim to create business to win the hearts of consumers with the brilliant experience of high-quality food and services to meet the needs, confidence, and trust of consumers



Seek market opportunities to extend the restaurant business with continuous and sustainable growth



4

Manage consistent and stable returns for shareholders by adhering to the principles of fair and equitable treatment to all stakeholders



Strategies to Achieve Goals of Mission

- 1 Take account of the highest consumer satisfaction by hearing consumer's feedback both positive and negative, to improve the higher standard of goods and services
- 2 Focus on research and development to create new products which meet the needs of consumers
- 3 Focus on the determined plans, while flexible to adaptability to rapidly changing external factor
- 4 Always seek new windows of investment to find a better niche of business and diversify investment risk

Business Operations and Performance



Part 1: Business Operations and Performance

1. Structure and Operations of the Company

1.1 Policy and Overviews of Business Operations

Wow Factor Public Company Limited (“the Company”) was established on February 17, 1984. The company's securities were first traded on December 22, 2003, on the Thai Stock Exchange. . Its current trading name of the securities is “W” (formerly known as Electronics Industry Public Company Limited) using the securities name “EIC”). In 2021, the Company has operated food and beverage business through its subsidiaries as details shown below:

Investment Business	Operating Company (Subsidiaries and /or Indirect Subsidiaries of the Company)	Percentage of Shareholding in Operating Company (Both Direct and Indirect)	Revenue (Million Baht) Year 2021
Food and Beverage Business			
Pastry Business <ul style="list-style-type: none"> ▪ Bake Cheese Tart ▪ ZakuZaku ▪ RAPL ▪ Dhara Dhevi 	Bake Cheese Tart (Thailand) Co., Ltd.	100	45
Japanese Restaurant Business <ul style="list-style-type: none"> ▪ KAGONOYA ▪ YUMA 	Eastern Cuisine (Thailand) Co., Ltd.	100	170
European Restaurant Business <ul style="list-style-type: none"> ▪ Crepes & Co. ▪ Le Boeuf 	Crepes & Co. Development Co., Ltd.	100	39
Pizza Business DOMINO'S PIZZA	Domino Asia Pacific Co., Ltd.	100	158

It can be seen from the table that the main business of the Company in 2021 is food and beverage according to the Company's business operations in brief as follows: (details of business information will be shown in the section of business characteristics).

Food and Beverage Distribution Business

1.1) Pastry Business The Company has operated pastry business through Bake Cheese Tart (Thailand) Company Limited its indirect subsidiary, with ownership of kiosk shops under the trademark “Bake Cheese Tart”, “Croquant Chou ZakuZaku” and “RAPL”. The Bake Cheese Tart has been granted exclusive trade rights in Thailand from the founder in Japan. In addition, Bake Cheese Tart has got a business contract to produce, manage, and distribute macarons under the trade name “Dhara Dhevi” as well.

1.2) Japanese Restaurant Business The Company has run Japanese restaurants through its subsidiary; Eastern Cuisine (Thailand) Company Limited. The Company operates 2 brands of Japanese restaurants, namely “KAGONOYA”; the original Shabu buffet restaurant from Osaka, Japan, and “YUMA”, a Japanese-style Yukinuniku buffet. The Eastern Cuisine (Thailand) Company Limited has been granted trade rights to distribute and conduct marketing solely from the founder in Japan for “KAGONOYA”, whereas “YUMA” has just started its investment and launched its business in the 4th quarter of the year 2020.

1.3) European Style Restaurant Business The Company has run its European restaurants through its subsidiary, Crepes & Co. Development Company Limited. The Company has currently operated 2 brands of European restaurants: “Crepes & Co.” restaurant; the first French crepe restaurant in Thailand from 1996 or 25 years and “Le Boeuf” restaurant, which has opened in 2015 or 6 years, serving the best steak dish with crispy fries and special Café de Paris sauce.

1.4) Pizza Business The Company has run its Pizza restaurant through its subsidiary, Domino Asia Pacific Company Limited. with exclusive rights from the owner in the USA., for distribution, operation, development, or sub-licensing in Thailand under the trademark of “DOMINO’S PIZZA” with system and standard as operating in the USA.

1.1.1 Vision, Objectives, Goals and Strategies

Our Vision:

“To be a leader in the food business with superb services delivering directly high-quality food experience of various nationalities to consumers in Thailand, conduct our business with good governance to create sustainable growth for the company, shareholders and stakeholders”

Mission

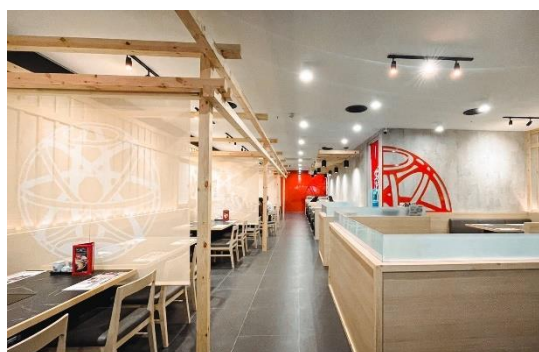
- 1) Create power branding accepted by customers to increase market shares every year



- 2) Aim to create business to win the hearts of consumers with the brilliant experience of high-quality food and services to meet the needs, confidence, and trust of consumers



- 3) Seek market opportunities to extend the restaurant business with continuous and sustainable growth



- 4) Manage consistent and stable returns for shareholders by adhering to the principles of fair and equitable treatment of all stakeholders



Strategies to Achieve Goals of Mission

- 1) Take account of the highest consumer satisfaction by hearing consumer feedback both positive and negative, to improve the higher standard of goods and services.
- 2) Focus on R&D (research and development) to create new products which meet the needs of consumers.
- 3) Focus on the determined plans, while flexible to adaptability to rapidly changing external factors.
- 4) Always seek new windows of investment to find a better niche of business and diversify investment risk.

1.1.2 The Change and Significant Development

(1) Change of Share Capital

Year 2021

- April 8, 2021 The important resolutions from the 2021 Annual General Meeting of Shareholders can be summarized as follows:
- Approval of the amendments of Article 4 of the Company's Article of Association

From the original	“Article 4. the Company's shares are named as primary shares with a par value of one (1) Baht per share. All Shares of the Company must be paid one time in full amount”
Modified to	“ Article 4. the Company's shares are ordinary shares with equal par value and are share certificate specified holder's name”
 - Approval of the amendments of Article 30 of the Company's Article of Association

From the original	“Article 30. the Board of Directors shall hold an annual general meeting of shareholders within 4 months from the end of the fiscal year of the Company. Other meetings of shareholders other than those mentioned above, shall be called an extraordinary meeting of shareholders. The Board of Directors may call an extraordinary meeting of shareholders at any time as it considers appropriate, or when shareholders collectively count the number of shares of not less than one-fifth of the total number of sold shares or not less than 25 persons holding shares in aggregate of not less than one-tenth of the total number of sold shares. All have
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signed a letter requesting the Board of Directors to convene an extraordinary meeting of shareholders. However, the reasons and objectives of the meeting request must be clearly stated in the aforementioned letter. In this matter, the Board of Directors must convene a meeting within 1 month from the date of receipt of the letter from the shareholders”

Modified to

“Article 30. the Board of Directors shall hold an annual general meeting of shareholders within 4 months from the end of the fiscal year of the Company. Other meetings of shareholders other than those mentioned above, shall be called an extraordinary meeting of shareholders. The Board of Directors may call an extraordinary meeting of shareholders at any time as it considers appropriate, or when one or more shareholders holding shares in aggregate of not less than 10% of the total number of sold shares. All have signed a letter requesting the Board of Directors to convene an extraordinary meeting of shareholders. However, the reasons and objectives of the meeting request must be clearly stated in the aforementioned letter. In this matter, the Board of Directors must convene a meeting within 45 days of the date of receipt of the letter from the shareholders.

In the case where the Board of Directors fails to hold a meeting within the time period under paragraph three, shareholders who have signed their names or other shareholders who have combined the number of shares in accordance with the Articles of association may call a meeting within 45 days from the expiration of the period under paragraph three. As such case shall be deemed to be a shareholder’s meeting summoned by the Board of Directors. The Company shall be responsible for necessary expenses incurred in arranging meetings and providing reasonable facilitation.

In the event of any meeting of shareholders according to shareholders in paragraph four, if the number of shareholders attending the meeting is insufficient to constitute a quorum as specified in Article 32, shareholders under paragraph four jointly be responsible for reimbursement of expenses incurred in holding the meeting at that time to the Company”

- Approval of the Company’s capital restructuring by changing the par value of the Company’s shares by combining the par value (including par) and reducing the registered and paid-up capital by reducing the par value of the Company’s shares (reducing par). The purpose is to clear the undervalued share and reduce the accumulated loss to make the company’s financial status presented in the financial statements reflect the actual financial situation This will make the Company be able to pay dividends in the future when it has sufficient net profit and cash flow by its attempt to do as follows:

- **Reduction of registered capital stocks**

Reducing the registered capital stocks in the amount of 355 Baht by canceling 355 ordinary shares which had not been sold, with a par value of 1 Baht per share remaining from the allotment to support the exercise of the 5th warrants to purchase of the Company’s ordinary share (W-W5) (“**Warrant W-W5**”).

- **Increasing of registered capital stocks**

Increasing the Company’s registered capital stocks in the amount of 300,027 Baht by issuing 300,027 new ordinary shares with a par value of 1 Baht per share to support the adjustment of the rights of the Company’s warrants, and not having

odd lot after the change in the par value of the Company's shares by combining par value (including par).

- **Allocation of the new ordinary share**

Allocate 300,027 newly ordinary shares with a par value of 1 Baht per share to prevent an odd lot after the change in the par value of the Company by combining the par value. The details of doing so are as follows:

- Allocate 11 new ordinary shares with a par value of 1 Baht per share to support the adjustment of the rights of the 3rd warrants to purchase the newly issued ordinary shares of the Company (W-W3) ("Warrant W-W3") after the change in the par value of the Company's shares by combining par value (including par)
 - Allocate 300,004 new ordinary shares with a par value of 1 Baht per share to support the adjustment of the rights of warrants W-W5 after the change in the par value of the Company's share by combining par value (including par).
 - Allocate 12 new ordinary shares with a par value of 1 Baht per share to a private placement by allocating such shares to Mr. Sirutt Ratanapaitoon to prevent having odd lots after the change in the par value by combining par value (including par).
- **Transferring of legal reserve and share capital to compensate the Company's accumulated loss**

Transfer the legal reserve in the amount of 13,726,481 Baht to compensate the Company's accumulated loss amount of 953,445,708 Baht, caused the Company has accumulated loss according to the separate financial status of 939,717,227 Baht.

In this regard, the Company does not have any share capital reserve and other reserves.

- **Change in par value by combining par value (including par)**

Change the par value of the Company's shares by combining the par value (including par) from the original par value of 1 Baht per share to a par value of 15 Baht per share

- **Reduction of registered and paid-up capital by reducing the par value**

Reduce the par value of the Company's shares (reduce par) from the original value of 15 Baht per share to be 1 Baht per share to compensate for the discount on the issue of shares in the amount of 10,320,878,089 Baht and the Company's accumulated loss of the remaining account of 939,719,227 Baht.

After the restructuring process of the capital is completed, the amount of capital and the number of the Company's shares can be summarized as follows:

Details	Quantity (Baht/share (Depending on the case))
Registered capital	1,144,559,696 Baht

Paid-up registered capital	813,913,366 Baht
Par Value (Per Share)	1 Baht
Divided into	
Number of the paid-up registered ordinary shares	813,913,366 shares
Number of the registered ordinary shares to support the warrant W-W3	5,061,007 shares
Number of the registered ordinary share to support the warrant W-W5	325,585,323 shares

- April 9, 2021 The Company has registered to decrease the registered capital with the Department of Business Development, Ministry of Commerce in the amount of 355 Baht from the original registered capital of 17,168,095,413 Baht by canceling 355 ordinary shares which had not been sold, at the par value of 1 Baht per share remaining from the allotment to support the exercise of the 5th warrants to purchase the new ordinary shares according to the approval at the 2021 Annual General Meeting of Shareholders.
- April 16, 2021 The Company has registered to increase the registered capital of the Company to the Department of Business Development, Ministry of Commerce from the original registered capital of 17,168,095,413 Baht to 17,168,395,440 Baht by issuing 300,027 new ordinary shares with the par value of 1 Baht per share.
- In addition, the Company has allocated 300,027 new ordinary shares, divided into the allotment to support the adjustment of the warrants representing amount of 300,015 shares, and the allocation of the remaining 12 new ordinary shares to a private placement by offering at the price of 1 Baht per share, resulting in the Company's paid-up capital increased by 12 Baht from 12,208,700,478 Baht to 12,208,700,490 Baht.
- April 19, 2021 The Company has registered the change in the par value of the Company's to the Department of Business Development, Ministry of Commerce by combining the par value from the original with a par value of 1 Baht per share to be a par value of 15 Baht per share. This has caused the decrease in the number of shares of the Company by 16,023,835,744 shares from 17,168,395,440 shares with a par value of 1 Baht per share to 1,144,559,696 shares with a par value of 15 Baht. As a result, the change of the Company's par value has contributed to the number of shares held by each shareholder has decreased in the ratio of 15 existing shares per 1 new share as follows:

Details	Before the change in par value (Par value 1 Baht per share)	After the change in par value (Par value 15 Baht per share)
Number of registered shares	17,168,395,440 shares	1,144,559,696 shares
Number of paid-up registered shares	12,208,700,490 shares	813,913,366 shares

In addition, after the completion of the restructuring of the Capital, the holders of the 3rd warrants of the subscription for the Company's ordinary shares used their rights to convert 128 units of W-W3 to be a total of 24 shares at the rate of 15 Baht per share. The total amount that the Company received is 360 Baht. On June 18, 2021, the Company, then registered the increase of the paid-up capital in the amount of 360 Baht with the Department of Business Development, Ministry of Commerce. The Company thus has a registered capital of 17,168,395,440 Baht and paid-up capital of 12,208,700,850 Baht.

June 22, 2021

The Company has registered the capital reduction by decreasing the par value from the original par value of 15 Baht per share to a par value of 1 Baht per share as details shown below:

- Reduction of registered capital amounts by 16,023,835,744 Baht from the original registered capital amount 17,168,395,440 Baht, the remaining amount is 1,144,559,696 Baht
- Reduction of the paid-up capital amounts by 11,394,787,460 Baht from the original paid-up capital amount 12,208,700,850 Baht, the remaining amounts is 813,913,390 Baht

(2) Change in Shareholding Structure**The structure of major shareholders as of December 31, 2021**

No.	List of Shareholders	Number of Share Hold	Ratio
1.	Mr. Sumeth Sethapanich	72,300,000	8.88%
2.	Mr. Pinyo Rukapunmethee	61,937,000	7.61%
3.	Mr. Krisada Pruthipat	55,923,365	6.87%
4.	Mr. Kajornsit Singaansern	42,800,000	5.26%
5.	Mr. Sirutt Ratanapaitoon	41,080,264	5.05%
6.	Mr. Tinnawan Thanitnithipan	40,800,000	5.01%
7.	One to One Contacts Public Company Limited One to One Contacts Public Company Limited, by Beyond Securities Public Company Limited	40,487,200	4.97%
8.	Mr. Suwit Cheewathum	25,530,000	3.14%
9.	Miss Ratha Weerapong	21,000,000	2.58%
10.	Miss Punthipa Neithipong	20,029,360	2.46%
11.	Others	392,026,201	48.17%
	Total	813,913,390	100.00%

On December 3, 2021, Mr. Nuttawut Phowborom disposed the total number of 93,933,333 shares held in the Company, equivalent to 11.5409% of the total number of voting rights of the Company. Therefore, the shareholding structure of the major shareholders of the Company changed. He has sent a letter of intent to the Company to resign from the position of the Company's director. The resignation is effective on December 21, 2021. The Board of Directors Meeting, No.1/2022 held on January 7, 2022, has approved the appointment of Mr. Sithipong Neitipat to replace Mr. Nuttawut Phowborom and also appoint Miss Yaowaroj Klinboon as (acting) Chairman of the Board of Directors, to replace Mr. Nuttawut Phowborom who resigned from the position on January 7, 2022, onwards.

Furthermore, on December 9, 2021, the Company received the resignation letter of Mrs. Sangduen Ewbamrung from the Company's director and (Acting) Chief Executive Officer which has been effective from December 9, 2021, onwards. As a consequence, the Board of Directors meeting, No.1/2022 as of January 7, 2022, was resolved to approve the appointment of Mr. Sirutt Ratanapaitoon as Chief Executive Office, hereafter replaced Mrs. Sangduen Ewbamrung since January 7, 2022.

For the vacancy of the position of Chief Financial Officer since Mr. Sirutt Ratanapaitoon has taken the Chief Executive Officer. The Board of Directors Meeting No.1/2021 as of January 7, 2022, approved the appointment of Ms. Vimol Hanpanishkitkarn serves as Chief Financial Officer including holding the position of the Company's director to replace Mrs. Sangduen Ewbamrung from January 7, 2022, onwards.

Nevertheless, the change in the shareholding structure as mentioned above including the resignation of the former director has not affected the control power as well as administration and policy to carry on business of the Company in any respect.

(3) Significant Development

Year 2019

- April 30, 2019 The Board of Directors Meeting, No.4/2019 resolved that Food Holding Co., Ltd. (“Food Holding”), a subsidiary of the Company, acquire all ordinary shares of Eastern Cuisine (Thailand) Co., Ltd. (“Eastern Cuisine”), a company operating KAGONAYA Japanese restaurant amounting to 7,399,999 shares with a par value of 10 Baht per share, or 99.998649 % of the total number of sold shares from the existing shareholders of Eastern Cuisine at the total price of 300,000,000 Baht.
- In this Regard, the Extraordinary General Meeting of Shareholders, No. 1/2019 on July 9, 2019, resolved to approve the purchase of the Company’s ordinary shares of Eastern Cuisine (Thailand) Co., Ltd. as detailed above.
- July 26, 2019 The Board of Directors Meeting, No. 7/2019 resolved to approve the purchase of shares of Crepes & Co. Development Co., Ltd. and the disposal of ordinary shares of S. Thana Media Co., Ltd., and the capital increase of the subsidiaries as follows:
- Approved for Food Holding Co., Ltd. (“Food Holding”), a subsidiary of the Company to invest in Crepes & Co. Development Co., Ltd. (“Crepes & Co.”) amounting to 81,633 shares, divided into 40,000 ordinary shares and 41,633 preference shares with a par value of 100 Baht per share, equivalent to 100 % of the total number of sold shares. From the existing shareholder of Crepes & Co. Development at a total investment price of 42,500,000 Baht.
 - Approved the sale of ordinary shares of S. Thana Media Co., Ltd. (“S. Thana”) in the amount of 49,998 shares. The par value of 100 Baht per share is fully paid up, representing 99.996 % of the total shares. S. Thana is a subsidiary of the Company which operates the business of renting, selling, and producing advertising media to Broadway Media Company which is a subsidiary of Aqua Corporation Public Company, Limited at a price of approximately 7,600.30 Baht and a total purchase price is 380,000,000 Baht. As a result of the sale of all shares that Aqua Corporation holds in S. Thana, S. Thana ended up being Aqua Corporation’s subsidiary.
 - Approved for Food Holding to increase the registered capital from 350,000,000 Baht to 750,000,000 Baht with a par value of 100 Baht per share by issuing 4,000,000 new ordinary shares with a par value of 100 Baht per share to the Company. The objective is to increase the capital for the purchase of the Company’s ordinary shares of Eastern Cuisine (Thailand) Co., Ltd. as approved by the Extraordinary Meeting of Shareholders, No. 1/2019 on July 9, 2019, as well as the purchase of all share of Crepes & Co, Development, including to support investment in other business and other related businesses.
- November 13, 2019 The Board of Directors Meeting, No.1/2019 resolved to approve the change of address and relocation of the Company’s Head Office as follows:

Former Office Address 349 SJ Infinite One Building, 15th Floor, Room 1507 Vibhavadi-Rangsit Road, Chom Phon, Chatuchak Bangkok 10900
Tel. 02 – 075 – 5667 – 8
Fax. 02 – 075 – 5669

New Office Address 77/1 Ruam Siri Mit, Chom Phon, Chatuchak, Bangkok 10900
Tel. 02 – 093 – 1681 – 3
Fax. 02 – 093 – 1684

In this regard, the Company moved into the new office on December 1, 2019 and registered the change address of headquarter location with the Department of Business Development, Ministry of Commerce.

Year 2020

May 11, 2020

The 2020 Annual General Meeting of Shareholders resolved to approve:

- Decreased of the registered capital of the Company in the amount of 118,388,696 Baht from the original registered capital of 10,221,363,523 Baht as a newly registered capital of 10,102,974,827 Baht by canceling the number of ordinary shares of the Company which had not been sold 118,388,696 shares at a par value of 1 Baht per share, and approved the amendment of Article 4 of the Company's memorandum of association in order to be in accordance with the decrease of the registered capital of the Company.
- Amendment of the Company name and securities abbreviation since June 2, 2020, as shown below:

	Thai Name	English Name	Abbreviation of securities
Former name	บริษัท อุตสาหกรรม อิเล็กทรอนิกส์ จำกัด (มหาชน)	Electronics Industry Public Company Limited	EIC
New Name	บริษัท วาว แฟคเตอร์ จำกัด (มหาชน)	Wow Factor Public Company Limited	W

- Approved the increase of registered capital of 2,917,392,182 Baht from the original registered capital amount of 10,102,974,827 Baht to the newly registered capital amounts to 13,020,367,009 Baht by issuing 2,917,392,182 ordinary shares with a par value of 1 Baht per share and approved the amendment of Article 4 of the Company's Memorandum of association in order to be in accordance with the increase in the registered capital.

- June 22, 2020 The Board of Directors Meeting, No.5/2020 resolved to approve as follows:
- Approved the schedule for the subscription and payment of the new ordinary shares allocated to the existing shareholders in proportion to their rights offering in accordance with the general mandate with a resolution to consider and approve the allocation of the ordinary shares amounting to 2,817,392,182 shares with a par value of 1 Baht per share. The meeting is scheduled for August 10, 2020, as the date of record to determine which shareholders are eligible to subscribe for new ordinary shares, with an allocation ratio of 1 existing share to 0.30 new shares, and the offering price is 0.12 Baht per share.
 - Appointed Mr.Suwisit Khoipanit as Company Secretary to replace Ms. Thitikarn Suksermsarn on June 23, 2020.

- August 24, 2020 The Extraordinary General Meeting of Shareholders No.1/2020 resolved to approve as follows:
- The meeting resolved to approve Domino Asia Pacific Co., Ltd. (“Subsidiary”), a subsidiary of the Company (the Company holds 9,997 shares or 99.99% of the total issued shares of the subsidiary) (1) entering into an asset acquisition transaction by transferring of the pizza restaurant business of tradename “DOMINO’S PIZZA” in Thailand from the former owner, Domino (Thailand) Co., Ltd. and FC Commissaries Co., Ltd. The Master Franchise Agreement has been signed with DOMINO’S PIZZA INTERNATIONAL FRANCHISING INC. to obtain exclusive rights in opening stores, Management, and developing business under its tradename, either in the Company’s or giving sub-licensing to others in Thailand under the same system and standard as DOMINO’S PIZZA in the USA. Moreover, the agreement gives authority to the authorized Company’s director to sign to bind the Company, contracts, or legal documents related to this transaction until completion.

In this regard, the subsidiary has entered into an acquisition of assets and rights as follows:

1. Transferring of the pizza restaurant business, under the trade name of DOMINO’S PIZZA in Thailand, which has 27 branches, from Domino (Thailand) Co., Ltd. (“Transfer”). The DOMINO (Thailand) Company Limited is currently entitled under the Master Franchise Agreement to open, manage and develop a pizza restaurant with the tradename of DOMINO’S PIZZA in Thailand, including assets, account payable, account receivable, employees, business license, including the operation for the subsidiary to be bound as a lessee with the owner of the original leased area for the existing branches of DOMINO’S PIZZA as of the business transfer date. In this regard, the subsidiary paid compensation for transferring the above business at an approximate price of 387,149,596 Baht. Moreover, the duty to transfer the business to the subsidiary is also obligated to completely cease the pizza restaurant business the tradename of DOMINO’S PIZZA in Thailand. The operation must also terminate the Master Franchise Agreement which transferor has entered into with DOMINO’S PIZZA INTERNATIONAL FRANCHISING INC. Also, the transferor

allowed FC Commissary Co., Ltd. which currently operates central kitchen management for the pizza restaurant business under DOMINO's PIZZA Thailand's tradename, to further conduct business transfers, including assets, account payable, account receivable, employees, business license, including the operation for the subsidiary to be bound as a lessee with the owner of the leased former central kitchen. Eventually, the subsidiary paid compensation for the above business transfer at an estimated price of 12,850,404 Baht. The total compensation does not exceed 400,000,000 Baht with the rate of 10% per year, but does not exceeding 26,612,000 Baht, calculated from the date of setting the price and the acceptance to transfer the business (September 1, 2019) until the date of payment in full.

2. The acquisition of exclusive rights in Thailand under the Master Franchise Agreement, with DOMINO's PIZZA INTERNATIONAL FRANCHISING INC. ("DPI") to acquire the exclusive right to open, manage and develop a pizza restaurant under DOMINO's PIZZA tradename in Thailand, either on behalf of oneself or by giving the right to another sub-license with the same system and standard of DOMINO's PIZZA in the USA, which DPI has owned such rights and the right to establish a central kitchen for management and delivery of raw materials for pizza production to its pizza shops under DOMINO's PIZZA Thailand's tradename. In this regard, subsidiaries are required to pay compensation to DPI in accordance with the predetermined business plan, throughout the contract period that is not in excess of 10 years. However, the terms can be extended for another 10 years according to the conditions stipulated in the contract.
 - The meeting resolved to approve the decrease of the Company's registered capital in the amount of 735,751,437 Baht from the originally registered capital in the amount of 13,020,367,009 Baht to 12,284,615,572 Baht by canceling 735,751,437 ordinary shares at a par value of 1 Baht per share, which are the shares issued to support the exercise of the warrants No.2 (W-W2). This also includes the amendment of the Company's memorandum of association, Article 4 in order to be accordance with the decrease of the Company's registered capital and the relevant authorization.

September 28, 2020

The Board of Directors Meeting, No.8/2020 resolved to approve the disposition of all ordinary shares of EIC Semiconductor Co., Ltd. ("EIC SEMI") that the Company currently holds, totaling 2,417,564 shares, at a par value of 100 Baht per share or 51% of all registered and paid-up shares of EIC SEMI, at the price of 50.63 Baht per share, including the sale of all EIC SEMI shares sold at 122,401,265.32 Baht. The shares were sold to Mr. Wittaya Chakphet who at that time was a director of EIC SEMI, but did not have a relationship and/or connection with directors, executives, major shareholders, or the authorized person of the Company. After the transferring of sold EIC SEMI shares and the termination as a subsidiary of the Company, then the Company considered selecting Bake Cheese Tart (Thailand) Co., Ltd., Eastern Cuisine (Thailand) Co., Ltd., and Crepes & Co. Development Co., Ltd. (as a wholly-owned indirect subsidiary of the Company through Food Holding Co., Ltd.) and Domino Asia Pacific Co., Ltd., (Food and Beverage

business) to be subsidiaries to operate the food and beverage business as the main business of the Company.

October 1, 2020

The progress of the disposition of all ordinary shares of EIC Semiconductor Co., Ltd. and the transferring of the pizza restaurant business under DOMINO'S PIZZA's tradename in Thailand from the former owner, can be summarized as follows:

- The Company disposed of all ordinary shares of Semiconductor Co., Ltd., to Mr. Wittaya Chakphet, on October 1, 2020, and it received payment for the purchase price in full by the following procedures:
 1. Receiving payment by entering into a new debt conversion agreement between the buyer, the Company and EIC SEMI in order for the buyer to accept the transfer of the Company's debt to EIC SEMI in the amount of 30,344,200 Baht, which relieved such the Company's debt towards EIC SEMI.
 2. Paying the remaining in cash in the amount of 92,057,065.32 Baht (calculated from the purchase price of the shares deducted by the transfer of the Company's debt under the item 1 above.) After the transferring of sold EIC SEMI shares, EIC SEMI ended its status as a subsidiary of the Company.
- Domino Asia Pacific Company Limited (a subsidiary company) has taken the transfer the Pizza restaurant business under the tradename DOMINO'S PIZZA in Thailand from the original owner since October 1, 2019. In addition, the Company has currently paid compensation for the transfer of the pizza restaurant business to the transferor and has already signed a Master Franchise Agreement with DOMINO'S PIZZA INTERNATIONAL FRANCHISING INC.

November 30, 2020

The Extraordinary Meeting of Shareholders No.2/2020 resolved to approve the following matter

- The meeting resolved to approve the issuance and offering of 5th warrants to purchase the new ordinary shares of the Company (W-W5) in the amount not exceeding 4,883,480,196 units to the existing shareholders who subscribed and paid for the subscription of the new ordinary shares at the ratio of 2.5 of new ordinary shares per 1 unit of the warrant with free of charge.
Since the type of warrants are specified name of holders and transferable as well as the period of warrants are not over 3 years, 9 months, and 23 days from the date of issuance and offering for sale. The warrant holders then will be able to exercise their rights for the first time on October 28, 2022, and they can exercise their rights under the warrants in two more times until the expiration date of the warrants. In this regard, the next exercise date will be on October 31, 2023, and the last expiration date of the warrants will be on October 31, 2024. The exercise ratio will be equal to warrants of 1 unit per 1 common share at a price of 0.14 Baht per share. However, the exercise ratio and price may be subject to change or modification of conditions under the terms of rights.

Year 2021

January 8, 2021	The Company allocated warrants to purchase ordinary shares of Wow Factor Public Company Limited, No.5 (W-W5) to the Company's shareholders whose names are on the list as at December 26, 2020. The total allocation was 4,883,479,841 units with remaining unallocated warrants in a total of 355 units which the Company will cancel the remaining warrants.
January 25, 2021	The Stock Exchange of Thailand (SET) added warrants of Wow Factor Public Company Limited, No.5 (W-W5) as listed W-W5 securities on January 25, 2021.
April 8, 2021	<p>The 2021 Annual General Meeting of Shareholders resolved to approve the capital restructuring of the Company, as the details in section 1.1.2. The major changes and developments by restructuring the aforementioned capital will make the Company benefit as follows:</p> <ol style="list-style-type: none"> 1. It will be able to clear the low share value and accumulated loss until all make the Company's financial status presented in the financial statement reflects the actual financial situation, which will make the Company can pay dividends in the future if possible. 2. The price of the Company's share is more stable (currently its share price is at Satang (Penny) causing a high rate of fluctuations in price per day). 3. The annual registrar fee charged by TSD (Thailand Securities Deposit) will be significantly reduced, which is very beneficial to the Company. <p>In addition, the process of capital restructuring has been completed in June 2021.</p>

Spending money from fundraising

The Board of Directors Meeting, No.1/2021 as of March 1, 2021, and the 2021 Annual General Meeting of Shareholders on April 8, 2021, resolved to approve the increase of the Company's registered capital and the allotment of 12 new ordinary shares with a par value of 1 Baht per share in order to avoid a fraction of shares arising out of the Company's capital due to the change in the par value by merging the par value (including par) to the private placement. The Company received a total of 12 Baht from the above capital increase (as details appeared on the report on the results of the sale of ordinary shares offered for sale to a private placement (F53-5) disseminated through the SET's system, April 16, 2021). Subsequently, the Company received a capital increase from the exercise of the 3rd warrants to subscribe for ordinary shares of Wow Factor Public Company (W-W3) (last exercise) in the amount of 360 Baht (as details shown in the report on the results of the exercise of W-W3 (F53-5) disseminated through the SET's system, June 17, 2021) which the Company reported on the report the results of spending the capital increase received from the aforementioned capital increase in totaling of 372 Baht, ending on June 30, 2021).

However, the amount received from the allotment of the new ordinary shares in the amount of 372 Baht is an insignificant amount that the Company has already spent as its working capital.

1.1.3 Obligations that the Company make a commitment in the registration statement for the offering of securities (if any)

-None-

1.1.4 Company's Name, address, type of Business, Company's Registration Number, telephone and fax number, website, number, and types of paid-up shares

1) General Information of the Company

Company's Name	Wow Factor Public Company Limited
Security Symbol	W
Headquarter Address	77/1 Ruam Siri Mit, Chom Phon, Chatuchak Bangkok 10900
Type of Business	W is a holding company with its main investment in subsidiaries operating a food business
Company's Registration Number	0107546000041
Telephone and Fax Number	Tel. 0-2093-1681, 0-2004-5729 Fax. 0-2093-1684
Website	www.wowfactor.co.th
Registered Capital Stock	1,144,559,696 Baht
Paid-up Capital	813,913,390 Baht
Number of Paid-up Common Stock	813,913,390 Baht
Par Value	1.00 Baht

2) General Information of References

Securities Registrar	:	Securities Depository Co.Ltd. 93 Ratchadapisek Road, Din Daeng, Bangkok 10400 Thailand Tel: 0-2009-9000 Fax: 0-2009-9991 SET Contact center: 0-2009-9999 Website: http://www.set.or.th/tsd E-mail: SETContactCenter@set.or.th
Auditors	:	<ol style="list-style-type: none"> 1. Mr. Somkid Tiatragul Certified Public Accountant License No. 2785 or 2. Ms. Kanyanat Sriratchatchaval Certified Public Accountant License No. 6549 or 3. Mr. Narin Churamongkol Certified Public Accountant License No. 8593 or 4. Ms. Saranya Akharamahaphanit Certified Public Accountant License No. 99195 or 5. Ms. Amornjid Baolorpet Certified Public Accountant License No. 10853 Grant Thornton Company Limited 11 th Floor, Capital Tower Bldg., All Season Place, Wireless Road, Lumphini, Pathum Wan, Bangkok 10330 Tel: 0-2205-8222

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 1 Q House Bldg., Lumpini 34th Floor, South Sathorn Road.,
 Thungmahamek, Sathorn, Bangkok 10120

Tel: 0-2645-8800

Fax: 0-2645-8880

1.2 Business Characteristics

1.2.1 Revenue structures classified by product line and business group

Business	Year 2021			Year 2020			Year 2019		
	Shareholding Proportion (%)	Revenue (Million Baht)	Revenue Proportion (%)	Shareholding Proportion (%)	Revenue (Million Baht)	Revenue Proportion (%)	Shareholding Proportion (%)	Revenue (Million Baht)	Revenue Proportion (%)
Food and Beverage Business									
Pastry Business Bake Cheese Tart (Thailand) Co.Ltd. Holds shares through Food Holding Co.Ltd. ► Bake Cheese Tart ► ZakuZaku ► RAPL ► Dhara Dhevi	100%	45	11%	100%	41	10%	100%	86	20%
Japanese Restaurant Business Eastern Cuisine (Thailand) Co.Ltd. Holds shares through food holding Co.Ltd. ► KAGONOYA ► YUMA	100%	170	41%	100%	111	27%	100%	40	9%
European Style Restaurant Business Crepes & Co. Development Co.Ltd. Holds shares through Food Holding Co.Ltd. ► Crepes & Co. ► Le Boeuf	100%	39	10%	100%	32	8%	100%	21	5%
Pizza Restaurant Business DOMINO'S PIZZA Domino Asia Pacific Co. Ltd.	100%	158	38%	100%	25	6%	-	-	-
Total Revenue from Food and Beverage		412	100%		210	50%		147	35%

Business	Year 2021			Year 2020			Year 2019		
	Shareholding Proportion (%)	Revenue (Million Baht)	Revenue Proportion (%)	Shareholding Proportion (%)	Revenue (Million Baht)	Revenue Proportion (%)	Shareholding Proportion (%)	Revenue (Million Baht)	Revenue Proportion (%)
Other Revenue of the Company and its subsidiaries									
Production and Distribution of Electronics spare parts EIC Semi-Conductor Co. Ltd.	-	-	-	51%	206	50%	100%	221	52%
Advertising Space Rental Service Business S.Thana Media Co. Ltd.	-	-	-	-	-	-	100%	57	13%
Total Revenue		412	100%		416	100%		425	100%

The Company has held the shares of Bake Cheese Tart (Thailand) Co, Ltd., Eastern Cuisine (Thailand) Co, Ltd. and Crepes & Co. Co, Ltd., which are the indirect holding through Food Holding Co, Ltd. since February 1, 2019, August 1, 2019, and August 1, 2019, respectively.

Domino Asia Pacific Co, Ltd.; a subsidiary of the Company, has transferred the pizza business in Thailand under the trade name “DOMINO’S PIZZA” since October 1, 2020.

The Company has already sold all investments in the advertising space rental service business and business of manufacturing and distributing electronics spare parts, which was completed on July 31, 2019, and October 1, 2020, respectively. Then the Company has only operated a food and beverage business.

In 2021, the Company has operated food and beverage business through subsidiaries and indirect subsidiaries, which the characteristics of each business as detailed as follows:

■ Pastry Business

Bake Cheese Tart (Thailand) Co., Ltd., (“**BAKE CO.**”), an indirect subsidiary, runs the business with its ownership of kiosk shops under the trade name of **Bake Cheese Tart, ZakuZaku, and RAPL**. The three brands have currently distributed in a shop with a new concept “**BAKE WORKS**”. So far, **BAKE CO.** has been granted an exclusive right from the founder in Japan to distribute and conduct marketing in Thailand. The 3 brands of pastries above are imported products with semi-finished processes from factories in Japan before delivering frozen products to Thailand for fresh-daily baking in each store in Thailand. The revenues have come from selling baked products through the brand’s storefront as from other channels such as pop-up stores or temporary sales areas, distributing products to event organizers and distribution through delivery channels, etc.

In addition, in June 2020, **BAKE CO.** also entered into a joint venture with **Dhara Dhevi**, the owner of trade rights of macarons, to be the manufacturer, management, and distribution of macarons under the trade name “Dhara Dhevi”.

1) Characteristics of Products and services

Bake Cheese Tart

The famous brand of pastries, cheese tarts from Japan, made in a factory in Hokkaido. The specialty of cheese tart is the production of fluffy mousse made from original cream cheese, with the perfect blending of crunchy touch and tart cup made from fine flour. It is first baked to keep the shape of the tart cup and then baked again after filling the cream cheese in for crispiness. All tarts are made in the Hokkaido factory and passed the food freezing process before being delivered directly to the dealer. This allows to control the taste of the tart and maintain the quality of food and can be last long to 6 months. The customer can enjoy having the tart in 4 types:

1. Consume it immediately at room temperature for enjoying its freshness and crispy tart edge.
2. Chill it to increase the softness of the cheese even more.
3. Frozen it to feel like eating ice cream.
4. Reheat it in the oven to taste its fragrance as a freshly baked tart.



ZakuZaku

The original cream puff brand introduced a new version of choux cream called Croquant Chou, a familiar version of the cream puff, transform into a bar shape, coated with Croquant, almond mixed with egg white, which is the brand's special secret recipe, adding aroma and crunchy texture, filled with daily- fresh vanilla custard. The meaning of the French word Croquant and the word ZakuZaku in Japanese means crunchy. ZakuZaku is the first to introduce a new style of choux cream from Japan to Thailand and can reinforce the difference from its brand competitors with the concept of “**Factory=Shop Counter**” using showcases of the production process of every desert meticulously in a Japanese style with the finest ingredients. The ingredients are sent directly from Japan,

such as crunchy Croquet made from premium almonds. Its special recipe of Croquet flour is baked in the oven to show every attention in each step. The presentation of products is under the shop concept of Factory in Shop, including Serve Soft, a product under the ZakuZaku brand, made from special quality cow milk imported from Hokkaido, sprinkled with Croquant to add more crunchiness.



RAPL

RAPL, a famous brand known as Ringo in Japan, has offered an apple custard cream pie made by selecting the best raw materials. For example, its pie dough is imported from Hokkaido, with 144 layers stacked together until the thickness is perfect. It is combined with apples selected from the top-grossing regions of Japan, such as Aomori and producing fresh custard cream. It offers everyday with meticulous baking ready-to-hot-serve from the oven.



BAKE WORKS Café

BAKE WORKS Café is a line of beverages sold under BAKE WORKS which includes Coffee (coffee drink or coffee-containing beverage) and Non-Coffee based beverages formed by the creation of the expertise Barista team. The highlight of the drink is the selection of premium grade raw materials such as Specialty grade coffee beans, imported chocolate, and specially selected milk to create the perfect taste of each glass blend. The specialty of the beverage line is the Signature Menu, which presents snacks under BAKEWORKS of all 3 brands: **Bake Cheese Tart**, **ZakuZaku** and **RAPL** in the form of drinks, namely “BAKE IN HEAVEN” inspired by BAKE CHEESE TART, “MILO CLIFF” inspired by ZakuZaku and “APPLE ON ICE” inspired by RAPL



Dhara Dhevi

Dhara Dhevi’s macaron; which originated from Chiang Mai, is well known to both Thai and foreign customers who love this dessert due to its unique texture and flavor. Thai ingredients are applied to create a signature flavor, such as the taste of Thai tea which has a sweet fragrance in Thai style but is very popular with foreigners. Moreover, its price is the price that everyone can reach, and it has been favored among macaron lovers to this day.

Macaron is originated in France, made from ground almonds, sugar, and egg white. It looks like two spherical pieces joined together and filled with a variety of flavors in the middle. The deliciousness of this dessert lies in itself with a thin, crispy outer surface, but you can feel the soft and chewy texture of the dough when biting it, plus the luscious of various flavors of macaron filling created together.

Dhara Dhevi’s macaron has currently produced, distributed, and conducted marketing by **BAKE CO**, with a total of 16 flavors. **BAKE CO** has a central kitchen located in Bangkok (under control of production standards by the owner of the trade rights) which allows the products to be distributed to the branches of stores in Bangkok quickly and thoroughly.



As of December 31, 2021, the pastries shops under BAKE CO. are operated as follows:

Brand	Number of Branches
BAKE WORKS*	5
Dhara Dhevi*	10
Total	15

Note: 1) Bake Works is a new concept store that combines Bake Cheese Tart, ZakuZaku, and RAPL brands in one store.

2) The characteristic of Dhara Dhevi's branches is divided into temporary sales areas 8 branches and pop-up stores 2 branches which is a distribution and marketing strategy that BAKE CO. has placed for flexibility in marketing.

2) Marketing and Competition

Marketing Policy and Target Customers

Normally, **BAKE CO.** has focused on competition in the market for high-quality products which has few direct competitors. Most of which are imported brands from abroad. The main customers of the brand are those that focus on the quality of the products because of the brand positioning emphasizing the market of high-quality products as well as the strategy of opening a store in a central location to reach the target customer group. The customers in this market actually have spending behaviors that mainly focus on the quality of products and services. Those have made brands under the management of **BAKE CO.** have business advantages due to standard service and in-store operations. The employees are well trained by trade rights owners both in Japan and in Thailand. Besides, the main target customers as mentioned, another group of customers that the Company gives priority in the planning of developing our service is the group of customers who purchase a high volume of products such as the catering business, etc.

Moreover, **BAKE CO.** has imposed a marketing plan and the development of product management as well as communication and sales channels to adapt to the changing market conditions by an emphasis on the roles of "Foodie Influencer" in food recommendations and increasing popular online platforms to search for restaurants. As a key to the business' Long-term survival, the Company has considered and emphasized choosing the right location, better quality, making differentiation, and good relationships with customers.

For the year 2021, due to the spread of Coronavirus disease or COVID-19 epidemic, the government has issued a number of measures that affected business, for example, limiting the operating hours of stores, lockdown of foreign tourists traveling to Thailand, social distancing restrictions, etc. Those resulted in a significant decrease in customers in the store, both regular customers and walk-in customers. **BAKE CO.** has attempted to adjust its marketing strategies to boost sales, for example, 1) launching seasonal product campaigns 2) creating a loyalty campaign for customers 3) increasing more pop-up stores or temporary spaces for sales and 4) improving

the purchasing channels by adding delivery sales, which are flexible and adaptable to enable vigorous marketing under a restricted circumstance. The adjustments of strategies have helped **BAKE CO.** be able to increase its new customer base, and maintain the local existing customer base, although, in the year 2021, the number of walk-in customers from abroad has declined due to the lockdown measure.

Industry Condition and Competition

As for the pastry and bakery business in Thailand, according to Euromonitor data in 2021, the value was approximately 36,839 million Baht, which was a growing rate of more than 6.1% due to 1) pastry and bakery business reflect changes in consumer behavior nowadays that focus more on health, which has led to a higher demand for high quality food 2) despite the COVID-19 outbreak, consumers still consume pastry and bakery products during the lockdown or self-quarantine periods and increase for local products; and 3) the distribution channels for pastry and bakery products focus on delivery.

Although the pastry and bakery industry have a high growth rate, on the other hand, the competition within the industry has also increased. This is due to 1) a large number of shops distributing in pastry and bakery business have expanded their distribution channels by from purchasing from the store to eating outside or Grab and Go, to be the delivery channel to customer's hand due to the changing behavior and lifestyle of consumers. Consumers, at present, have behaviors focusing on using online media to search for places and food menus, including ordering food through various applications widely. This phenomenon can be seen in the emergence of many websites and many food applications. As a result of this, consumers have more alternatives to access more products of small entrepreneurs; and 2) There have been many new players joining this industry, especially the pastry and bakery in Café style, for example, beverage shops serving bakery products which in line with consumers' behaviors to drink and eat in. This has been a growing tendency of popular food serving.

From the above information, although there are increasing new competitors in the market. **BAKE CO.**'s business has a comparative advantage of competitiveness with other non-branded pastry competitors since it has taken a famous bakery brand from Japan as well as popular Thai brands of Thai people. In addition, **BAKE CO.** has been known for its good track record with a good location pastry shop business. The Company, therefore, has the potential to search and negotiate for qualified locations for both permanent stores and temporary stores which have helped to promote an advantage in reaching customers.

3) Providing Products or Services

Bake Cheese Tart, ZakuZaku, and RAPL which are pastry products of **BAKE CO.**, have imported semi-finished goods from a factory in Japan, and delivered directly to Thailand in frozen food and then baked fresh daily in each store in Thailand. The volumes of **BAKE CO.**'s orders have been forecasted in advance based on trends and data of historical sales referenced from the Company's documents collected from the past to the

present. Those have been analyzed through the computation system to obtain the number of orders that responded to market demand under the policy of manufacturing of an affiliated company in Japan, the BAKE INC. company, a manufacturer and distributor of baked goods with its 122 branches worldwide. (As of 30 September 2020)

For Dhara Dhevi, **BAKE CO.** has allocated a central kitchen to produce patisseries in Bangkok under controlling standards and quality from the owner of trade rights. This has contributed **BAKE CO.** in production and quickly adjusted the amount of production according to the purchasing needs of consumers.

4) Undelivered Work

-None-

■ Japanese Restaurant Business

The Company has operated Japanese restaurant business through its indirect subsidiary, Eastern Cuisine (Thailand) Co., Ltd., (“Eastern Cuisine”). The business and service are a Japanese-style shabu buffet restaurant by bringing KAGONOYA brand from Osaka, Japan.

Also, in October 2020, Eastern Cuisine has started another new business under the name Yuma, a Japanese-style, Yakiniku buffet restaurant. Currently, it has only one branch located at Terminal 21, Asoke Shopping Center.

1) Characteristics of Products and Services

KAGONOYA

Eastern Cuisine has run the business of KAGONOYA, a Japanese-style shabu buffet restaurant with a solely exclusive right from KR Food Corporation, to conduct business under the trade name of KAGONOYA in Thailand. KAGONOYA has been successful in Japan with 78 branches and other 42 chain restaurants.



KAGONOYA is originated from a traditional Japanese tavern that opened in 1990 with branches in major cities such as Osaka, Tokyo, and Kobe. The uniqueness of the restaurant is Shabu-Shabu and Sukiyaki with original soup of flavorfully authentic taste without dipping. The shop also offers a special soup cooked in line with the seasons of raw materials. In Thailand, KAGONOYA has opened its first branch in 2011 at Thonglor with more than 11 branches until now. It offers various styles of Japanese dishes such as a set of menus, a la carte menus, Shabu-Shabu, and Sushi in Osaka style that has more variations than in Tokyo. This is because Osaka has been a long history capital with more diversity of cultures. In Thailand, over 60% of customers are in favor of Shabu-

Shabu, not only among groups of students or families as well as working people, particularly in favor of a set of menus due to speed of serving and variety of food to order.

As of December 31, 2021, there are a total of 11 KAGONOYA restaurants in Thailand at the following locations: 1) Mercury Ville 2) the Walk Kaset-Nawami 3) the Walk Ratchaphruek 4) Marketplace Thonglor 5) Mega Bangna 6. Sena Fest 7) Market Place Nanglinchee 8) K Village 9) Central Pinklao 10) Central Rama 9 and 11) Central Rama 3.



YUMA

YUMA is a Japanese-style Yakiniku buffet restaurant with 1 branch located at Terminal 21, Asoke Shopping Center operated by Eastern Cuisine itself, without trade rights from others. YUMA, therefore can take advantage of modifying its raw materials, marketing strategy, and setting selling prices independently.



YUMA focuses on selecting quality ingredients, especially beef, and a set of easily accessible prices to customers. Besides the well-selected meat, YUMA still maintains a special homemade style sauce with a unique favorite of the restaurant. Moreover, it also serves some snacks made from Osaka-style recipes or Sushi cooked from 100% authentic Japanese rice. This can be seen that YUMA attaches great attention to providing various raw materials, easily accessible prices to customers, especially students or company employees visiting the shopping center.



2) Marketing and Competition

Considering the KAGONOYA brand, besides offering high-quality meat Shabu-Shabu buffet, KAGONOYA also serves a wide variety of Japanese food dishes, including sushi, salmon, crab sticks, sashimi, kushiage, tempura as well as various types of savory and sweet appetizers. Then, it can be considered that the KAGONOMA brand is a Japanese-style, Shabu-Shabu buffet restaurant with many competitors both in Shabu buffet restaurants in Japanese style and other styles, including Japanese A la carte restaurants.

From the market analysis of consumers in Thailand, over the past two years, it is evident that the segment of consumers has changed significantly compared to the past. Since consumers nowadays are very knowledgeable about the quality of raw materials and are able to pay more to get the quality products, they want without taking the matter of price as the main factor in purchasing as before. Consequently, the Company has provided high-quality meat like no other coupled with the authenticity of Shabu-Shabu receipt in Thailand. Those factors can drive the business to be successful in the near future. If making an analysis of competitors both directly or indirectly, it can conclude from the preliminary data that there are not any distinctive characteristic competitors in the market now.

For YUMA, besides focusing on offering quality raw materials, especially beef, with easily accessible prices, it also makes the marketing strategy with all groups of customers.

Marketing Policy and Target Customers

Eastern Cuisine aims to create high-end food and service at a moderate price for most customers to reach easily. That is why, the Company's restaurant has always been one of the leaders in Japanese-style Shabu-Shabu buffet restaurants. 40% of customers who return to the restaurant are repeat customers. The brand's main customers are the group that prioritizes the quality of the product. In accordance with the Company's trading position in the market for high-quality products, the location of stores then has opened in the city center or in suburban areas with population growth. Those mentioned factors have contributed to the brand under the management of Eastern Cuisine (Thailand) Company Limited, has taken a business advantage owing to the good

training of standards of service and in-store operations directly from Japan. Likewise, another group of target customers that the Company focuses on and is planning to develop our service for them, is the group of customers who purchase a large number of products, such as a catering business, etc.

In addition, Eastern Cuisine has planned and developed product management as well as communication and sales channels to adapt to the changing market conditions as well as focus on macro and micro influencers, restaurant search platforms and increase the delivery channels that are more popular including considering the appropriate location, focus on quality and service, make a difference as well as building relationships with customers, which is the key to a business' long-term survival.

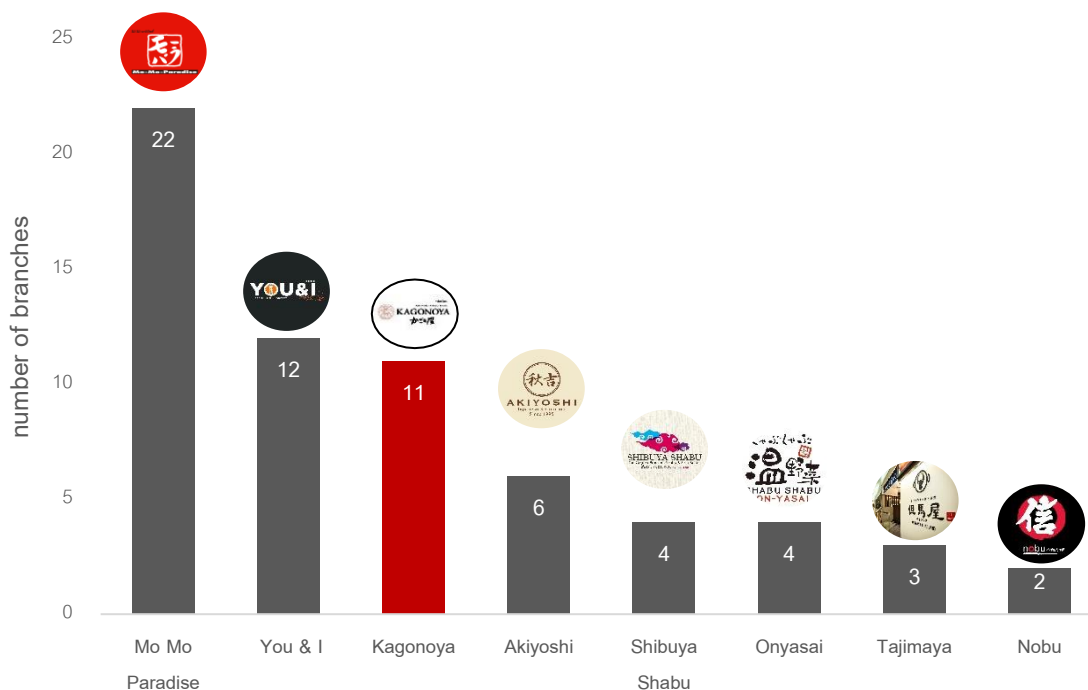
In the year 2021, due to the spread of the COVID-19 epidemic and the government's restriction measures, for example, the closure of restaurants or limiting the opening time, lockdown of travelers from abroad, and social distancing, have resulted in a decrease of customers of the stores, both regular customers and walk-in customers. To stimulate sales, Eastern Cuisine has revamped its marketing strategies as follows: 1) launching product campaigns according to festivals 2) conducting the differentiation of monthly sales promotion to boost sales 3) Adding a menu for delivery sales channels to suit different groups of consumers, including adding more sales channels for delivery 4) promoting new menus with a variety of meats that can meet the needs of customers. As a result of the strategy adjustment, Eastern Cuisine can increase its new customers and be able to maintain the regular customer base in the country as well as increase its sales in the second half of the year significantly.

Industry Condition and Competition

The trend of restaurants business in Thailand is increasingly growing. It was expected that in the year 2020-2021, the growth of the restaurant business would be 15.1 percent per year due mainly to the expansion of chained restaurants. According to the Euromonitor data, it was found that during 2020-2025, the sales of Asian chain restaurants in Thailand continued to grow at approximately 8.4 percent per year, while the expansion of branches grew by around 3.7 percent, which was mostly in line with additional retail spaces in 2020. This is because of the consumer behavior that pays more attention to dining out because of changing lifestyle behaviors as well as having a smaller family size and a fast-paced life. This has resulted in eating out becoming one of the lifestyles of Thai consumers with the top popularity of “Japanese food”.

There is evidence that “Japanese food” is very popular nowadays according to the report of the Japan External Trade Organization (JETRO, Bangkok). In 2021, there were a total of 4,370 Japanese restaurants in Thailand and an increasing growth of 6.4% from 2020 with 4,094 Japanese restaurants. According to the survey in 2018 and 2019, it was found that there were no Japanese restaurants in every province, but in the year 2021, it was found that the number of Japanese restaurants had spread out in all provinces of Thailand. The popularity of Japanese restaurants in Thailand has continued to increase. The factors that promote the expansion of the Japanese food market against the economic trend are the more widespread Japanese food culture, the expansion of customer base by price range diversity, including an increase in shopping centers outside Bangkok, and a preference for Japan.

Nevertheless, when analyzing the market of Shabu group in Thailand, it is found that most of the existing businesses are local small restaurants without branches. Due to the variation of customers according to branches area, location, and the time period in each area, this caused a great variety of consumer groups. As Eastern Cuisine is one of the leaders in the Japanese restaurant industry, particularly the Japanese style Shabu Buffet under the KAGONOYA brand, if considering only the Japanese restaurant business in Shabu Buffet style, there are current competitors with similar products, services, target customers, and marketing strategies to KAGONOYA. We may summarize that they are direct competitors against KAGONOYA as the following 7 brands:



Source: Wongnai

According to the above chart, it can see that the KAGONOYA brand, is currently in third place in terms of the number of branches compared to its competitors. Nevertheless, the KAGONOYA brand has an outstanding reputation for offering higher quality meat than others, coupled with the authenticity of Shabu- Shabu from Japan, in Thailand. The uniqueness of KAGONOYA, which is in line with the food industry trends as mentioned, can be conclude that the growth of this brand is still high and it can take a comparative competitive advantage. Therefore, KAGONOYA has planned to extend its branches to new suitable locations for its products in order to increase revenue and future market shares.

3) Providing Products or Services

Eastern Cuisine has regulated its standards of raw materials at KAGONOYA restaurant by procuring raw materials in all kinds of ingredients as specified by KR Food Corporation, such as meat, sauces, and fresh vegetables. The KR Food Corporation also randomly checks those raw materials regularly to ensure that the

quality of food can meet the specified standards. The aim is to ensure that restaurant customers will have food cooked from quality ingredients with the same standards of taste as in Japan.

Moreover, Eastern Cuisine has attempted to select more qualified raw materials imported from Japan, except in some items that cannot be supplied locally. With the selection of qualified raw materials to respond to the needs of consumers in Thailand, especially the KAGONOYA beef, which is the brand's selling point. Due to its special breed of beef fed with grains in the perfect natural environment, this has given meat texture that is too fat or too tough, which is very popular with consumers in Thailand.

To have Shabu-Shabu in Japanese style, meat cooked according to preference will be dipped in fresh eggs and eaten. The Company has selected certified fresh eggs to serve as fresh and unharmed to customers.

The Company has also upheld sustainable fisheries by selecting raw materials from sustainable fishery sources and has attempted to reduce the impact on the ecosystem. In the future, the Company has planned to formulate a Zero Waste Policy to support the reduction of waste as well.

In terms of service, the Company offers a premium dining experience served by the staff at the tables, both buffet and a la carte without having to scoop food themselves like a typical buffet restaurant. The staff will be trained with knowledge of raw materials and eating methods to be able to meet all consumer needs.

Undelivered Work

-None-

■ **European Style Restaurant Business**

The Company operates this business through its indirect subsidiary, Crepes & Co. Development Company, Limited. ("CCD") comprising 2 brands: Crepes & Co.; the first crepes French-style restaurant in Bangkok since 1996 or 25 years, and Le Boeuf; the best steak restaurant serving with a special sauce, Café De Paris and crispy fries since 2015 or 6 years. Both of them have structures of revenue as follows:

1) Characteristics of Products and Services

- Restaurant under the trade name of Crepes & Co.

**Crêpes
& Co.**

ALL DAY FRENCH EATERY
SINCE 1996

The restaurant under the brand of Crepes & Co., has been open since 1996, for over 25 years. It is Bangkok's first French-style crepe shop offering excellent crepes in both classic and modern style, savory or sweet, ready to serve at any time, whether it's breakfast, lunch, dinner or brunch, including Moroccan, Spanish, and Greek food. That's why it has been called a Mediterranean restaurant, which is top popular in Thailand. In 2020, CCD has been affected by the COVID-10 epidemic, in which the government has issued a number of measures. The restrictions had an impact on the operations of the business, for example, the time limit of shops, lockdown of foreign tourists, social distancing restrictions, etc. The situation forced the Company to close one existing Crepes & Co. store located at the Lang Suan branch since its major customers are foreign customers who only travel to Thailand. Nevertheless, CCD is now searching for new suitable locations for Crepes & Co. restaurant. For customers who wish to eat Crepes & Co. menu, they can visit Le Boeuf at the Ari branch which has selected some menus for serving there.

So far, Crepes & CO. restaurant has placed a great emphasis on quality, taste, dish presentation, details of excellent food, and impressive service meticulousness, to deliver food with an elaborate selection of raw materials to everyone, across many generations, and ages. It also emphasizes the importance of friendliness, smiles, and impressions given to customers for a long time.

Crepes & Co. offers a service that gives friendliness, a warm feeling, , comfort and safety as if eating at home, as well as the attention to detail of the customers as the first priority. Crepes & Co. thus has been awarded certificates in many areas of the restaurant business from many trusted and reputable agencies in Thailand such as Trip Advisor, etc.

Actually, major Crepes & Co.'s customers, as mentioned, are foreign customers traveling or working mainly in Thailand, both as a family and as a couple, and Thai customers as a family or a group.



- Restaurant under the trade name of Le Boeuf



Le Boeuf has opened since 2015, or more than 6 years offering a special sauce inherited from the inventor of the original sauce from Geneva, Switzerland, with an 81-year-old reputation as Café de Paris. It has served the best steak with crispy potato chips and fresh vegetable salad. In 2021, CCD has currently opened 2 branches at Lang Suan and Ari branches.

Le Boeuf restaurant is inspired by the famous Café de Paris in Geneva, Switzerland under the concept of Steak & Fries Bistro Le Boeuf. Le Boeuf has served only steak, one main menu, with a special secret recipe passed down from generations since 1940 as the same recipe as the original Café de Paris in Geneva. Initially, it served only a beef steak menu in Thailand, but later, to respond to more Thai customers, salmon steaks, lamb steak, lobster, and scallops are added on.

Le Boeuf features a well-known fine dining style offering a more high-quality menu than a typical restaurant. The service of its staff will provide a formal service with formal attire to make the customers feel special and like VIPs, unlike other normal restaurants, but at an affordable price.

Le Boeuf received diplomas in several areas of the restaurant business, from many trusted and famous credit ranking agencies in Thailand such as Thailand Tatler Magazine with the Best Restaurant 2019 Award.

Normally, the customer groups of Le Boeuf are all of the groups, ages, and professions, but they come to Le Boeuf for a similar purpose, that is privacy with luxurious and formal services on special occasions at an affordable price.



As of December 31, 2021, CCD has its branches as follows:

Brand	Number of Branches
Crepes & Co.	-
Le Boeuf	2
Total	2

2) Marketing and Competition

Whether Crepes & Co; a full-service restaurant, or Le Boeuf; a fine dining restaurant, have a single policy in order to maintain service standards and food quality standards that are to be accepted and gain the trust of customers.

However, Crepes & Co. also emphasizes its policy of maintaining the identity of traditional Mediterranean food, which is a healthy food, rich in various useful spices such as grains, sesame seeds, nuts, olive oil, herbs, seafood, vegetables, fruits, etc. Another highlight is the first restaurant in Bangkok to serve breakfast and lunch (brunch), which meet a different important of requirements. Moreover, the all-day breakfast service is also a favorite for both Thais and foreigners who want to have breakfast at any time, from opening the shop until closing the shop, or for meeting with friends and family.

As for Le Boeuf, it is considered a fine dining restaurant with uniqueness. The essential key is to serve premium steaks with Café de Paris herb sauce, which is considered a truly original recipe with the signature Steak & Fries Bistro Le Boeuf. Served with a below warmer of the stove is a distinctive identity, just like the original Café de Paris in Geneva, Switzerland. It is this unique identity that makes Le Boeuf a steakhouse with regular customers, both Thais and foreigners.

In addition, both Crepes & Co. and Le Boeuf currently have increased more management of distribution channels by collaborating with leading delivery services in Thailand to facilitate direct and easy delivery of quality food to customers and add more payment channels for both online and credit card partners. In this way, they also increase the opportunity to serve Chinese tourists with convenient procedures through the Alipay application.

In 2021, according to the COVID-19 epidemic since the year 2020, in which the government has issued several measures. The restrictions had an impact on the operations of the business, for example, the time limit of shops, lockdown of foreign tourists, social distancing restrictions, etc. As a result, the customers of the CCD group, both regular and walk-in customers, were significantly reduced. CCD has attempted to adjust several marketing strategies, for example, 1) increase its marketing through delivery channels, including offering special discounts when ordering large quantities of food for delivery to medical personnel 2) offer a set menu for the “new normal” way with moderate and affordable price, but customers can eat both appetizers, main courses, soup, salad, and desserts with Le Boeuf’s premium service as usual 3) organizes festival promotions and 4) organizes Chef Table both inside and outside the venue to increase sales opportunities, etc. The adjustment of strategy has caused positive feedback from customers and increased the new customer base as well.

Marketing Policy and Target Customers

In response to the dining habits of Thai people, Crepes & Co. and Le Boeuf have created a modern service and a variety of promotions to meet the growing demand in various forms. They also realize that consuming quality food must be coupled with quality service. Therefore, training for employees has been arranged to develop serving service along with food quality.

Focusing on target customers of all genders and ages, but the main target group of Crepes & Co. is family groups, both Thais and foreigners. It also highlights cooking methods, raw materials, flavors, and beautiful decorations to meet the needs of both Thai and foreign tourists with warm service as well as decorating the restaurant that conveys identity, style, and an atmosphere that are suitable for all ages.

As for Le Boeuf, in order to respond to the customers’ demand, according to the study of customer behavior and needs, both food and service styles have been developed. Offering promotions for customers, and focusing on convenient locations, easily traveling in many means, coupled with an emphasis on online communication channels and “Foodie Influencers” or influencers in regard to introducing different types of food and a more online media on the restaurant search platform

In addition, there is also promotion in various forms of media, both domestically and internationally, as well as adjusting the marketing policy in accordance with the various festivals to suit Thai people and welcome foreigners to Thailand. There is also a plan concerning distribution channels and payment for easy access to customers in this modern society.

Industry Condition and Competition

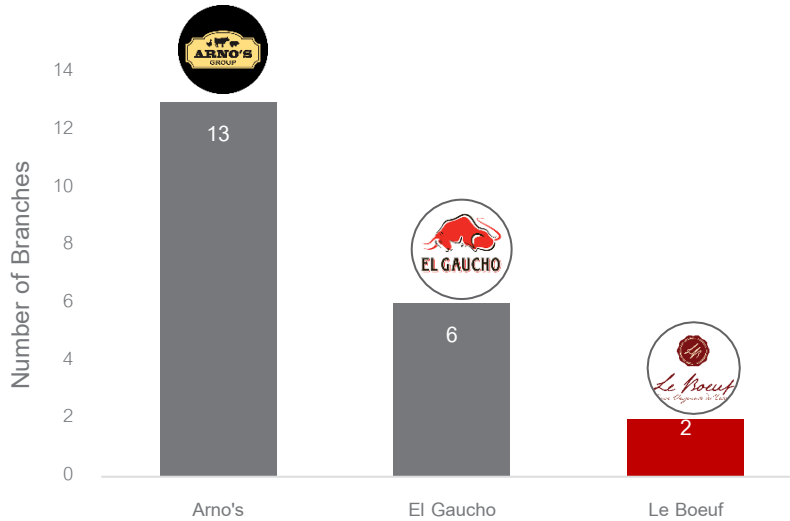
CCD restaurants are full-service restaurants that are directly affected by government measures to control the epidemic of coronavirus disease 2019 (COVID-19). In 2021, though, there has been some support from the conditional easing of measures from November 1, 2021, which allows people to eat and spend more time in restaurants, as well as to allow the sale of alcoholic beverages. But with high fixed costs over the past two years and high capital utilization of new investments, the full-service restaurant business continued to shrink 28.5 percent from 2020 (the market value for the whole year is about 113 billion baht), according to the data of the Kasikorn Research Center.

For the year 2022, the recovery of the full-service food business, in case of the outlook of the Covid situation is better, consumers have confidence, and the country is open to more foreign tourists, it is expected that the full-service restaurant business will grow by 26.5 percent compared to 2021. But in case the situation worsens, measures to control the epidemic of the coronavirus disease 2019 will be upgraded again. The full-service restaurant business is expected to grow only 14.2 percent compared to the previous year. All entrepreneurs need to adjust their business models to meet changing trends, including increasing sales and marketing channels to allow customers to access more products and services. They also need to find ways to manage higher costs such as raw material prices, utility costs, transportation costs, etc.

CCD has attached great importance to building brand loyalty because of the increasing severity of current market share competition, especially in food and beverage. CCD, therefore, focuses on both service and food to respond to the various needs, not just only food and taste. It, therefore, emphasizes creating a more impressive experience for customers and coming back to use the service again.

CCD has also given importance to food delivery because of the increasing change in food order behaviors through applications, not only eating out. Delivery of food to consumers is another interesting channel to increase sales efficiently for CCD's restaurants in cooperation with leading food transport brands.

For Le Boeuf, it is considered a fine dining restaurant with a unique identity focusing on serving premium steaks with special herbal sauce. The number of its branches can be compared with other similar restaurants as follows:



Source: Wongnai

Le Boeuf always has loyal customers both Thais and foreigners due to its special herbal sauce. The Company, therefore, considers the potential of expanding branches to new suitable locations for placing product positioning in the future.

In response to the dining habits of Thai people, Crepes & Co. and Le Boeuf have provided a modern service, various types of promotions to meet the growing demand. They have considered that eating quality food must be coupled with quality service. Therefore, a course of training for employees is arranged to develop their skills along with food quality by focusing on target customers of all genders and ages. In contrast, the main target group of Crepes & Co. is the group of families, both Thais, and foreigners. They also emphasize cooking procedures, ingredients, flavors, and beautiful decorations to meet the needs of Thais and foreign tourists with warm service, including a unique decoration of the restaurant, style, and suitable atmosphere for all ages.

From the study of customer behaviors and needs, Le Boeuf has developed both food and service formats, promotions for customers, the convenience of locations and traveling, marketing promotions in various channels both domestically and internationally, arranging activities in various festivals and adapting to Thai people and foreigners in Thailand, including a plan of adjustment of distribution channels and easy payment to reach customers nowadays.

Shortly, CCD has planned to expand Crepes & CO. and Le Boeuf branches by considering potential locations in Bangkok and its vicinities to raise more brand awareness and market shares to cover the areas of Bangkok and metropolitan provinces. Since those potential areas are the main locations of purchasing power where customers are well familiar with both brands of Crepes & Co. and Le Boeuf.

3) Providing Products and Services

Crepes & Co. and Le Boeuf has given importance to sourcing quality ingredients from quality manufacturers from around the world and local ingredients, meticulous preparation of each dish taste with the

standard recipe, including the selection of fresh vegetables, fruits, and meats of the highest quality recognized by the Food and Drug Administration to ensure consumer's confidence in food.

Besides good production, Crepes & Co. and Le Boeuf still pay attention to every step of the order and storage of each type of product freight because raw materials must be hygienic with the best quality until it reaches the consumer's tables.

4) Undelivered Work

-None-

■ **Pizza Restaurant Business DOMINO'S PIZZA**

The Company has run pizza restaurant business through its subsidiary, Domino Asia Pacific Company Limited, with exclusive rights in Thailand, to open, operate and develop products under the tradename "DOMINO'S PIZZA" both itself or sub-licensing. The business has run under the same system and standard of DOMINO'S PIZZA" in the USA., and other 90 countries around the world. Moreover, the Company also receives the rights to settle central kitchen for operation, management and delivery of raw materials for producing pizza to its restaurants under its tradename in Thailand.

Domino Asia Pacific Company Limited, has transferred the DOMINO'S PIZZA business from the previous owner in Thailand and entered into a trade rights agreement concerning the operating of DOMINO'S PIZZA's store, Thailand with the owner of the trade rights in the 4th quarter of 2020.

DOMINO'S PIZZA was first established in 1960 in Michigan, the USA., as one of the most popular pizza stores, with more than 18,380 branches in 90 countries around the world. As a result, DOMINO'S PIZZA becomes the world's largest pizza brand in terms of its market share. Therefore, the investment in DOMINO'S PIZZA's business in Thailand and granting them exclusive rights according to the Master Franchise Agreement, to open, operate and develop a pizza restaurant under the tradename of DOMINO'S PIZZA in this country, have been implied to the potentials of the group of the Company accepted by the owner of the global trade right.

1) Characteristics of product or service



The DOMINO'S PIZZA restaurant, is an authentic American-style pizza restaurant with its main product, more than 20 different types of pizza to order. Its special recipe of dough from the USA., both soft and fluffy

dough of freshly hand-kneaded in every order and the thin crispy dough is considered the uniqueness of the brand together with the selection of quality raw materials and services as a “Neighborhood Restaurant” pizza that everyone can access. Besides pizza, it also offers other snacks such as spaghetti, pasta, cinnamon sticks, chocolate lava cake, etc.

Currently, DOMINO’S PIZZA offers 3 types of service, namely, Dine-in, Take-out, and Delivery service within a specific distance with friendly customer service.

As of December 31, 2021, Domino Asia Pacific Company, Ltd. comprises 31 branches as follows:

- | | |
|----------------------------|---------------------|
| 1) Amorini Ramintra | 17) Silom |
| 2) Bangkapi | 18) Sukhumvit 1 |
| 3) Banglamphu | 19) Sukhumvit 103 |
| 4) Chinatown | 20) Sutthisarn |
| 5) Am Park | 21) The Nine |
| 6) Jazz Srinakarin | 22) The Seasons |
| 7) Kaset Interesection | 23) Pinklao |
| 8) Lad Krabang | 24) Victoria Garden |
| 9) Major Hollywood Pakkred | 25) South Pattaya |
| 10) Metropole Thonglor | 26) Rama 4 |
| 11) Muan Thong Thani | 27) Bang Son |
| 12) Pleannary Mall | 28) People Park |
| 13) Rattanakosin 200 years | 29) Lad Prao 112 |
| 14) River Plaza | 30) Pracha Songkhro |
| 15) St Louis | 31) Sukhumwit 71 |
| 16) Sena Fest | |

Note: During the year 2020, the Seacon Bangkae branch was closed. In the year 2021, the Sukhumvit 22 branch has been closed due to the renovation of the lessor’s leased space. Currently, it is in the process of finding a new suitable location to open more branches.



1) Marketing and Competition

The uniqueness of DOMINO'S PIZZA is the offering of good quality ingredients with a special recipe of dough coupled with the technique of fresh baking only when receiving orders, including launching menus that suit the consumer behaviors of each country. In addition, to meet the changing behaviors of consumers, DOMINO'S PIZZA has utilized technology to facilitate the increase of pizza orders and has developed a more convenient online order system for operations. It also focuses on developing the latest innovations to create the highest level of consumer satisfaction all the time, such as an online ordering system, both via the website and the application platform, developing an innovative tool for selecting pizza toppings, and a checking tool for monitoring delivery status. Consequently, DOMINO'S PIZZA is still a leading pizza restaurant with efficient delivery and carry-out approach.

Marketing Policy and Target Customers

DOMINO'S PIZZA is an American fast-food pizza brand, which has the advantage of using quality raw materials, services that are easily accessible to customer, and being a very high neighborhood restaurant. DOMINO'S PIZZA's business model is a franchise business (Franchising QSR Pizza) focusing on marketing on accessible price for all groups of people, and efficient delivery of its pizza to its customers within 30 minutes, allowing customers to eat pizza as fresh as out of the oven. Those are the strengths of DOMINO'S PIZZA.

According to the marketing policy focusing on accessible and tangible prices, the promotions of the year 2021 have been implemented, for example, a promotion to buy a big pizza pan at 199 Baht and promotion of free delivery, etc. The conducting of marketing promotions has helped to extend more customers base of DOMINO'S PIZZA. since the group of students can easily access the products and services as well, besides the working-aged group.

Moreover, DOMINO'S PIZZA still focuses on selling in a combo set with a worthy value (price per person), which is similar to quick-service restaurants and general restaurants that all ages can access. It also plans to produce an operational manual and regular training course for its employees. To respond to the needs of each customer in each group, those will encourage its staff can recommend additional products promotions before closing the sale, or offer a recommendation of worthwhile promotions to respond to the customers in each different group with the service at the store and via the call center.

In order to stimulate the repetition of orders, Domino Asian Pacific Co., Ltd., has made improvements in various aspects as follows:

- 1) Develop a proactive marketing plan focusing on online marketing to increase the reach and engagement of various communication channels and offline marketing as local store marketing in the community area to reach more customers.
- 2) Improve current distribution channels by focusing on improving the online order system both via the website and the application to be more convenient to use.

- 3) Concentrate on the quality of products and services as an important factor to give customers satisfaction, and let them come back to buy again, such as selecting raw materials from quality suppliers, controlling product storage standards, and distributing products to stores, and controlling delivery time within 30 minutes to maintain freshness for customers. This will ensure that customers will receive fresh, hygienic products and get the same standard of taste every time they order. In addition, the Company will focus on developing better cooking skills, for example arranging regular training and development of personnel in cooking, etc.
- 4) Conducting research and development of new products. The Company will emphasize on R&D of new products in order to offer its new products as seasonal products to customers. The aim is to stimulate them to come back and buy more products and including expanding channels to reach new customer groups. Moreover, in 2021, DOMINO'S PIZZA has launched a special local flavor, topping pizza pans; Oppa Chicken and Oppa Pork, which are only distributed in Thailand.

Industry conditions and competition

DOMINO'S PIZZA currently has the 3rd highest share of the pizza market in this country, which the pizza market in Thailand is worth more than 12,000-15,000 million Baht. Although there are a few entrepreneurs in the pizza business, it is rather a competitive market. Most of them compete with promotions and prices to reach the needs of customers. The year 2020-2021, It is considered a very challenging year due to the outbreak of COVID-19 as well as the government's lockdown measures, the close of shopping centers to reduce the spread of the disease. Consequently, the number of dine-out has greatly declined, which has led the DOMINO'S PIZZA to reconsider on marketing and sales of home delivery and carry-out approach. This tactic has been well responded from customers. Even the cost of conducting the promotions and delivery is higher, it has helped the sales on the delivery increase as well.

However, DOMINO'S PIZZA still lacks several branches, which not cover customers living outside its trade zones. Nowadays, it is found that many customers are fond of DOMINO'S PIZZA's products, but cannot access them. Our main goal, besides being a leading pizza brand is to expand more branches to close the gap in vacant delivery areas, especially in the main parts of Bangkok. Therefore, the expansion of branches will be an important mission in the year 2022.

2) Providing Products or Services

DOMINO'S PIZZA concentrates on selling pizza and other dishes using quality ingredients that meet international standards and the same standard as DOMINO'S PIZZA stores around the world. It also built a local pizza dough factory that has passed GMP and HACCP standards to produce fresh pizza dough every day, transport them by temperature-controlled vehicles, and store them in the temperature-controlled room that is available for every branch. To preserve the freshness and quality of the dough before making and delivering the pizza to the customer.

So far, Domino Asia Pacific Co., Ltd., has given importance to the selection of raw materials both domestically and imported from abroad by taking into account the quality of freshness. The toppings of each pizza are prepared by selecting the best grade of raw materials, for example, ham, bacon, shrimp, squid, cheese, and all kinds of vegetables, including other fresh products. DOMINO'S PIZZA maintains a quality control process that begins with shipping by partners, stores in the factory, transports to each branch, and ends with storing in each branch. This will ensure that its raw materials are still fresh and new until cooked and delivered to customers.

3) Undelivered Work

-None-

(4) Assets used in Business Operation

As of December 31, 2021, the main fixed asset which the Company and subsidiaries have used for business operations, in terms of land and building improvements, office equipment and furniture, vehicles, and assets in the process, totally amounted to 146.68 million Baht.

Significant intangible assets for business operations

As of December 31, 2021, significant intangible assets for business operations in terms of computer software, royalty rights, trademarks, software in progress total amounted to 364.85 million Baht.

Investment policy in subsidiaries and associates

To facilitate the Company's potential in creating security and stability for its business operations in the long run. The Company has considered expanding its business operations into the food business. Nevertheless, a diversified investment can be considered as a business risk diversification to generate good returns and sustainability for the Company.

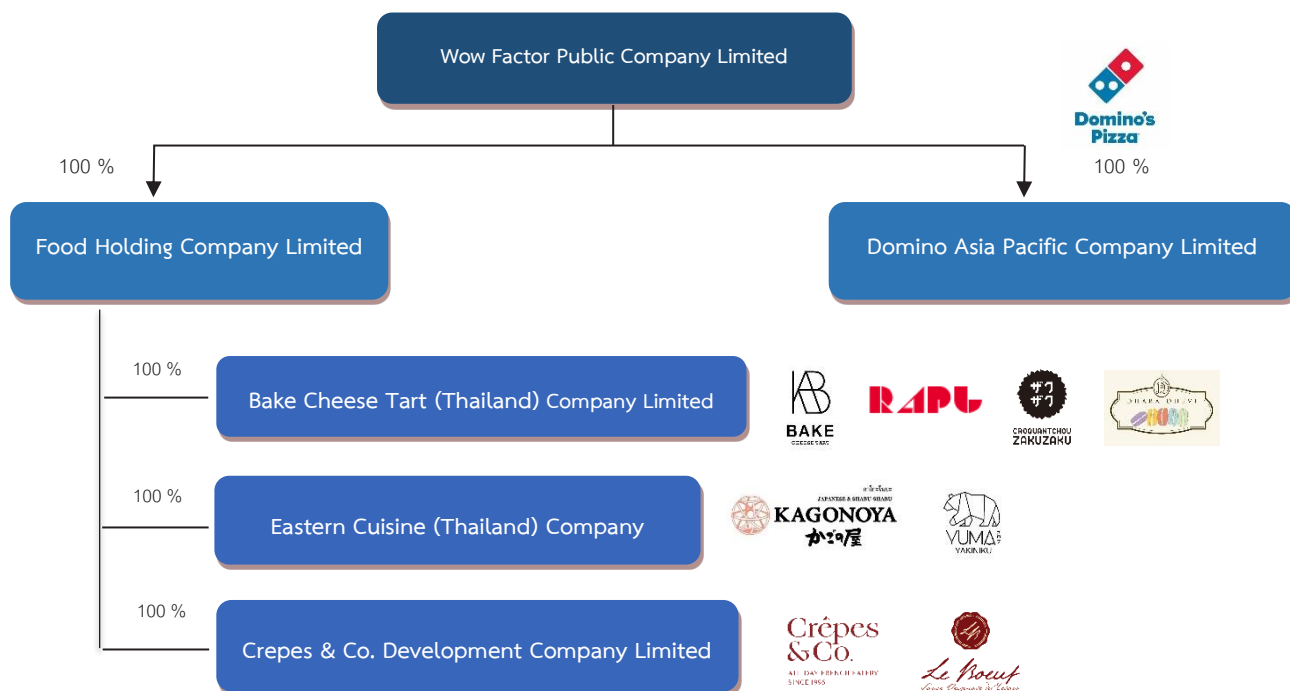
The details of assets for business operations and investment policy in subsidiaries and associates as shown in attachment 4.

Asset Valuation

-None-

1.3 The Company’s structures of shareholding

1.3.1 **The Company’s structures of shareholding** as of December 31, 2021. The Company has structures of shareholding in its subsidiaries as shown below:



1.3.2 Shareholders

The structures of major shareholders as of December 31, 2021

No.	List of Shareholders	Number of Shares	Proportion
1.	Mr. Sumeth Sethapanich	72,300,000	8.88%
2.	Mr. Pinyo Rukapunmethi	61,937,000	7.61%
3.	Mr. Krisada Pruthipat	55,923,365	6.87%
4.	Mr. Kachornsak Singunsern	42,800,000	5.26%
5.	Mr. Sirutt Ratanapaitoon	41,080,264	5.05%
6.	Mr. Trinawat Tanitnitipun	40,800,000	5.01%
7.	One to One Contacts Public Company Limited and One to One Contac Public Company Limited by Beyond Securities Public Company Limited	40,487,200	4.97%
8.	Mr. Suwit Shewathum	25,530,000	3.14%
9.	Miss Ratha Weerapong	21,000,000	2.58%
10.	Miss Punnipa Nethipong	20,029,360	2.46%
11.	Others	392,026,201	48.17%
	Total	813,913,390	100.00%

1.4 Amount of registered and paid-up capital

The Company has a registered capital amount of 1,144,559,696 Baht and a paid-up capital of 813,913,390 Baht, divided into 813,913,390 ordinary shares with a par value of 1 Baht per share.

1.5 Issuance of other securities

Warrant

1. The warrants to purchase newly issued ordinary shares of the Company No.3 (W-W3)

According to the resolution of the Annual General Meeting of Shareholders, No.1/2016 on April 29, 2016, the number of warrants is 16,415,04 units to the existing shareholders. In June 2021, W-W3 warrant holders exercise their rights for the last time on June 16, 2021, and the status of being listed securities has been delisted on June 17, 2021.

2. The warrants to purchase newly issued ordinary shares of the Company No.5 (W-W5)

The Extraordinary General Meeting of Shareholders No.2/2020 dated November 30, 2020, resolved to approve the issuance and offering of the 5th warrants to purchase the newly issued ordinary shares of the Company (W-W5) in the amount not exceeding 4,883,480,196 units to existing shareholders who have subscribed and paid the subscription price for the new shares in the ratio of 2.5 new shares per 1 unit of the warrant with free of charge. The Company allocated the 5th warrants to purchase the ordinary shares of Wow Factor Public Company Limited, (W-W5) to the shareholders of the Company whose names are listed as of December 26, 2020, which allocated a total of 4,883,479,841 units. For the remaining unallocated warrants in the total amount of 355 units, the Company will proceed to cancel the warrants of them.

Subsequently, on January 25, 2021, the warrants to purchase ordinary shares of WOW Factor Public Company Limited No. 5 (W-W5) were authorized to be listed securities and began to trade on the Stock Exchange of Thailand.

In this regard, the warrants are specified name and transferable within not over 3 years, 9 months and 23 days from the date of issuance and offer for sale. The warrant holders will be able to exercise their rights for the first time on October 28, 2022 and can exercise their rights under the warrants 2 more times until the expiration date of the warrants. As a consequence, the next exercise date will be on October 31, 2023 and the last date will be on the maturity date of the warrants, which will be on October 31, 2024. The exercise ratio will be equal to a warrant of 1 unit per 0.067 ordinary shares at the price of 2.10 Baht per share. However, the exercise ratio and the price may change in the case that the terms and conditions are modified.

1.6 Dividend Policy

The Company imposes a policy of dividend to pay dividends of not less than 50 percent from the net profit of the financial statements after corporate tax deduction. It will not include unrealized foreign exchange gains or losses, depending on the investment plan and other related factors. The Board of Directors may review or amend the dividend payment policy from time to time, to comply with the company's future business growth plans, investment needs, and other appropriate factors. However, such dividend payment will not exceed the retained earnings shown in the Company's financial statements.

The past dividend payment can be summarized in the shown table:

Dividend from the operation results	2021	2020	2019	2018	2017
Earnings per share (Baht)	(0.340)	(0.351)	(0.0022)	0.0017	(0.095)
Diluted Earnings per share (Baht)	(0.333)	(0.351)	-	-	-
Dividend per share (Baht)	-	-	-	-	-
Dividend payout to ratio (%)	-	-	-	-	-

Dividend Payment Policy of Subsidiaries

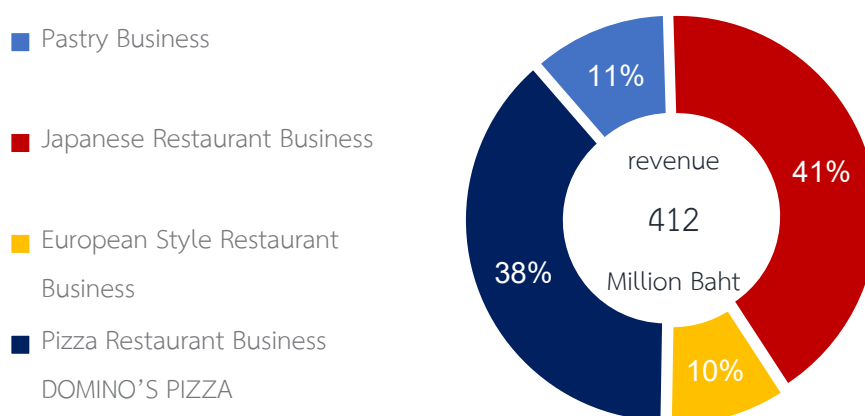
The dividend policy according to the Article Association of subsidiaries regarding dividends and reserves is formulated as follows:

“Paying dividends every time, the Company shall allocate money as a reserve fund for at least one-twentieth of the net profit it generates from its business until the reserve fund reaches one-tenth of the company's capital or more.”

2. Risk Management

For convenience and better understanding of business risk factor analysis, the Company would like to summarize the overall revenue and revenue proportion of each business. Details are shown in the diagram below. (The risk analysis of the Company's businesses is analyzed and considered based on cautions that may exist in business. However, there is still uncertainty whether it will affect the business in the future or not, the Company will clarify guidelines for resolving risks in each business)

Revenue Share of Wow Factor Public Company Limited



■ Pastry Business

1) Risk of Unpredictable Sales due to Highly Competitive Rates

Owing to the pastries and bakery industry in Thailand being highly competitive from both direct and indirect competitors, this has caused a risk of sales since 1) the pastries and bakery has currently competed on discounting prices or marketing incentives for market sharing. 2) new entrepreneurs have increasingly entered the market because they have low barriers to entry, and the investment in doing business is not high. Moreover, the products of each operator are not very different so customers are more likely to try new products and have less loyalty to the brand, and 3) this industry still faces competition from other indirect competitors such as health food businesses, homemade dessert businesses, which become more popular.

However, BAKE CO. has operated its pastry business under the brands “Bake Cheese Tart”, “ZakuZaku” and “RAPL”, which are well accepted in Japan and also popular among Thai people. It has also run the “Dhara Dhevi” brand since the year 2020 with a strong customer base, both locally and internationally. BAKE CO. has therefore taken advantage of doing business with other non-brand business competitors since it has regularly offered

its customers seasonal products to create new tastes and experiences. On the other hand, BAKE CO. has so far had a good track record in doing business in better locations. As a result, BAKE CO. is a company with the potential to negotiate for a sales area in a good location. This will give BAKE CO a significant competitive advantage in reaching customers. The Company has considered that those factors are suitable for further operating food and pastries. Not only existing business locations, but it has also attempted to search for other quality business locations, temporary business locations as well as pop-up stores for further extension of the business. Moreover, due to having positive feedback on delivery service, thus, it still focuses on improving its delivery channels to respond to the changing lifestyle of the young generation, which has received very positive feedback.

2) Risk of Unpredictable Sales due to Franchise Limitations

“Bake Cheese Tart” “ZakuZaku” and “RAPL” have run the products under a franchise agreement with strict conditions from the franchisor in Japan, for example, approval is required to modify or enhance the style and flavors of a product, an approval to determine and modify marketing strategies, store designs and locations. Every step must be reviewed and approved by the trade rights owner, which in some cases takes up to 3-4 months. This has caused the Company to be unable to adjust its products or strategies to meet the customer’s behaviors in the popular period. As a result, those brands lost their competitiveness in the pastry and bakery business to their competitors. This has also resulted in branches located in highly competitive locations, that experienced losses and had to shut down the business.

However, BAKE CO. has been aware of the limitation of the operations and tried to consult with the trade rights owner or franchisor. It has tried to solve the problem and set a medium and long-term plan continuously, in order that the approval process can respond to the marketing plan as specified. It has also coordinated with the owners of trade rights regularly with good relationships to drive BAKE CO.’s business operations to be streamlined and smoother. Moreover, BAKE CO. has been negotiating with the owner of the trade rights for flexibility in doing business and adjusting its strategies to respond to rapidly changing Thai consumers’ behaviors, competition, and limitations of the franchise business.

3) Risk of Cost Management

Currently, the pastry business has gained the situation of low gross margin and net profit. Thus, the volatility of costs, whether the cost of raw materials, staff, shipping, or others are significant factors of impact on earnings.

So far, BAKE CO. has imported key raw materials from the franchisor with a long-term contract of prices. In doing so, the cost of key raw materials of BAKE CHEESE TART, ZakuZaku, and RAPL has been less volatile, coupled with having a few types of costs and the efficient management of the cost of other raw materials by the executive management. This has reduced the risk of cost volatility and has helped to manage various costs effectively.

4) Risk of Supply Chain

A risk of the inability of sufficient feeding raw materials to the production process might occur from war abroad and situation of COVID-19 epidemic, which may affect transportation and product price. Many suppliers may be unable to deliver raw materials as specified or delay the delivery as well as increase the price of raw materials.

To create confidence in delivering products to customers with standards, customer satisfaction and specified targets, the Company has managed its risks in the supply chain as follows:

- Preparing the order estimation of raw materials in advance with sufficient quantities and the exact time to deliver the products with the timely demand and specified targets.
- Select other suppliers with equal quality of raw materials as an alternative for feeding more raw materials.
- Make a negotiation and contract with suppliers to determine the quality and price of raw materials in advance as possible.

5) Risk from Exchange Rate Fluctuations

BAKE CO., currently has main expenses, which are paid in Japanese Yen on franchise fees (for Bake Cheese Tart, ZakuZaku, and RAPL) and raw material costs. This has caused the company to be exposed to the risk of exchange rate fluctuations.

Thus, the executive has closely monitored and supervised this risk. If there is a tendency in fluctuations of exchange rates, it may consider entering into a Japanese Yen future contract with a bank or enter into other types of risk management contracts in order to manage costs and risks in doing business appropriately.

6) Risk of Rental Contract

Most of BAKE CO.'s space lease agreement has been done with a term of 1 year. So, it will cause a risk of not renewing the rental agreement or an increase in rent. Actually, the Company has a good relationship with the landlord, and never meet any trouble with renewing the lease. Therefore, it may consider that the risk of this matter is low. On the other hand, the brand power and a regular adjusting of the sale strategy by combining brands of Bake Cheese Tart, ZakuZaku, and RAPL into BAKE WORKS, has made confidence in the landlord and helped the increase its bargaining power related to rent, lease term and more positioning of shop locations.

7) Risk of Personnel Capability

The food business always uses a high rate of workforce and needs specific skills for employees to respond to the continuous growth of the restaurant business. That's why there is an increasing demand for skilled and experienced staff in the food business. Consequently, there has been a competition for personnel who is necessary for doing business. A high turnover rate has occurred and might have a shortage of employees at a certain time.

As the strength of the Company in the food business with a total of 9 restaurants brands, 58 brand branches excluding pop-up stores in 2021, it can provide a large number of skilled, experienced, and business-savvy employees. If there is a shortage of employees in the short term, the Company is able to rotate other employees in the same business subsidiaries to switch jobs to maintain the quality of food and service as a standard set. In addition, human resources department of the Company has had a long experience in the food business by focusing in recruiting new experienced personnel to replace the lacks of positions both part-time and full time and providing skill training for delivering quality food and service to meet customers satisfaction. Moreover, the Company's

executives have the policy to seek for knowledgeable and experienced personnel to be a part of business driving regularly.

8) Risk from Interest Rate Fluctuations

Currently, BAKE CO. has a credit line with a commercial bank. It has a plan to seek additional funding for a loan. The current interest rate of the loan is a floating interest rate. Actually, the interest rate that the commercial banks propose is also a floating interest rate as well. So, BAKE CO. may be exposed to interest rate fluctuations either.

To find additional sources of funds from the loan, the Company will attempt to reduce the risk of interest rate fluctuations by negotiating for the fixed interest rate enabling the Company to manage risk in business operations appropriately.

9) Risk of Cash Flow and Working Capital Management

The pastry business is a fast cash flow business. The working capital is, therefore an important factor that significantly affects the cash flow of the business. In other words, trading conditions with suppliers, such as payment periods, payment of deposit, facility fee, advance deposit for rental, or the formulation of inventories policy, have a significant impact on BAKE CO.'s business in terms of insufficient funding to continue its operations.

Consequently, the Company has the policy to prepare a cash flow projection at least 6 months in advance and improve the management of ordering to be more efficient. The aim is to reduce the duration of raw material reserve and to seek loans for the working capital of the Company. In addition, the Company will impose a policy to manage the minimum cash flow balance suitable for use in case of emergency, which will help it to continue its operations in the event of any unexpected circumstances.

10) Risk of Renewing the Franchise and the Renewal of the Joint Venture Contract

Since the franchise contracts of various brands have a contract term of about 5-10 years. So, when the contract expires, there is a risk that the franchise owner might not renew the contract or do a contract with other operators. However, such risks are generally low since BAKE CO. is currently a sole user of all three brands and is a sole proprietorship of assets of all branches. Those brands are managed by BAKE CO. In case of not renewing the contract by the owner, the contract will require franchise owners and new operators to start expanding all new branches and a significant reduction of the franchise owner's royalty fee income. In addition, the franchise owner and BAKE CO. have had a good relationship and trust for a long time in doing business in this county. It can be noticed that BAKE CO. has acquired the ZakuZaku and RAPL brand franchise for additional management after acquiring Bake Cheese Tart, including a propose of a new brand to additional markets in Thailand.

As for the joint business contract of the Dhara Dhevi brand, the contract term is short due to Dhara Dhevi is a new business of BAKE CO. Therefore, during the negotiation, both parties agreed to have a short period contract first for testing the market and consumer base in Bangkok. If the sales are satisfactory, they will negotiate the renewal of the contract. However, this might be a risk if the trade rights owner does not want to extend its contract at the expiration of the original contract. Nevertheless, BAKE CO. will further negotiate with the trade rights owner earlier to reduce the risk as such.

11) Risk of Shop Temporary Closure due to the Store Quality does not meet the Standard of the Trade Rights Owner

Since BAKE CO. manages its brand under the supervision of the trade-rights owner, the owner may send a representative to randomly inspect the standards in various aspects of the shop. In case of any shop does not meet the quality standards, the trade rights owner will propose various quality supervision measures, including temporarily closing the shop for about 1-3 days for improving quality in various aspects of standards.

Throughout the past operations, BAKE CO.'s shops have never failed to pass the quality inspection criteria from the trade rights owner. Since it has given importance to quality and standards in various aspects of the restaurant in order to deliver delicious desserts and standardized service. Moreover, BAKE CO. has always discussed and coordinated with the franchise owner, to ensure that all processes of the shop are in line with the standards as specified.

12) Risks from Economic, Political, Natural Disasters, and other Forces Majeures

Risks of slowdown and volatility of economic, political impact, natural disasters, and other forces majeure events are factors that greatly affect purchasing power and consumer spending. Various force majeure events such as the epidemic of diseases may also result in the government policy for supervision of restaurants. This can be seen from the impact of the COVID-19 epidemic, in which the government had a restriction of restaurant closure in Bangkok.

In dealing with those factors, the Company has assigned competent personnel to make preparation by assessing, planning, and adjusting its business strategies to respond to various factors that may arise. The Company has also prepared some measures to mitigate damage from force majeure as appeared in Master Franchise Agreement.

On the other hand, the Company believes that if it can maintain the balance of the proportion of products sales for eating in the shop, store sales, and delivery service without relying too much on income from any one way. It will be able to mitigate the effects of uncontrollable risks.

■ Japanese Restaurant Business

1) Risk of Unpredictable Sales due to Highly Competitive Rate

Although Japanese restaurants have currently a continuous growth rate and stay in the food category that consumers are very interested in. It is a business that does not invest with high funding sources and has dynamic cash flow turnover. In fact, it is a highly competitive business among the same or nearby business operators and can be replaced each other. According to such competitive conditions, the number of customers or the number of bills of KAGONOYA and YUMA stores may not reach the sales target. In addition, the food business is related to the economic situation and confidence in the country. From the information of the Office of Trade Policy and Strategy (OCP), it is found that the index of overall consumer confidence in 2021 increased from 42.1 to 43.0, mainly due to an increase in confidence in the future (index of current consumer confidence decreased from 35.8 to 35.3, but the confidence of future consumer increased from 46.2 to 48.1), reflecting the increasing current confidence in people's

spending due to the recovering of the global economy in many countries as well as the continuous improvement of the COVID-19 situation.

Nevertheless, Eastern Cuisine with its main business; KAGONOYA, has so far taken more advantage over the other non-brand Shabu buffet due to its reputation in Japan and in Thailand.

To increase the number of customers and reach the sales target, the Company will focus on aggressive marketing strategies, both offline marketing, for example, handing out flyers, sales promotions at branches, and online marketing, for example, public relations through social media, using an influencer to raise awareness of brands, annual special sales promotions. In doing so, it has expected that those strategies will help to increase the number of 20,000-30,000 customers per year. On the other hand, The Company also has the policy to enhance its services as well.

2) Risks of Unpredictable Sales due to Franchise Limitations

KAGONOYA has run the business under a franchise agreement with conditions from the franchisor in Japan. The implementation of marketing policy and product development must be approved by the trade rights owner, especially in some items that may take at least 1-2 weeks. This has resulted in adjusting strategies or products to meet the changing consumer behaviors in time.

KAGONOYA has realized those limitations of business operations and attempted to consult with the franchisor for solving problems continuously. It has plotted the business operations and regularly coordinated with the franchisor in advance. That's why KAGONOYA has never met any significant delay of the franchisor requirements and the franchisor helped to drive their business effectively.

3) Risk of Cost Management

The food business does not have a very high net profit margin. Due to volatility of costs whether the cost of raw materials, staff, shipping, or others, all have a significant impact on earnings.

The main cost of Eastern Cuisine has relied on raw materials, staff and rental. The employee and rental costs can be managed effectively if there is good planning. In terms of raw material costs, so far Eastern Cuisine has been in operation for over 9 years and adjusted its menus in order to provide more variety for customers while managing costs to tend to be lower as well.

4) Risk of Supply Chain

The risk from insufficient feeding of raw materials into the production process may have resulted from war situations abroad and the spread of the COVID-19 epidemic, especially in transportation costs and product prices. Due to many suppliers being unable to deliver as specified amounts or delayed as well as an increase in raw material price.

To ensure in handling product to customers with standard, consumer's satisfaction and achievement of the targets. The Company has managed the risks of the supply chain as follows:

- Preparing the estimation of orders with sufficient quantities of raw materials in advance, the appropriate time for transportation of the goods to keep up with the demand and targets.
- Procure other suppliers with the same quality raw materials as an alternative to feeding more raw materials.
- Negotiate and make a contract with suppliers to determine the quality and price of raw materials in advance as much as possible.

5) Risk of Rental Contract

Most of the space lease agreements of Eastern Cuisine's restaurants in various branches have a contract term of 3 years and 1 year in some areas. This might cause a risk when reaching the expiration of the contract. Eastern Cuisine may be at risk of not renewing the rental agreement or increasing rent. However, it has currently had a good relationship with landlords and never has had a problem renewing the lease before. This makes the risk of renewable lease contracts low. On the one hand, it has organized sales promotions with the space tenant to attract local customers to use more services in the area. The rental contract has a term of 1 year and the Eastern Cuisine still renews its lease agreement year by year, since it has considered that the rental area has been open for a long period with the number of customers and sales were not good as before. The year-by-year agreement will allow the Company not to lose the opportunity in acquiring other better locations.

6) Risk of Exchange Rate Fluctuations

Currently, Eastern Cuisine has paid a franchise fee in the Japanese Yen and is subject to a risk of exchange rate fluctuation.

Its executive has closely monitored and supervised this risk. In case, there is a tendency for exchange rate fluctuations, they may consider entering into a future Japanese Yen contract with a bank or entering into other types of risk management contracts in order to be able to manage costs and risks in doing business appropriately.

7) Risk of Personnel Capability

The food business has used a high rate of the workforce and needs specific skills employees to respond to the growth of the restaurant business. That's why there is an increasing demand for skilled and experienced staff in the food business. Consequently, there has been a situation of personnel piracy who is qualified in this business. A high turnover rate has occurred and might have a shortage of employees at a certain time.

As the strength of the Company in the food business with a total of 9 restaurants brands, 58 brand branches excluding pop-up stores in 2021, it can provide a large number of skilled, experienced, and business-savvy employees. If there is a shortage of employees in the short term, the Company is able to rotate other employees in the same business subsidiaries to switch jobs to maintain the quality of food and service as a standard set. In addition, human resources department of the Company has had a long experience in the food business by focusing in recruiting new experienced personnel to replace the lacks of positions both part-time and full time and providing

skill training for delivering quality food and service to meet customers satisfaction. Moreover, the Company's executives have the policy to seek for knowledgeable and experienced personnel to be a part of business driving regularly.

8) Risk of Cash Flow and Working Capital Management

The food business is a fast cash flow business. The working capital is an important factor that significantly affects the cash flow of the business. In other words, trading conditions with suppliers, such as payment periods, payment of a deposit for the facility fee, advance deposit for rental, or the formulation of inventories policy, have been a significant impact on the business of Eastern Cuisine that may affect insufficient funding to continue its operations.

After the acquisition of shares, the Company has the policy to prepare a cash flow projection at least 6 months in advance and improve the management of ordering to be more efficient. The aim is to reduce the duration of raw material reserve and to seek loans for the working capital of the Company. In addition, the Company will impose a policy to manage the minimum cash flow balance suitable for use in case of emergency, which will help it to continue its operations in the event of any unexpected circumstances.

9) Risk of Renewing Franchise

Since KAGONOYA's brand franchise agreement is valid for a period of 5 years and automatically renews for a period of 5 years, unless with each party has given the other party written notice at least 3 months prior to the expiration of the contract that does not wish to renew the franchise agreement any further. The right to not renew the franchise agreement is at the sole discretion of the parties without any termination of the agreement.

In accordance with the terms of the franchise agreement, the parties may terminate the agreement by notifying the other party in writing upon the occurrence of the termination of the agreement. The termination of a franchise agreement is characterized by general terms such as bankruptcy, filing for bankruptcy, appointing a receivership officer, and liquidation of the other party. This includes any materials breached by the parties of the franchise and /or other contracts entered into between the parties, and unable to remedy the breach within 60 calendar days from the date of the notice of breach of contract.

Since the franchise contract has a term of 5 years. Thus, when the contract expires, there will have a risk that the franchise owner will not renew the contract, or do a contract with other operators. However, such risks are generally low as the franchise contract states that the contract can be renewed automatically for another 5 years with no limit on the number of renewals and Eastern Cuisine is currently a sole user of the brand in Thailand, and all branches' asset is belonged and managed by of Eastern Cuisine. If the franchise owner decides not to renew the contract. This will make the franchise owner and new entrepreneur have to start expanding all new branches. This results in a significant reduction in the franchise owner's royalty fee income. In addition, so far, the franchise owner and Eastern Cuisine have a long relationship with each other and have a timely payment of royalty fees. Consequently, the renewals made during 2021 are automatically done, and is expected there will be no such risk in the future.

10) Risk of Shop Temporary Closure due to the Store Quality does not meet the Standard of Trade Rights Owner

Since KAGONOYA manages its brand under the supervision of the trade-rights owner, the owner may send a representative to randomly inspect the standards in various aspects of the shop. In case of any shop does not meet the quality standards, the trade rights owner will propose various quality supervision measures, including temporarily closing the shop for about 1-3 days for improving quality in various aspects of standards.

Throughout the past operations, KAGONOYA's shops have never failed to pass the quality inspection criteria from the trade rights owner. Since it has given importance to quality and standards in various aspects of the restaurant in order to deliver delicious desserts and standardized service. Moreover, KAGONOYA has always discussed and coordinated with the franchise owner, to ensure that all processes of the shop are in line with the standards as specified.

11) Risks from Economic, Political, Natural Disasters, and other Forces Majeures

Risks of slowdown and volatility of economic, political impact, natural disasters, and other forces majeures events are factors that greatly affect purchasing power and consumer spending. Various force majeure events such as the epidemic of diseases may also result in the government policy for supervision of restaurants. This can be seen from the impact of the COVID-19 epidemic, in which the government had a restriction of restaurant closure in Bangkok.

In dealing with those factors, the Company has assigned competent personnel to make preparation by assessing, planning, and adjusting its business strategies to respond to various factors that may arise. The Company has also prepared some measures to mitigate damage from force majeure as appeared in Master Franchise Agreement.

On the other hand, the Company believes that if it can maintain the balance of the proportion of products sales for eating in the shop, store sales, and delivery service without relying too much on income from any one way. It will be able to mitigate the effects of uncontrollable risks.

■ European Style Restaurant Business

1) Risk of Unexpected Revenue

Although the food business in the future is expected to grow at a higher rate, due to the expected improvement of COVID-19 situations, as well as the greater adaptation of entrepreneurs to accommodate changing consumer behaviors. However, the food business remains highly competitive with the same business operators or nearby, and can be replaced by many others. As a result of such competitive conditions, the revenue of CCD, under the name "Crepes & Co. and Le Boeuf restaurant might not be as expected.

In addition, CCD's brand is a famous restaurant brand only in Bangkok. If other nationally famous or world-renowned restaurant brands enter this restaurant market, CCD's performance might be significantly affected in the future.

CCD still emphasizes its restaurant service with quality of taste and fine dining service by conducting continuous marketing with new distribution channels such as distribution through the website, reservation service, and delivery service in order to maintain sales as estimated.

2) Risk of Cost Management

The food business has not gained a high net profit due to its cost volatility such as raw materials, staff, transportation, others, etc. Those are significant factors that affected to performance of the main cost of CCD comprising of cost of raw materials, staff, and lease. The Company has considered that cost of staff and lease can manage effectively if there is well and sufficient planning. For the cost of raw materials, not many numbers of raw materials are used in the restaurant, this has resulted in easy negotiation with suppliers. CCD, itself has provided new suppliers regularly for obtaining quality raw material with moderate cost, for example, starting from its existing suppliers in order to increase bargaining power. In addition, the Company has also provided training courses for its staff to increase effective operational skills.

3) Risk of Supply Chain

The risk from insufficient feeding of raw materials into the production process may affect from war situation abroad and the spread of the COVID-19 epidemic to transportation and product price. As a result, many suppliers are unable to deliver as specified or are delayed as well as an increase in raw material price.

To ensure in handling the product to customers with standard, the consumer's satisfactory and achieve the targets specified. The Company has managed the risks of the supply chain as follows:

- Preparing the estimation for orders with sufficient quantities of raw materials in advance with appropriate time for transportation of the goods to keep up with the demand and targets.
- Procure other suppliers with the same quality raw materials as an alternative to feeding more raw materials.
- Negotiate and make a contract with suppliers to determine the quality and price of raw materials in advance as much as possible.

4) Risk of Rental Contract

Since CCD has operated its restaurant business by renting space. This might cause a risk in renewing the contract of rental or increasing rent when renewing the contract. However, CCD has prevented its risk by negotiating with the landlord to enter into at least 3 years of contract with a fixed rate of rent, including making a good relationship with the landlord by arranging promotions together to increase the customer base for itself and the landlord.

5) Risk of Personnel Capability

The food business has in needs a high rate workforce, and specific skills employees to respond to the increasing growth of the restaurant business. That's why there is an increasing demand for skilled and experienced

staff in the food business. Consequently, there has been a situation of personnel piracy who is qualified in this business. A high turnover rate has occurred and might have a shortage of employees at a certain time.

As the strength of the Company in the food business with a total of 9 restaurants brands, 58 brand branches excluding pop-up stores in 2021, it can provide a large number of skilled, experienced, and business-savvy employees. If there is a shortage of employees in the short term, the Company is able to rotate other employees in the same business subsidiaries to switch jobs to maintain the quality of food and service as a standard set. In addition, human resources department of the Company has had a long experience in the food business by focusing in recruiting new experienced personnel to replace the lacks of positions both part-time and full time and providing skill training for delivering quality food and service to meet customers satisfaction. Moreover, the Company's executives have the policy to seek for knowledgeable and experienced personnel to be a part of business driving regularly.

6) Risk of Cash Flow and Working Capital Management

The food business is a fast cash flow business. The working capital is, therefore an important factor that significantly affects the cash flow of the business. In other words, trading conditions with suppliers, such as payment periods, payment of the deposit for the facility fee, advance deposit for rental, or the formulation of inventories policy, have a significant impact on Crepes & CO. Development's business in terms of insufficient funding to continue its operations.

Consequently, the Company has the policy to prepare a cash flow projection at least 6 months in advance and improve the management of ordering to be more efficient. The aim is to reduce the duration of raw material reserve and to seek loans for the working capital of the Company. In addition, the Company will impose a policy to manage the minimum cash flow balance suitable for use in case of emergency, which will help it to continue its operations in the event of any unexpected circumstances.

7) Risk from Economic, Political, Natural Disasters and other Force Majeures

Risks of slowdown and volatility of economic, political impact, natural disasters, and other forces majeure events are factors that greatly affect purchasing power and consumer spending. Various force majeure events such as the epidemic of diseases may also result in the government policy for supervision of restaurants. This can be seen from the impact of the COVID-19 epidemic, in which the government had a restriction of restaurant closure in Bangkok.

In dealing with those factors, the Company has assigned competent personnel to make preparation by assessing, planning, and adjusting its business strategies to respond to various factors that may arise. The Company has also prepared some measures to mitigate damage from force majeure as appeared in Master Franchise Agreement.

On the other hand, the Company believes that if it can maintain the balance of the proportion of products sales for eating in the shop, store sales, and delivery service without relying too much on income from any one way. It will be able to mitigate the effects of uncontrollable risks.

■ Pizza Restaurant Business DOMINO'S PIZZA

1) Risk of Unexpected Sales

Although there are not many competitors in the quick-service restaurant market in Thailand, it is a highly competitive market. Its competitors have always imposed marketing strategies and promotions to compete for market share such as buy 1 get 1 free, or 50% discount sales, or opening pizza shops nearby the existing ones. Moreover, the competitors of the fast-food pizza restaurant market also have indirect competitors such as food and beverage outlets.

In addition, direct competitors of DOMINO'S PIZZA in Thailand are all been market makers for a long time. They occupied a large number of branches covering almost nationwide since they have highly invested in this business, which may create risks to the Company's business operation as the following analysis:

- The competitors are able to conduct marketing to create business profits at a lower cost since they have many numbers of stores covering many areas. Therefore, marketing at one time can create a huge impact on consumers.
- Many numbers of branches of the competitors can reduce more cost of management if the average per branch.
- With the huge investment and capital of the competitors, they have imposed marketing strategies of discount, exchange, and giveaways for a long period to attract customers and create barriers to market shares.

However, to prevent the risks as analyzed, the Company has attempted to manage the risks as follows:

- The Company believes that the food business is 4 key factors consuming products for daily life. The Company has tried to motivate consumers by maintaining the standards of products and service process of DOMINO'S PIZZA under the cooperation of the group of companies. In doing so, the Company has got the same standards as in the USA., which is the country of origin. This will create confidence among consumers in consuming the Company's products.
- The Company has attempted to respond to the needs of consumers in terms of price, taste, quality, channels to access products and services.
- The Company has set targets of average weekly order to monitor and adjust its strategies to stimulate its sales simultaneously in case there is a tendency for lower average weekly order.
- The Company has imposed a strategy of billing price per order to motivate a more orders of a group of customers. It believes that the key to DOMINO'S PIZZA is to offer quality products and accessible prices. The strategy, therefore, focuses on determining the same number of sales per customer (which is a reasonable average price for a consumer's ability to access goods and services in Thailand). The company tries to increase the number of consumers per receipt, including offering a set of pizza,

side dishes, and beverages to increase purchase value. So, the result is more sales per receipt, but the cost and value for each individual remain the same.

- It focuses on market positioning for easy access and expanding to new bases of customers. Since DOMINO'S Pizza has a different customers from the competitors, this has made the impact of competition is limited. Moreover, the competitors in the pizza restaurant business, such as the quick service restaurant, also granted a number of sub-franchise rights to other parties. The sub-franchise rights normally have involved more limitations of business operations than the self-owned shops. So, the competitors granted the sub-franchise, cannot truly compete with promotions.
- It has tried to increase the number of branches to reach more consumers by gradually opening branches to cover three-fourths of Bangkok and its vicinities, or at least 48 new branches, in accordance with the requirements of trade rights owners. The Company has the policy to choose new branches to be close to the community for its thorough and efficient delivery services.
- The Company has been negotiating with the trade rights owners in various conditions for more flexibility to respond to the radical change in Thai consumers' behaviors, including the intense competition in the pizza market in Thailand.

2) Risk of Cost Management

The food business does not have a very high net profit margin. Due to volatility of costs whether the cost of raw materials, staff, shipping, or others, all have a significant impact on earnings.

The main cost of DOMINO'S PIZZA has relied on raw materials, staff and rental. The employee and rental costs can be managed effectively if there is good planning. In terms of raw material costs, so far DOMINO'S PIZZA has allocated its central kitchen for producing the dough of pizza which is a key ingredient of the products. The Company is confident that it is able to manage the cost of raw materials in advance.

3) Risk of Supply Chain

The risk from insufficient feeding of raw materials into the production process may have resulted from war situations abroad and the spread of the COVID-19 epidemic, especially in transportation costs and product prices. Due to many suppliers being unable to deliver as specified amounts or delayed as well as an increase in raw material price.

To ensure in handling product to customers with standard, consumer's satisfaction and achievement of the targets. The Company has managed the risks of the supply chain as follows:

- Preparing the estimation of orders with sufficient quantities of raw materials in advance, the appropriate time for transportation of the goods to keep up with the demand and targets.
- Procure other suppliers with the same quality raw materials as an alternative to feeding more raw materials.

- Negotiate and make a contract with suppliers to determine the quality and price of raw materials in advance as much as possible.

4) Risk of the Product Unable to Meet Customer's Satisfactory

Groups of customers may be both satisfied and unsatisfied with every product. In practice, the Company has always developed new products with quality standards to respond to the needs of consumers. If the launched products are accepted by the consumers, the Company will take such products as permanent items in the shop's inventory. On the other hand, if any fixed items have started to decline in popularity, the Company will need to follow up and develop that item to meet the needs of customers.

5) Risk from Marketing Policy Unable to Respond to the Needs of Customers

To increase the number of sales in line with specified targets, the Company will emphasize an aggressive marketing strategy; both offline marketing (local store marketing) to reach all groups of consumers in communities, and online marketing strategy, such as public relations through social media to raise awareness of the brand and arranging annual special promotion events. The aim of the strategies is to increase customers and sales.

In addition, the Company has Know-How in the marketing of DOMINO'S PIZZA business around the world, and the Company will use marketing agents with competence at the national level, including recruiting competent personnel who understand very well on the consumers' behavior in Thailand in order to make marketing plans for the Company both online and offline.

6) Risk of Being Unable to Motivate New Customers to Take an Interest in Pizza and Place an Order Continuously

The Company has always recorded statistical information about the purchase of customers and used such information to set the plans for new product launches and also sales promotions to serve the needs of consumers based on customer preferences. The Company is therefore confident that if our offering can meet the customers' needs in terms of price, flavors, service, and ease of access, the customers shall return repeatedly. The Company aims for existing customers to come back for placing the order at least 4 times a year.

7) Risk of Being Unable to Deliver at a Specific Time and Shortage of Delivery Staff (Rider)

Due to focusing on a delivery channel by riders, if there are not enough delivery staff towards the number of orders on that day, the products will be delivered with a delay of more than suitable time around 20-30 minutes. This will result in a change in the taste and freshness of the food from the specified standard, including delaying delivery will result in customer satisfaction with the service. Afterward, it may result in not re-ordering of customers as well as orders via the delivery channels may not meeting the target.

To prevent the risk, the Company has provided its long-experienced personnel department in the food business to seek new experienced staff in replacing the missing positions, both part-time and full time. The department has also focused on arranging training courses for improving skills in delivering quality food and services as expected. Therefore, DOMINO'S PIZZA can easily rotate staff for replacing missing delivery employees by

manipulating, for example, the case of employees in the position of customer service expert; a position of employees with pizza cooking skills, and they are able to deliver products can be replaced in a shortage of delivery staff. Nevertheless, the Company, at present has enough potential staff to support the increasing orders in the future.

8) Risk from Problem of Information Technology System

DOMINO's PIZZA has utilized an information technology system to support order systems, for example, its internet system at the branch connects with order data through the call center. If the internet at the branch is disrupted, the connection of data will be interrupted. As a result, the order information through the call center cannot be connected to the branch and the branch is not able to produce products timely.

To prevent the risk, DOMINO's PIZZA has set up a whole set of steps to prevent problems from disruption of the information technology system and can be fixed in case of obvious problems. So far, it is found that problems in information technology system that causes customers unsatisfactory, are less likely to occur and resolve in a timely manner.

9) Risk of Rental

Normally, the rental contract of the owner of a real estate development project, which DOMINO's PIZZA is renting, has a term of approximately 1-3 years. There may be a risk of not renewing the rental agreement, or there is an increase in rent. However, DOMINO's PIZZA has never met the problem of renewing the lease since it has a good relationship with the landlord. As a result, the risk of a renewable rental contract is generally low. On the other hand, the Company has had a good track record in launching restaurants in good locations. It, therefore, feels confident that it will gain an advantage in negotiating with the lessor as well.

The Company also considers that the business model of DOMINO's PIZZA collected information about the successful owner's franchise in many countries. The model can be applied to open a smaller shop than the average size of a typical pizzeria and does not need to be located in a real estate development project, in which rents will be significantly reduced, but it can distribute the delivery service thoroughly and efficiently as well.

10) Risk from Exchange Rate Fluctuations

The DOMINO's PIZZA business has an expense that will pay in USD, such as store franchise fees and royalty fees, which are subject to the risk of exchange rate fluctuations.

To prevent the risk, its executive has closely monitored and supervised this risk. In case, there is a tendency for exchange rate fluctuations, they may consider entering into a future USD contract with a bank or entering into other types of risk management contracts in order to be able to manage costs and risks in doing business appropriately.

11) Risk of Personnel Capability

Actually, the Food business has used a high rate of workforce and needs specific skills employees to respond to the growth of the restaurant business. That's why there is an increasing demand for skilled and

experienced staff in the food business. Consequently, there has been a situation of personnel piracy whose qualifications are necessary for this business. Sometimes, a high turnover rate has occurred, and might have a shortage of employees at a certain time.

Nevertheless, the business of DOMINO's PIZZA Thailand is operated under the same standards as DOMINO's PIZZA worldwide. The trade rights owner has normally supervised and recommended to the Company about the operations. The Company, therefore, feels confident that its personnel is well knowledgeable in the standards of DOMINO's PIZZA.

As the strength of the Company in the food business with a total of 9 restaurants brands, 58 brand branches excluding pop-up stores in 2021, it can provide a large number of skilled, experienced, and business-savvy employees. If there is a shortage of employees in the short term, the Company is able to rotate other employees in the same business subsidiaries to switch jobs to maintain the quality of food and service as a standard set. In addition, human resources department of the Company has had a long experience in the food business by focusing in recruiting new experienced personnel to replace the lacks of positions both part-time and full time and providing skill training for delivering quality food and service to meet customers satisfaction. Moreover, the Company's executives have the policy to seek for knowledgeable and experienced personnel to be a part of business driving regularly.

12) Risk of Cash Flow and Working Capital Management

The food business is a fast cash flow business. The working capital is, therefore an important factor that significantly affects the cash flow of the business. In other words, trading conditions with suppliers, such as payment periods, payment of the deposit for the facility fee, advance deposit for rental, or the formulation of inventories policy, have a significant impact on the Company's businesses in terms of insufficient funding to continue its operations.

Consequently, the Company has the policy to prepare a cash flow projection at least 6 months in advance and improve the management of ordering to be more efficient. The aim is to reduce the duration of raw material reserve and to seek loans for the working capital of the Company. In addition, the Company will impose a policy to manage the minimum cash flow balance suitable for use in case of emergency, which will help it to continue its operations in the event of any unexpected circumstances.

13) Risk from the Quality of Products and Services do not meet the Standards of the Trade Rights Owner

According to the Master Franchise Agreement, the trade rights owner will always conduct random checks on various aspects of the store, including quality inspection of raw materials suppliers authorized by the trade rights owner. Nevertheless, if the standard of DOMINO's PIZZA under the management of the Company does not meet the standards of the trade rights owner, the Company must urgently take corrective action. This may cause some delays or interruptions in the sale of products or services.

The Company views that the above policy, although it may increase the burden on the Company, it will benefit the business in the long run. Since the personnel must be alert and careful to maintain business standards all the time. In other words, maintaining business standards will mean maintaining the stability of the Company's trade sustainably, which is beneficial to both consumers and shareholders of the Company.

14) Risk from Economic, Political, Natural Disasters and other Force Majeures

Risks of slowdown and volatility of economic, political impact, natural disasters, and other forces majeure events are factors that greatly affect purchasing power and consumer spending. Various force majeure events such as the epidemic of diseases may also result in the government policy for supervision of restaurants. This can be seen from the impact of the COVID-19 epidemic, in which the government had a restriction of restaurant closure in Bangkok.

In dealing with those factors, the Company has assigned competent personnel to make preparation by assessing, planning, and adjusting its business strategies to respond to various factors that may arise. The Company has also prepared some measures to mitigate damage from force majeure as appeared in Master Franchise Agreement.

On the other hand, the Company believes that if it can maintain the balance of the proportion of products sales for eating in the shop, store sales, and delivery service without relying too much on income from any one way. It will be able to mitigate the effects of uncontrollable risks.

15) Risk of unable to open branches as planned

According to the Company's business plan to open at least 48 branches of restaurants in accordance with the requirements of the trade rights owner, if the Company is unable to do so since the Company's performance may not be as expected, and the number of new branches is not in line with the requirements. There might be a risk that the contract from the franchise owner may be terminated.

To prevent the risk, the Company has prepared a short-term, medium-term, and long-term business plan by considering the potential to open new branches in Bangkok and its vicinities mainly based on the number on the number of households. It has determined the number of 30,000 - 90,000 households per 1 new branch, which is the average number of existing households per branch. It is found that the capability of DOMINO's PIZZA so far, in opening the new branches in Bangkok and its vicinities is as high as 98 branches. That's why the Company is confident that the opening of at least 48 new branches to cover three-fourths of Bangkok and its vicinities is a high possibility. In addition, if considering the potentials to open 500 new branches nationwide, the Company has considered that the risk of not being able to open those branches as planned to be limited.

3. Business Drive for Sustainability

3.1 Overview of Business Management Policy for Sustainability

The Company has driven its business under the principles of Good Governance. It has taken into account the fair interests of every shareholder and is responsible for all stakeholders for sustainable growth together. The framework of sustainable development and management is shown as follows:

1. Expand the growth of the food business and related businesses by aiming to be a part of the global community according to sustainable development goals.
2. Establish credibility and trust in conducting business with legal compliance, ethics, and local custom of business areas.
3. Manage business organization transparently, promote it to be moral, transparent, against misconduct and fraud in any form.
4. Political neutrality and the promotion of fair competition.
5. Respect and protect fundamental human rights, equality, and non-discrimination.
6. Focus on stakeholders and their expectations by creating sustainability together through social and business activities concurrently.
7. Manage human resources fairly and appropriately, especially in hiring works, promote skills and knowledge development as well as morals to existing human resources.
8. Give the issues of environmental impacts priority by attaching the environmental issues, negative and positive impacts to the decision-making process of investment.

In this regard, the Company has emphasized the regular monitoring and assessment of stakeholders' expectations and reports to the Board of Directors and the Executive Board.

3.2 Business Value Chain

The development of the value chain is an important strategy resulting in business success. Therefore, the Company has placed high priority to strengthen confidence in both quality products and sustainable growth. It has emphasized every step of production and the value chain as follows:

Procurement

The Company focuses on the process of procurement with effectiveness, transparency, and accomplishment to maintain the quality of products and services as the following factors:

- The standard procurement process must take into account social and environmental factors such as water management, occupational health, and safety, including cooperative governance to ensure that products are delivered to customers with quality and safety.
- Attach importance to the potential development of partners to get sustainably achievement and growth together by setting guidelines for trade partners and using risk management process for products and services along with management and checking the works in accordance with the standard and appropriate management process, for example, Domino Pizza is, not only the leader in effective pizza delivery but also to be an important part of the development of food delivery business.
- Consider the effects after consumption from procurement, for example, always using packaging without bleach and fluorescent agent for products that will not be harmful to health.

Production

The Company places importance and pay attention to every step of production as follows:

- Control the product quality in accordance with regulations and the standards for production management of all brands according to international standards of protecting the environment and safety of consumers which the company must comply by selecting and using quality and safety materials giving the highest satisfaction to customers according to safety production with good hygienic management.
- Consume natural resources such as water, energy, etc. with worthwhile and maximizing benefits without causing pollution to society and the environment as well as supporting technology and innovation continuously.

Distribution

The Company plans to extend branches in Bangkok, metropolitan provinces, and some potential tourism provinces by considering the following issues:

- Maintain the quality of all brands to meet the needs of customers coupled with keeping the relationship with trade partners by offering services with the professional standard.
- Utilize new technologies and innovations for management and product distribution as well as transportation, for example, using insulated pizza delivery bags to retain heat and maintain the crispness of fresh-baked pizza during the delivery service.
- Control the temperature of products appropriately from the factory to the customer or Cold Chain, such as using a temperature-controlled car to deliver goods from the central kitchen to the branch or control the delivery time to keep the product at the right temperature when delivered to the consumer.

Marketing and sales

The Company delivers products to customers via effective distribution channels by:

- Building strong networks focusing on making good relationships with customers in various projects and marketing promotion activities, especially on social media to raise awareness of customers such as a “new normal” and a “local store marketing” to create an appropriate marketing plan and reach consumers directly.
- Communicating and making public relations to express responsibility towards consumers and society or organizing “Serve Responsibly” project, offering services and sales promotion events to create a relationship with consumers and hearing their opinions through communication channels and bring the opinions to improve or respond to consumers’ needs.

Packaging Management

The Company gives an emphasis on recycling materials or packaging of products for re-production, such as paper boxes, carton boxes, glass bottles, cans, and plastic crates, including developing packaging from recycling or reused materials or Reuse and Recycle to reduce waste after consuming caused from “one-time-use” which increase excessive waste and high consumption of natural resource in the production process.

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Overview Policy

The Board of Directors of the Company sets policy for the Company’s business operations and its subsidiaries with the responsibility to society, the environment, and stakeholders. The implementation of the policy aims to conduct a friendly environment production process for the safety of the local environment and communities. Its defensive policy always attaches to local laws, regulations, environmental requirements, as well as complying with relevant laws of remedial standards, prevention, and monitoring of environmental impact.

3.3.2 Environmental Performance

The Company has coped with the situation of the COVID-19 epidemic in 2021. Several internal measures have been set up in which the Company believed that everyone in the Company and departments can play their roles as a small cog to prevent the spread of the disease. In doing so, the Company has requested the employees’ cooperation in the measures, for example, a time-lapse working in the office, a campaign “eat hot, our spoon and always wash hands”, distributing masks to employees and distributing hand sanitary to customers at the Company’s restaurants.

The Company has formulated a concrete environmental program by focusing on co-existence with communities, supporting operations based on UN Sustainable Development Goals (SDGs), reducing human rights problems as well as decreasing social inequality. The Company has currently supported continuously in creating a

culture of conservation and energy saving in our staff, for example, water-saving, electricity-saving, reducing paper usage, waste management, etc. As a result, the Company has so far not been involved with any record of environmental disputes.

For the information on greenhouse gas emissions in the year 2021, the Company's Board of Directors has formulated a plan and committed to reducing the negative impact on the environment and management of greenhouse gas emissions to reach international standards in 2021. The executives have initiated a plan to study and have prepared its readiness for the year 2021, and the plan will be implemented in the year 2022. The 2021-2022 plan has started from collecting data, studying and analyzing the processes that have an impact, setting plans for improving processes, scheduling operations, analyzing the effects after improving, assessing the gas emissions, and reporting to the Board of Directors. Thus, at the end of 2021, the plan has been implemented and the Company has expected to disclose the information soon.

3.4 Sustainability Management in Social Dimension

The Company has run its business with sustainability management in the social dimension, especially on fair treatment and human rights with labor. It is stipulated as a part of business ethics in the Company that every employee must have a duty to follow it. A concrete sustainability development plan has been formulated for the year 2022 implementation which encourages the engagement of employees and local communities in doing sustainability activities together. The Company so far has tried to develop and give training to our employees to maintain fair compensation and formulate a fair recruitment process. However, during the COVID-19 epidemic crisis, the company has also tried to give various assistance or reduce negative effects measures to the employees, for example, there is no termination policy, issuing measures to work in shifts whereas the Company's sales decreased dramatically.

In addition, the Company has also organized activities to encourage medical personnel to work as the front-line warrior in stopping the spread of COVID-19. Details of the activities are shown below

- KAGONOYA restaurant and Le Boeuf restaurant deliver meal packages to Thammasart University Hospital on May 31, 2021, to encourage medical personnel working to stop the spread of the COVID-19 crisis.





- On August 5, 2021, Wow Factor Public Company Limited and employees supports food packages for medical personnel at Institute of Neurology



- DOMINO'S PIZZA gives thankful support and encouragement to medical personnel working on preventing COVID-19 in June 2021





- DOMINO'S PIZZA gives encouragement to Thai people in vaccination to prevent COVID-19 outbreak during June 7-30, 2021.



- DOMINO'S PIZZA supports 300 packages of pizza to personnel and volunteers of vaccination center for preventing COVID-19 at Kasetsart University on August 28, 2021.



4. Management Discussion and Analysis

4.1 Operations and Financial Position Analysis

4.1.1 Business Performance Overview of 2021

In 2021, Wow Factor Public Company Limited (“the Company”) reported total revenue of 412 million Baht which declined from 2020 by 3 million Baht. This decrease was due to the disposal of investments in subsidiary companies operating in the production and distribution of electronic spare parts in October 2020, resulting in a fall in revenue generated from producing and distributing electronic spare parts by 206 million Baht. Nonetheless, revenue generated from sales of food and beverages increased by 203 million Baht from 2020 which was a result of the asset acquisition from the transfer of pizza restaurant business under tradename “DOMINO’S PIZZA” in October 2020 which led to a higher sales revenue of 133 million Baht and growth in sales of current business by 70 million Baht attributable to modifications of business strategies to accommodate the New Normal, as well as strengthened marketing plans in respect of branding.

With regards to profit and loss from cash flow generated from operating activities, there was a reported loss of 145 million Baht (excluding special particulars unrelated to business operations such as loss from disposal of investments in the electronic spare parts business, impairment loss from intangible assets, and other special profit/loss reported). This loss can be categorized into loss in cash flows from operating activities of Domino Asia Pacific Company Limited (A subsidiary company that acquired the pizza restaurant business under tradename “DOMINO’S PIZZA”) amounting to 124 million Baht and loss in cash flow from operating activities of current businesses amounting to 21 million Baht, in which this loss decreased from the previous year when the loss reported was approximately 41 million Baht. This outlines a 20 million baht decrease in losses or 49% increase in cash flow because of improved sales of the group company, especially from KAGONOYA which has seen a refinement in the quality of food and services, an increase in expansion of branches throughout 2021, diversification of price ranges, and modification of menu to highlight beef offerings as it is KAGONOYA’s key strength. Moreover, the expansion of branches for all brand throughout 2021.

As for Domino Asia Pacific Company Limited, a subsidiary of the company, it acquired the DOMINO’S PIZZA in October 2020 and has started to operate since then. In 2021, the total revenue reported was 158 million Baht and the loss of cash flows from operating activities stood at 124 million Baht which was according to the company’s expectations that it would take at least 3 years for a payback period. Additionally, from sales in the 4th quarter of 2021, there was an increase in sales revenue from 2020 by 23 million Baht, or approximately a 92% increase when compared to the 4th quarter of 2020. The increasing trend was attributable to the expansion of

the customer base as a result of branding and an increase in the number of branches since the transfer of business by 26 branches, totaling 31 branches by the end of 2021.

Amendments in Thai Financial Reporting Standards affecting Financial Statements

Thai Financial Reporting Standard No.16 (TFRS 16), Lease

The standard amends of COVID-19 related rent concessions which permits lessees, as a practical expedient, not to assess whether rent concessions that meet specified conditions are lease modifications.

The group company has complied with the revised financial reporting standards and received COVID-19-related rent concessions according to TFRS 16 from 1 January 2021 resulting in lease payment for the year ended December 31, 2021, falling by 6.3 million Baht.

4.1.1 1) Effects of External Factors on Company's Performance

Thailand's Gross Domestic Product (GDP) increased by 1.6% in 2021 compared to 2020, when GDP contracted by 6.2% and inflation was 1.2%. This was a result of an increasing COVID-19 vaccination rate as well as the opening of the Thai border to foreign tourists on November 1, 2021. Nonetheless, the aggravation of the COVID-19 situation during the middle of 2021 causes the Center for Covid-19 Situation Administration (CCSA) to elevate measures and enforce them for a longer period than the previous year (2020). These forces restaurants operating inside department stores and community malls to temporarily close and limit the number of seats and opening hours. Therefore, the aggravation of the COVID-19 situation and the uncertainties of government measures have affected the performance of the group company in both its abilities to generate profit and sales aspects.

	Year 2021	Year 2020
(Same-Store Sales Growth – SSS)	16.8%	(8.7%)
(Total System Sales Growth – TSS)	45.0%*	(14.7%)

*Note: The group company has adjusted the revenue of the DOMINO'S PIZZA brand for the year 2020, which is compared to a full year (annualized) since the Company had acquired the DOMINO'S PIZZA brand and started operating from October 1, 2020.

In 2021, the company's same-store sales (SSS) grew by 16.8% compared to 2020. The main driver of this growth was the increase in same-store-sales of DOMINO'S PIZZA which grew by 55% due to improvements in DOMINO'S PIZZA since the acquisition of business transfer such as, market research to bring forward promotions according to target customers, refinements and expanding branches to meet customers' demand, and advancements of a central kitchen. Additionally, during the year, the company has released promotions to attract a larger customer base, increase selling points and strengthen the company's brand name. With regards to the current restaurant business, although there was a direct effect from Lockdown measures forcing the restaurant to

temporarily close, limiting the number of seats and opening hours causing dine-in revenue to fall significantly, the company has managed to increase sales revenue generated from delivery channels and expand customer base following a shift in sales and menu strategies during the midst of 2020 causing growth in the number of branches to increase by 0.3% from 2020.

Additionally, in 2021, the company reported an increase in total system sales growth (TSS) by 45.0 % because of the growth in current business and a new brand (DOMINO'S PIZZA) which was acquired in 2020, on top of acceleration in branch expansion to reach target customers from all of the company's brand. Moreover, the company has been investing its efforts in diverse varieties of food and beverages of its brand to strengthen the business as well.

4.1.1 2) Non-Incurring Item

(Unit: Thousand Baht)

	Year 2021	Year 2020	Increase (Decrease)
Loss from selling Investment in a Subsidiary	-	(119,791)	(119,791)
Reversal of allowance for doubtful accounts	-	3,067	(3,067)
Reversal of loss on impairment of intangible assets	-	22,140	(22,140)

Loss of Disposal of Investment in a Subsidiary

In 2019, the Company disposed of investments in a subsidiary (EIC Semiconductor Co., Ltd.) by 49% amounting to 118 million Baht and in 2020, the Company disposed of the remaining investments (51%) to an unrelated party for 122 million Baht. The Company reported a loss of this disposal of investments according to the equity method for 120 million Baht in the income statement as an item unrelated to operating activities.

Reversal of allowance for doubtful accounts

In 2020, EIC Semiconductor Co., Ltd. (subsidiary) received the payment from accounts receivable who recorded the allowance for doubtful accounts amounting to 3 million Baht. Anyhow in 2021, the group company's key business was mainly food & beverages which mostly has no outstanding balance; therefore, no allowance or reversal of doubtful accounts was recorded during the year.

Reversal of loss on impairment of intangible assets

In 2020, the Company hired an independent appraiser to assess the value of investments in subsidiaries and trademarks. Due to the improvements in operating performance in Bake Cheese Tart, a reversal of trademark

impairment loss amounted to 22 million Baht has been recorded. The reversal of such loss on impairment loss is an item unrelated to normal operations.

4.1.2 Business Performance and Profitability

1) Sales and Cost of Sales

Sales of goods can be categorized into two groups 1. Production and distribution of electronics parts and 2. Sales of foods and beverages. The details of sales and cost of sales are as follows.

	(Unit: Thousand Baht)	
	Year 2021	Year 2020
Production and distribution of electronic spare parts		
Income from sales of goods	-	205,905
Cost of sales	-	(180,857)
Gross Profit	<u>-</u> 0%	<u>25,048</u> 12%
Sales of food and beverages		
Income from sales of goods	412,456	209,710
Cost of sales	(219,011)	(105,135)
Gross profit	<u>193,445</u> 47%	<u>104,575</u> 50%

Sales from productions and distribution of electronic spare parts

Revenue from sales and cost of sales from production and distribution of electronic spare parts decreased from the year 2020 because the Company disposed of investments in a subsidiary (EIC Semiconductor Co., Lt.) in October 2020 causing revenues generated from sales of production and distribution of electronic spare parts to decreased by 206 million Baht, or a 100% decline. The gross profit margin was at 12% due to an increase in raw materials cost from alternating ingredients to satisfy the demand of American customers

Sales of foods and beverages

Revenues from sales of foods and beverages increased from 2020 by 203 million Baht as a result of an increase in DOMINO'S PIZZA sales since the group company completed the acquisition in October 2020 by 133 million Baht and an increase in revenues from sales of food and beverages excluding DOMINO'S PIZZA by 70 million Baht. Although in 2021, the Thai economy remains affected by the COVID-19 situation causing the Center for COVID-19 Situation Administration (CCSA) to step up measures to control the situation and enforce at a longer period than the year 2020, the sales figures of every brand (excluding DOMINO'S PIZZA) increased. This is especially

for KAGONOYA, a shabu brand that reported an increase in sales by 52% from 2020 due to expansion of customer base because of adjustments of strategies on sales and menu since the midst of 2020, as well as opening new branches at Central Rama 9 and Central Rama 3 during 2021 which has received positive feedback from customers. Additionally, due to stricter and longer periods in the enforcement of government policies (Department stores and community malls were closed in August 2021), this resulted in a proportion of delivery sales in 2021 increased which caused the average gross margin of the group company to decrease by approximately 3% (the average cost of delivery is higher than dining in the restaurant around 5 – 10%).

Nonetheless, the group company's total revenue in 2021 was not different from 2020 even though it disposed of its investments in the production and distribution of spare parts in October 2020.

2) Other Income

Other income increased from the year 2020 by 9.6 million Baht due to discounts on rental fees during the COVID-19 situation by 6.3 million Baht. Additionally, the group company received a subsidy from the government for 4 million Baht as it operated in the food and beverages business.

3) Selling Expenses

	(Unit: Thousand Baht)		
	Year 2021	Year 2020	Increase (Decrease)
Employee costs	77,343	37,997	39,346
Rental, service fee and utilities expenses	62,438	34,086	28,352
Depreciation and amortization	58,563	31,045	27,518
Advertisement and sales promotion	32,312	10,951	21,361
Supplies	15,851	5,315	10,536
Others	34,527	13,753	20,774
Total	281,034	133,147	147,887

Selling expenses of the group company for the year 2021 increased from 2020 by 148 million Baht as a result of the completion of the business transfer of DOMINO'S PIZZA in October 2021, which now has 31 branches in total. Therefore, this causes employee expenses and selling expenses such as commission, royalty fees, operation supplies, advertisement, and promotion expenses to increase significantly.

4) Administrative Expenses

(Unit: Thousand Baht)

	Year 2021	Year 2020	Increase (Decrease)
Employee costs	74,901	36,147	38,754
Professional fee (a)	16,551	14,526	2,025
Rental and service fee (b)	5,389	4,167	1,222
Depreciation and amortization	60,547	38,390	22,157
Others	23,883	23,067	816
Total	<u>181,271</u>	<u>116,297</u>	<u>64,974</u>

Administrative expenses increased from the year 2020 by 65 million Baht as a result of the completion of the business transfer of DOMINO'S PIZZA in October 2020 which caused employee cost, depreciation and amortization expense to increase.

- (a) Professional fee increased from the year 2020. This was attributable to the legal advisory fee and other fees required to open the 1450 hotline number, which is used as the main business number for DOMINO'S PIZZA for 1.2 million Baht.
- (b) Rental and service fee increased from the year 2020 due to the warehouse rental fee of DOMINO'S PIZZA amounting to 2.7 million Baht. Nonetheless, the Company disposed of its investments in a subsidiary (EIC Semiconductor Co., Ltd) in October 2020 resulting in rental fees decreasing by approximately 0.2 million Baht per month, thus, the overall rental and service fees were not significantly higher.

5) Directors and Managements' remuneration

The remuneration decreased from the year 2020 by 5 million Baht due to the disposal of investments in EIC Semiconductor Co., Ltd. resulting in directors and managements' salaries to decreased by 4.2 million Baht.

6) Income Tax

The group company reported an increase in income from income tax by 8.3 million Baht from the year 2020. This was attributable to the subsidiary's reversed deferred tax assets arising from compensation provisions due to the received payment of 2.4 million Baht, which occurred in quarter 1 of 2020. Additionally, in 2021, the Company also recorded additional deferred tax liabilities from the reversal of the loss from impairment of trademark BAKE incurred at the end of 2020

4.1.3 Asset Management Performance

1) Receivables Management

The total amount of account receivables and other receivables as of December 31, 2021 was 36 million Baht. This amount consisted of 5 million Baht of account receivables and 31 million Baht of other receivables such as refundable value-added tax, prepaid expenses, and advance payments. Account receivables and other receivables increased by 10 million Baht or approximately 39% from December 31, 2020. This was mainly due to a 4 million Baht increase in revenue's department receivables as a result of input tax for the construction of new branches. Additionally, there was an increase in undue input tax items by 1.2 million Baht due to the posting of accrued expenses that had not been invoiced during the year. Moreover, there was an increase in account receivables by 1.3 million Baht because of an increase in the number of branches in department stores resulting in the collection having to be made on a monthly basis, causing such receivables to be higher. In 2021, the company reported an account receivable turnover ratio of 93.99 times and an average collection period of 4 days, implying that the company can collect its receivables 41 days faster than in the year 2020. This was because, in 2021, the company only operates in the selling of food and beverages business and not the production and distribution of electronic spare parts, causing account receivables to decline significantly.

The group company has set an allowance for doubtful accounts to reflect impairments of account receivables in connection with estimated losses resulting from the inability of customers to repay. The group company has assessed future cash flows in the future on the basis of experience in receivables follow-ups, reputation, default histories, and market trends.

2) Inventory Management and Obsolescence

In 2021, the Company had net inventories amounting to 35 million Baht which increased by 15 million Baht or by 74% from the year 2020. This was due to an increase in raw materials by 12 million Baht as a result of a higher level of safety stock of raw materials to satisfy the expansion of branches that are occurring. As of December 31, 2021, the Company had an inventory turnover ratio of 7.91 times which increase from 2020 when the ratio was at 5.44 times, indicating that the Company has the ability to manage its inventories and the increasing demand for its goods.

Inventories are stated at the lower of either cost or net realizable value. The cost price of inventories is calculated using the first-in, first-out (FIFO) method, while the net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made, where necessary, for obsolete or slow-moving and defective inventories.

Inventory Allowance Policy

As for subsidiaries operating in the food and beverages business, inventories have been controlled to suit monthly sales volumes. Additionally, the Company has set a policy to set an allowance for the reduction of each type of inventory aging criteria. For frozen products with ages between 1- 180 days, the allowance is 50%, but if the products age are more than 180 days, the allowance is 100%. As for expired fresh and dry foods, these will be recorded as an expense in the income statement immediately.

3) Investment, Goodwill and Impairment

The Company had investments in subsidiaries with a net book value as of December 31, 2021 amounting to 771 million Baht. This consists of investment in Domino Asia Pacific Co., Ltd., which had a book value of 323 million Baht, investment in Food Holding Co., Ltd., which had a book value of 448 million Baht (Cost price was 600 million Baht and allowance of impairment was 152 million Baht). During the year 2021, the Company has not invested in subsidiaries.

Investment Impairment Policy

At the end of the reporting period, the group company will assess whether there are any indications of asset impairments. If there are indications of impairments, the group company will estimate the asset's recoverable amount. If it is found that the carry amount of the asset is higher than the expected recoverable amount, the group company will reduce the asset's value to a recoverable amount, recognizing the loss on impairment in the income statement. Subsequently, if there is an indication the assets' impairment has been eliminated or reduced, the company will reassess the recoverable amount of the asset to compare with the book value of the asset and reverse the impairment loss that was recognized in the previous year to reflect the change in estimations of recoverable amount.

Goodwill Impairment Policy

At the end of the reporting period, the group company will assess the impairment of goodwill by estimating the recoverable amount of cash-generating units. An impairment loss will be recognized when the carrying amount of goodwill exceeds its recoverable amount, this impairment loss will be recorded in the income statement.

During the year 2021, there was no impairment of investment and goodwill recorded.

4.1.4 Liquidity and Capital Adequacy

Sources and uses of funds

	(Unit: Thousand Baht)		
	Year 2021	Year 2020	Increase (Decrease)
Net cash used in operating activities	(139,046)	(30,114)	(108,932)
Net cash used in investing activities	(73,972)	(345,970)	271,998
Net cash provided from financing activities	197,615	377,765	(180,150)
Effect from exchange rate changes	-	363	(363)
Net increase (decrease) in cash and cash equivalents	(15,403)	2,044	(17,447)
Cash and cash equivalents at beginning period	43,416	41,372	2,044
Cash and cash equivalents at ending period	28,013	43,416	(15,403)

The increase in net cash used in operating activities from 2020 was mainly due to the operation of 2021 as a result of the completion of the transfer of DOMINO'S PIZZA, causing the company to incur higher selling and administrative expenses while sales of DOMINO'S PIZZA have not grown to the break-even point. Additionally, there was an increase in investments in operating assets during the year as well.

Net cash used in investing activities in 2021 amounted to 74 million Baht which decreased significantly from 346 million Baht in 2020 because, in 2020, the Company had paid 315 million Baht to acquire DOMINO'S PIZZA. In 2021, the main investing activities were to acquire both tangible and intangible assets amounted to 73 million Baht which was a result of a branch expansion during the year.

Net cash provided from financing activities in 2021 amounted to 198 million Baht, while in 2020, net cash provided from financing activities was 378 million Baht, implying a decrease of 180 million Baht. This was attributable to the general mandate of 338 million Baht to (1) Pay compensation for the transfer of DOMINO'S PIZZA business (2) Repay a partial current loan and (3) Use as working capital. As for 2021, most of the group company's funding came from short-term debts to be used for operations and branch expansions of the group company.

Capital Expenditure

The Company had capital expenditure of 73 million Baht as a result of investments in new branches of KAGONOYA brand in Central Rama 9 and Central Rama 3, investments in BAKE WORKS brand in Central Pinklao, Central World, and improvements in Siam Center branch, investment in Le Boeuf brand in Ari and, investments in DOMINO'S PIZZA brand at Central Rama 4, Central Pinklao, Bang Son, People Park, Ladprao 112, Pracha Songkhro, and Sukhumvit 71

Liquidity

The Company's liquidity ratio decreased from 2020, when it fell from 0.56 times to 0.22 times. The quick ratio also decreased from 0.30 in 2020 to 0.07 in 2021. This was due to an increase in short-term borrowings from related and unrelated parties and reductions in cash/bank deposits to be utilized for branch expansions and business operations, especially during the COVID-19 situation in which measures were under control for longer than the year 2020. In addition, creditors have requested to extend payment credit causing liquidity to reduce.

As of December 31, 2021, the cash cycle was (39) days which was 87 days shorter than the year 2020 whereby the cash cycle was 48 days because in 2021, the Company mainly operates in the food and beverages business in which sales are mostly made in cash, shortening inventory period, cash collection period, and consequently, shortening cash cycle. The average collection period was 4 days, the average inventory period was 46 days, and the average payment period was 89 days (As of December 31, 2020, the average collection period was 45 days, the average inventory period was 67 days, and the average payment period was 63 days). Nonetheless, the Company had seen a longer average payment period which signifies negotiation ability to lengthen the payment period for creditors of the company.

Debt Affordability

The Company is determined to maintain an appropriate capital structure with low financial cost in order to sustain the ability to continuously operate the group company and most importantly, to generate returns to shareholders and benefit other stakeholders. As of December 31, 2021, the Company reported total liabilities of 647 million Baht and shareholder's equity of 673 million Baht. The Company had a debt-to-equity ratio of 0.96 which has increased from 2020 due to an increase in debt of 315 million Baht, or equivalent to 95% increase (As of December 31, 2020, debt to equity ratio was 0.35). This was due to 1) an increase in short-term loans of 235 million Baht, which were loans used to improve liquidity during the outbreak of COVID-19 and expansion of subsidiaries branches 2) an increase in account payables and other payables of 49 million Baht due to an increase in credits from trading partners 3) an increase in liabilities under lease agreements by 28 million Baht which arises from the Company recording lease agreements with the term of more than 1 year during the year as liabilities under lease agreements.

Additionally, the ability to pay interest and obligations as well as dividend payments are not taken into account because the Company reported a negative operating result

Financial Arrangements

(Unit: Thousand Baht)

	Annual interest rate (percentage)	Loan Type	Maturity Date	Loan Amount As of Dec 31, 2021
<u>Short-Term Loans</u>				
Bank overdrafts	MOR	Overdraft agreement	-	7,792
Short-Term Loans	6.00 - 15.00	Promissory note	Feb 28, 22, May 31, 22 and Jun 30, 22	256,941
Liabilities under trust receipt agreements	MLR - 2	Credit agreement	-	8,274
Short-Term loan from related parties	6.00	Loan agreement	Due at call	28,536
<u>Long-Term Loans</u>				
Long-Term Loans	MLR - 1	Loan agreement	Mar 27	9,628
Long-Term Loans	Without interest rate	Loan agreement	May 30	521
Long-Term Loans	MLR - 2	Loan agreement	Sep 23	402
Long-Term Loans	Year 1-2: 2 Year 3-5: 6 Year 6: MRR+1	Loan agreement	May 28	5,912

In this regard, the Company needs to borrow more money to use working capital as it requires sufficient and timely cash to operate in expanding branches of restaurants in the Company's chain to reach a larger customer base,. Additionally, the effect from the government's measures to alleviate the outbreak of COVID-19 causes declining sales in the period for the group company including still having to bear the constant costs such as employee expenses or rental expenses, emphasizing a greater need for capital injection into the group company than during the normal period in order to manage inventories, adjust sales model according to the situation and create marketing campaigns to retain customers, sales figures and manage other expenses.

4.1.5 Obligation and Off-Balance sheet managements

As of December 31, 2021, and 2020, the group company had obligations for rental and services agreements and construction contracts which are due for payment as follows:

	Year 2021	Year 2020	(Unit: Thousand Baht) Increase (Decrease)
Rental and services			
Within 1 year	21,842	28,580	(6,738)
More than 1 year but not over 3 years	13,595	17,450	(3,855)
	<u>35,437</u>	<u>46,030</u>	<u>(10,593)</u>
Building improvement under construction and purchase fixed assets			
Within 1 year	<u>17,029</u>	<u>2,644</u>	<u>14,385</u>

The obligations that the group company has mostly arise from entering into rental and service agreements for the food and beverages business which cause risks to the group company to default on these liabilities if operating performance is not as expected. Throughout the previous year, the management group managed to enhance the performance of the food and beverages business. Even when faced with COVID-19, management was able to negotiate with lessors to reduce rental fees. Additionally, throughout history, the group company has never encountered any problems with payment to the lessor and has continuously complied with the conditions of the contract.

4.2 Potential factors affecting financial status and operations performance

Although throughout the past years, the Company has faced various economic volatility and social uncertainties which affected operating results such as the outbreak of COVID-19, political instability, and negative news that affect consumer confidence which is a negative factor for the overall economy. The Company still plans to maintain its performance and market share in the food and beverages business as expected and anticipates positive factors from the economic recovery that will stimulate consumers' purchasing power. Nevertheless, the company has plans to deal with any factors affecting the Company's future operations as follows

In 2022, the Company focuses on generating higher sales and controlling expenses to reach the break-even point and have positive cash flow from its core operations. The factor that will stimulate the continuous sales growth in 2022 is doing marketing from Data Analysis which is to use in-depth data to determine marketing directions and strategies such as doing market research or analyzing customer behavior to determine appropriate prices and products in accordance with customer demand. Therefore, the Company strives to foster tangible

trustworthiness from customers, such as providing special benefits if customers do not receive services according to the established standards of each brand.

As for brands under Food Holding Company Limited, in 2022, the company will continue its success in 2021 by striving to continuously develop products to maintain its popularity in accordance with changing consumer demands and opening new branches to reach out to larger target customers. Additionally, the company aims to increase efficiency in cost management and the ability to negotiate with landlords and suppliers to enhance profitability. The Company also aims to better manage sales distribution channels through collaboration with leading delivery platforms in Thailand to facilitate the delivery of quality food to customers more easily and aims to add new payment methods including both online systems and credit card partners. Nonetheless, the company will continue to prioritize customers' hygiene despite the alleviation of the COVID-19 situation. The Company still has plans for business expansion to build on the existing business, such as investment in fully integrated hotel restaurants serving breakfast, lunch, dinner catering, and sales of food and beverages in hotel rooms (room dining) where customers will be both hotel guests and outsiders. Continuing to expand to businesses that are currently in trend, such as fine dining, serving food that emphasizes the freshness of ingredients in a farm-to-table way, and expanding branches in potential locations.

The investment in DOMINO'S PIZZA business will be another crucial factor driving the Company's business in 2022 due to the large size of the Pizza business industry in Thailand. Moreover, DOMINO'S PIZZA is considered as a world-leading Quick Service Restaurant (QSR) which is very popular in many countries, equipped with technologies that can be used to improve customer service. Additionally, the Company focuses on selling products in the combo set with good value (price per person) similar to QSR restaurants and common food which can be accessible to all ages. Additionally, since the transfer of business, the company has built a brand that is accepted among customers in terms of quality and value for money, and geared up to expand more branches to cover Bangkok and metropolitan areas in 2022 with an effort to penetrate a larger group of consumers considering the potential location that can drive sales and reasonable rental fees that can foster the growth of the Company.

5. General Information and Other Significant Information

5.1 General Information, Company's Name, Address, Telephone Number, Fax Number, References

1) General Information of the Company

Company's Name	: WOW FACTOR PUBLIC COMPANY LIMITED
Symbol	: W
Headquarter Address	: 77/1 Soi Ruamsirimit, Chompol, Chatuchak District, Bangkok 10900
Type of Business	: W is a holding company with its main investment in subsidiaries operating the food business
Company's Registration Number	: 0107546000041
Telephone and Fax Number	: Tel: 0-2093-1681, 0-2004-5729 Fax: 0-2093-1684
Website	: www.wowfactor.co.th
Registered Capital Stock	: 1,144,559,696 Baht
Paid-up Capital	: 813,913,390 Baht
Number of Paid-up Common Stock	: 813,913,390 Baht
Par Value	: 1.00 Baht
Accounting Period	: 1 January - 31 December

2) General Information of Subsidiaries

Company's Name	: Food Holding Company Limited.
Headquarter Address	: 77/1 Soi Ruamsirimit, Chompol, Chatuchak District, Bangkok 10900
Type of Business	: Food Business
Telephone and Fax Number	: Tel: 0-2093-168 Fax: 0-2093-1684
Registered Capital Stock	: 750,000,000 Baht
Paid-up Capital	: 600,000,000 Baht
Shareholding	: 100% holding
Related Status	: Subsidiary Company (Direct Shareholding)
Company's Name	: Domino Asia Pacific Company Limited
Headquarter Address	: 77/1 Soi Ruamsirimit, Chompol, Chatuchak District, Bangkok 10900
Type of Business	: Food Business
Telephone and Fax Number	: Tel: 0-2093-1681 Fax: 0-2093-1684
Registered Capital Stock	: 430,000,000 Baht
Paid-up Capital	: 430,000,000 Baht
Shareholding	: 100% holding

Related Status : Subsidiary Company (Direct Shareholding)

3) General Information of Indirect Subsidiaries

Company's Name : Bake Cheese Tart (Thailand) Company Limited
 Headquarter Address : 574 Soi 27 (National Housing) Khlong Chan, Bang Kapi District, Bangkok 10240
 Type of Business : Food Business
 Telephone and Fax Number : Tel: 0-2093-1681 Fax: 0-2093-1684
 Registered Capital Stock : 1,000,000 Baht
 Paid-up Capital : 1,000,000 Baht
 Shareholding : Food Holding Company Limited 100% holding
 Related Status : Subsidiary Company (Indirect Shareholding)

Company's Name : **Eastern Cuisine (Thailand) Company Limited**
 Headquarter Address : 77/1 Soi Ruamsirimit, Chompol, Chatuchak District, Bangkok 10900
 Type of Business : Food Business
 Telephone and Fax Number : Tel: 0-2093-1681
 Fax: 0-2093-1684
 Registered Capital Stock : 74,000,000 Baht
 Paid-up Capital : 74,000,000 Baht
 Shareholding : Food Holding Company Limited 100% holding
 Related Status : Subsidiary Company (Indirect Shareholding)

Company's Name : **Crepes & Co. Development Company Limited**
 Headquarter Address : 77/1 Soi Ruamsirimit, Chompol, Chatuchak District, Bangkok 10900
 Type of Business : Food Business
 Telephone and Fax Number : Tel: 0-2093-1681
 Fax: 0-2093-1684
 Registered Capital Stock : 8,163,300 Baht
 Paid-up Capital : 8,163,300 Baht
 Shareholding : Food Holding Company Limited 100% holding
 Related Status : Subsidiary Company (Indirect Shareholding)

4) General Information of References

Securities Registrar : Securities Depository Company Limited
 93 Ratchadapisek Road, Din Daeng, Bangkok 10400
 Tel: 0-2009-9000
 Fax: 0-2009-9991
 SET Contact Center: 0-2009-9999
 Website: <http://www.set.or.th/tsd>

	E-mail: SETContactCenter@set.or.th
Auditors	<ol style="list-style-type: none"> 1. Mr. Somkid Tiatrakul, Certified Public Account No. 2785 2. Miss Kanyanut Siratchatcawan, Certified Public Account No. 6549 3. Mr. Narin Juramonkol, Certified Public Account No. 8593 4. Miss Sarunya Ackramahaphanich, Certified Public Account No. 9919 5. Miss Amornjit Baolorpetch, Certified Public Account No. 10853 <p>Grant Thornton Company Limited 11th Floor, Capital Tower Building, All Season Place, Wireless Road, Lumphini, Pathum Wan District, Bangkok 10330 Tel: 0-2205-8222 Fax: 0-654-3339 Website: www.grantthornton.com</p>
Legal Consultant	: Hunton Andrews Kurth (Thailand) Company Limited 1, Q House Lumphini Building, 34 th Floor, South Sathorn Road, Thungmahamek, Sathorn District, Bangkok 10120 Tel: 0-2645-8800 Fax: 0-2645-8880

5.2 Other Significant Information

-None-

5.3 Legal Disputes

5.3.1 A Claim for Recover Damage under Share Purchase Agreement of Smart Traffic Company Limited

According to the resolution of the Board of Directors Meeting, No. 8/2013 dated December 4, 2013, and the resolution of the Extraordinary General Meeting of Shareholders, No. 1/2014 dated February 13, 2014, approved to invest in Smart Traffic Co., Ltd. whereby the Company signed on the memorandum of December 4, 2014, for investment in Smart Traffic Co., Ltd of a 49 percent of the total shares at 500 Baht per share with a total investment share of 245 million Baht. The Company has made advance payments of 70 million Baht and has entered into a share purchase contract with the shareholders of the said company on May 14, 2014 in which the payment date is specified from May 14 to August 14, 2014.

Afterward, the Board of Directors Meeting No.14/2014 on November 2014, resolved to approve the amendment of the contract with the extension of the payment period from August 14, 2014, to be December 31, 2014, as well as the terms of payment of such shares. In 2014, the Company has purchased 302,000 shares of Smart Traffic Co., Ltd. a total value of 152 million Baht.

Subsequently, on March 27, 2015, the Board of Directors Meeting No.1/2015 resolved to approve the termination of the share purchase agreement of Smart Traffic Co., Ltd for the remaining 188,000 ordinary shares and called for a payment of 70 million Baht deposit back from Miss Pornphun Siriwong Na Ayudhaya (or call "Miss

Pornphun”) as a shareholder of the mentioned company. At that time, Miss Pornphun agreed to return the deposit of 70 million Baht with promissory notes dated March 27, 2015, due for payment on July 31, 2015. However, when the payment was due, it appeared that Miss Pornphun was unable to pay and always postponed the payment.

The Board of Directors Meeting No. 10/2015 dated August 19, 2015, resolved to approve the extension of the refund period for the advance payment of 70 million Baht to be within December 31, 2015, with interest at the rate of 3.5% per annum starting from August 1, 2015, onwards until the payment is complete. During the year 2016, the Company extended the period of repayment to Miss Pornphun several times, but the debt has not yet been repaid.

Therefore, the Board of Directors Meeting No.16/2016 dated November 11, 2016, considered and opined that Miss Pornphun was unable to pay the debt according to the amount and time specified, so it was resolved to prosecute Miss Pornphun to claim a deposit of 70,000,000 Baht according to the Company’s deposit payment for shares under the share purchase agreement. The Company filed a civil lawsuit with the Southern Bangkok Civil Court on December 1, 2016, which is a black case No. Por 2516/2559 to retrieve a deposit of 70,000,000 Baht and interest at a rate of 3.5% per annum since July 31, 2015, with interest on the date of filing, in the amount of 3,289,041.10 Baht. The total amount of principal and interest paid was 73,289,041.10 Baht, with the court scheduled a hearing on March 20, 2017.

On September 12, 2017, the Company and Miss Pornphun entered into a compromise agreement before the court. The court, therefore, gave the verdict to allow the case to be finalized according to the compromise agreement of the red case judgment No.1841/2560. Miss Pornphun agreed to pay the debt in the full amount of debt as sued in 73,289,041.10 Baht with interest at the rate of 3.5% per annum to the Company from June 16, 2017 until the repayment is completed by monthly installments of 2,500,000 Baht (two million and five hundred thousand baht only), and must be completed within October 2019. In addition, if Miss Pornphun defaults on payment of any installment or breach of contract, the Company can immediately enforce the case, including interest at the rate in the rate of 7.5% per annum of the outstanding balance counted from the date of default until the payment is completed.

During the year 2017, the Company received a payment of 5 million Baht from the defendant. On February 1, 2018, the Company also received another payment of 2 million Baht from the defendant. The Company recorded a reversal of allowance of doubtful accounts in the consolidated statement of comprehensive income for the year-end of December 31, 2017, amounting to 7 million Baht. However, Miss Pornphun failed to pay the debt according to the conditions specified in the compromise agreement.

On May 15, 2018, the civil court issued a warrant for the seizure of Miss Pornphun’s assets. The executing office proceeded to freeze the shares in the company that Miss Pornphun has ownership of shareholders with a total value of approximately 24.94 million Baht. On July 16, 2018, the Company’s lawyer filed a bankruptcy lawsuit

against Miss Pornphun, amounting to 68.93 million Baht, comprising a total outstanding amount of 67.85 million Baht with 7.5% interest per annum from February 1, 2018, until the date of the lawsuit.

On November 8, 2018, the Company signed a memorandum with Miss Pornphun on implements of repaying outstanding debt burdens between each other for all cases to settle disputes by a commitment to pay the 50 million Baht debt to the Company. In this regard, if the Company receives the full amount of debt, it agrees to file a petition to withdraw the bankruptcy lawsuit that the Company filed the lawsuit against Miss Pornphun and will withdraw the freeze on the shares of Smart Traffic Co., Ltd that Miss Pornphun owns. However, if Miss Pornphun is unable to pay according to the agreement, the memorandum shall be terminated and the Company is able to forfeit the paid payment and will return to the bankruptcy litigation process.

Later, it appears that Miss Pornphun only paid 10.9 million Baht debt to the Company and defaulted on the payment according to the memorandum.

The Board of Directors, so far, has taken all actions to make Miss Pornphun repay the debt to the Company. It has assigned a lawyer to take legal action to enforce the mentioned debt. Nevertheless, a total of 4 cases have been filed against Miss Pornphun and related persons with the court as details and status of the cases are as follows:

No.	Cases Filed by the Company	Court Prosecuting	Case Number	Case Status
1	<u>Civil Case</u> - sued for breach of promissory note contract	The Civil Court of Southern Bangkok	<ul style="list-style-type: none"> ■ Black Case, No. Por 2516/2560 ■ Red Case, No. Por 1841/2560 	<p>The Court has ruled under the compromise agreement, and the case is finalized by the Company's lawyer has carried out the enforcement of the following assets of Miss Pornphun in order to pay the debt:</p> <ul style="list-style-type: none"> - Shares of Smart Traffic Co., Ltd. amounting to 4,800,000 shares valued at 24,000,000 Baht - Shares of AP Parking Co., Ltd. amounting to 93,750 shares valued at 937,500 Baht <p>This is because the debtor has completely been receivership, when there is</p>

No.	Cases Filed by the Company	Court Prosecuting	Case Number	Case Status
				<p>an execution of the seizure of shares sold at auction, the proceeds will be sent to the debtor's property in bankruptcy cases. However, the debtor has pledged such shares to a third party and therefore cannot be sold at the auction. At present, Smart Traffic Co., Ltd. has submitted a business rehabilitation petition and is under consideration by the court.</p>
2	<u>Bankruptcy Case</u>	Central Bankruptcy Court	<ul style="list-style-type: none"> ■ Black Case, No. Por 2453/2561 ■ Red Case, No. Por 4713/2562 	<p>The Central Bankruptcy Court has issued a receivership order for Miss Pornphun and has ordered the defendant to become bankrupt. The Company as a creditor and the plaintiff has made a request for repayment. The process is now delivering additional documents required by the receiver, which is a list of documents for calculating the total number of debts which has been paid.</p>
3	<u>Criminal Case</u> - prosecution of fraudulent	Phra Khanong Criminal Court	Black Case, No. Aor 3136/2019	<p>Due to the end of 2019, the company found that Miss Pornphun has transferred assets which is an offense of defrauding creditor. The</p>

No.	Cases Filed by the Company	Court Prosecuting	Case Number	Case Status
				Company has then assigned a lawyer to sue the debtor in a criminal case for defrauding the creditor, on August 10, 2020. The Court has already filed a complaint and has ordered that the case is a prima facie case. An appointment for testimony and evidence examination will be scheduled for March 15, 2022.
4	<u>Cheque Case</u>			Wherein in civil litigation and bankruptcy cases, (according to case No.1 and No.2) the debtor entered into a memorandum of agreement dated November 8, 2018, in which Miss Pornphun paid the debt by 3 of third-party cheques, a totally of 40 million Baht. Later, it appears that the bank refused to pay the money. So, the Company has assigned a lawyer to file a lawsuit for 2 cases at Mak Kasan Metropolitan Police Station.
	<u>Case No.1</u> <u>The accused: Mr.Piya Chindapradit, 2 checks, amount 10,000,000 Baht.</u>	-Waiting to file a lawsuit-	-Waiting to file a lawsuit-	The public prosecutor sent the case for further investigation.

No.	Cases Filed by the Company	Court Prosecuting	Case Number	Case Status
	<u>Case No.2</u> <u>The accused: Mr.Piya Jindapradit,</u> <u>1 check, amount 30,000,000 Baht</u>	North Bangkok District Court	Black Case, No. Aor 267/2564	The public prosecutor filed a lawsuit against Mr.Piya Jindapradit as a defendant in court. The Company's lawyer filed a request to become a plaintiff with the public prosecutor. The court has issued an order granting permission with a hearing scheduled on March 10, 2022.

5.3.2 A Lawsuit Accusing Food Holding Company Limited

On September 3, 2020, Food Holding Company Limited (Defendant) was sued as a labor lawsuit with the Central labor Court by Miss Sirikan Thapkaew (Plaintiff), a former employee of the defendant. This case is a black case, No. Ror 4671/2563 and red case No. Ror 98/2565. The plaintiff claimed that she was under pressure and stress so she had to write a resignation letter. She, therefore, sued for damages and compensation from the defendant. According to the facts, the court heard that the defendant did not dismiss the plaintiff, but the plaintiff voluntarily resigned. The defendant thus does not have to pay compensation and wages in lieu of advance notes and damages from unfair termination.

Subsequently, on January 18, 2022, the Central Labor Court issued a judgment dismissing the complaint of Miss Sirikan Thapkaew (Plaintiff). Therefore, the defendant was not required to pay compensation and wages in lieu of advance notice and damages from unfair termination.

5.3.3 A Lawsuit Against Domino Asia Pacific Company Limited

On June 16, 2021, Domino Asia Pacific Company Limited (Defendant) was filed a labor lawsuit with the Central Labor Court by Miss Sirikan Chantrachattthada (Plaintiff), a former employee of the defendant. It is a black case, No. 2504/2564 in which the plaintiff claimed that the defendant was unfairly dismissed and hence sued for damage from the defendant.

Afterward, on October 29, 2021, the plaintiff and the defendant agreed to compromise. The plaintiff then requested to withdraw the lawsuit to the Central Labor Court. Subsequently, the court ordered the plaintiff to withdraw the lawsuit and dispose of the case from the documentation.

Corporate Governance



Part 2 CORPORATE GOVERNANCE

6. Corporate Governance Policy

6.1 Policy Overview of Corporate Governance and Significant on Corporate Governance

The Board of Directors and management of the Company adhere to the principles of Good corporate governance according to the code of corporate governance for listed companies in 2017 prescribed by the Securities and Exchange Commission, and the Stock Exchange of Thailand, to maintain and enhance the values of shareholders in a long run.

The Board of Directors has established a policy on corporate governance consisting of a corporate governance structure and a risk management process, strategy formulation, financial reporting, and internal control. In addition, the Board of Directors has reviewed the Business Code of Ethics and prepared the written document which is applied to the directors, executives, and employees of the Company as well as other persons acting on behalf of the Company, covering areas such as human rights, labor, health and sanitation, safety, security, environment, conflicts of interest, use of inside information, fraud and corruption, internal control, and information disclosure, etc., by international standards.

The Company has publicized the policy on corporate governance, business code of ethics, and the guidelines of practices on the Company's website at www.wowfactor.co.th for the convenience of executive directors and employees to access and use as references. In addition, to follow up the compliance with the policy on corporate governance, the Chief Executive Officer is responsible for evaluating the enforcement of corporate governance documents, and the level of compliance, and reporting the results to the Board of Directors at least once a year.

The Company has paid great attention to the compliance with the principles of corporate governance referenced from the code of good corporate governance for listed companies in 2017, stipulated by the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand (SET), which has been improved to be in line with the criteria of ASEAN CG Scorecard. The code of good corporate governance could be summarized into 5 sections. The Board of Directors passed a resolution to approve the Corporate Governance Policy, which lays down guidelines that comply with the Stock Exchange of Thailand's principles of good corporate governance and best practice recommendations. This policy became effective on November 9, 2005 and has been updated to keep it aligned with best business practices.

The Corporate Governance Policy can be divided into 5 sections as follows:

1. Rights of Shareholders
2. Equitable Treatment of Shareholders

3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

Section 1 Rights of Shareholders

Rights and Equitability of Shareholders

The Board of Directors respects the shareholders' rights and has a duty to protect the benefits of every shareholder equitably, regardless of whether they are retail, foreign, institutions, or major shareholders. Every shareholder is entitled to the same rights and equitable treatment as the following details:

- 1) The right to receive share certificates and share transfers and to be sufficiently informed of operating results and management policy on a timely basis.
- 2) The right to an equitable dividend.
- 3) The right to participate in meetings, vote, and make recommendations on decisions concerning major corporate actions such as amendments to the articles of association, appointments to the Board, the appointment of the Company's external auditors, and issuance of new shares capital.
- 4) The right to elect directors.

In addition to the above rights, every shareholder is entitled to the rights and equitable treatment stipulated in the laws and regulations of the Company.

Shareholders Meeting

The Company has the policy to conduct regular and transparent shareholders' meetings and establish appropriate procedures for general shareholders' meetings in accordance with the law and the regulations issued by the Stock Exchange of Thailand.

In each shareholder's meeting, every shareholder has the right to give his or her opinion and query any of the information presented which is relevant to the agenda and the issues being discussed. In this connection, the Company had provided the shareholders with opportunities to submit any meeting and to nominate their candidates to be considered and selected as a director of the Company in advance before the date of the 2021 Annual General Meeting of Shareholders from November 20, 2020 – January 15, 2021. Details regarding criteria and methods for such a process were published in the form of a newsletter submitted to the Stock Exchange of Thailand, and none of the shareholders proposed any meeting agenda or nominated any person for directorship. The chairman of the meeting shall allocate an appropriate period of time for each item on the agenda and encourage all attendees to participate in the discussion and express their opinions. It is the duty of all directors to attend every shareholder's meeting in order to answer any queries the shareholders might have.

In each meeting, at least one independent director must be appointed as a proxy for who cannot attend the meeting, and every party shall be informed beforehand in the notification of the meeting. Every shareholder shall have the right to vote separately for each item on the agenda.

In arranging the shareholder's meeting, the Company appointed Thailand Securities Depository Co., Ltd. (TSD) as the registrar to send the invitation letter with supporting documents for the shareholders' meeting to all shareholders at least 14 days prior to the date of the meeting. The Company has also published the invitation letter and supporting documents in both Thai and English on the Company's website, to enable shareholders to access information related to the shareholders' meeting more conveniently and quickly. The invitation letter to the shareholders' meeting contains sufficient and complete details of the agendas together with the opinions of the Board of Directors, clearly stating whether it be an agenda for acknowledgment or for consideration, and proxy forms as formatted by the Ministry of Commerce were attached while proposing a list of independent directors in the proxy forms as an alternative for the shareholders to appoint a proxy to any of independent directors.

The Company clarified rules applying to the meeting including procedures and methods to vote on each agenda to shareholders before commencing the meeting. The attending shareholders and shareholders by proxy have the right to vote based on the number of their shares; however, in each agenda, their number of votes could not be separated, except shareholder by proxy form C. The Company also provides independent legal advisors (inspectors) to supervise the meeting and verify the vote-counting in order to comply with the laws and regulations of the Company.

The Company notified the resolutions of the shareholders' meeting by specifying the voting results for each agenda, divided as "Agree", "Disagree" and "Abstain" votes by sending a newsletter to the Stock Exchange of Thailand within the same day after the completion of the shareholders' meeting.

Section 2 Equitable Treatment to Shareholders

The Company has prioritized and given equitable and fair treatment to all shareholders as follows:

The Company has a policy to protect the rights of all shareholders, in both shareholders' meetings in 2021, the Chairperson of the meeting conducted the meeting in accordance with the meeting agendas stated in the invitation letter of the shareholders' meeting and there was no additional agenda without advance notice to shareholders. However, all shareholders of the Company have the right to vote based on the number of shares held with the one-share-one-vote rule.

The Company allowed shareholders who cannot attend the meeting by themselves can authorize any independent directors of the Company or other persons to attend the meeting and vote on their behalf. The proxy forms were prepared in accordance with the forms specified by the Ministry of Commerce. The shareholders can determine the direction of their votes and the proxy forms were delivered to the shareholders together with the invitation letter to the shareholders' meeting. In addition, the proxy forms were also available on the Company's website to be downloaded by shareholders.

The Company has outsourced the third party with expertise and independence to act on behalf of the Company in the registration and vote counting, in which the Company has prepared ballots for shareholders to cast their votes on various agendas. For the agenda regarding the election of directors, the Company provided shareholders with opportunities to exercise their right in electing individual directors, the number of votes in each agenda was counted in an open and transparent manner, the ballots were collected for further inspection, and the minutes of the meeting was prepared and published on the Company's website.

Equitable Treatment to Shareholders Operation

1. Using of Insider Information and Trading of Securities

The Company has a policy to maintain the confidentiality of non-public information from unauthorized access that may lead to misuse.

All directors and managers are to strictly adhere to the disciplinary action procedure according to Section 59 of the Securities and Stock Exchange Act B.E.2535.

Directors, management, and employees at all levels shall not use any significant insider information of the Company or any affiliates that have not been publicly disclosed, for private interests or others.

Directors, management, and employees at all levels shall have the right and freedom to invest and trade in the securities of the Company. However, in order to prevent conflicts of interest, all directors and employees should avoid or suspend trading for a period of one month prior to the disclosure of all financial statements to the public.

In case the Board of Directors, executives, and related employees (including their spouses and underage child) who are privy to undisclosed information that may affect the prices of securities of the Company shall not trade in the securities of the Company until 24 hours following the public disclosure has elapsed.

2. Conflict of Interest and Related Party Transactions

Every director, manager, and employees shall disclose his or her relationship to any other business entity that the Company may be dealing with, according to the Company's disclosure criteria. Prior to entering into any business dealings, the management of the Company has a duty to determine the relationship between business partners and the Company's directors, managers, and employees who are conducting business with those partners.

The definition of "relationship" is given in the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Act of Listed Companies Concerning Connected Transactions, B.E. 2546.

Section 3 Role of Stakeholders

The Company is aware of the rights of stakeholders and has a policy to ensure the importance of these rights by the appropriate prioritization of all stakeholders as follows: shareholders, employees, executives, customers, partners, creditors, and society. Cooperation between stakeholders shall be established according to

their roles and responsibilities so that the Company can run its operations smoothly and effectively in order to benefit all groups of stakeholders fairly.

In order to maintain high ethical standards, the Company has formulated a Business Code of Ethics to be the practice guidelines for the Company's directors, managers, and employees.

The Company assigns the highest priority to the rights of Stakeholders and has the policy to oversee all aspects of the business and ensure that appropriate priorities are maintained for all shareholders, employees, managers, customers, business partners, creditors, and the public and community at large. The company shall facilitate co-operation among the various stakeholders according to their roles and duties to create a fair and stable business environment that runs smoothly for the benefit of all parties concerned.

(1) Treatment of the Rights of Stakeholders

1. Responsibility to shareholders

The Company formulates the business's policy with transparency, honesty, accuracy, and ethics. The Company is also dedicated to continually improving the efficiency of performance in order to offer an appropriate return to investors. The major responsibilities of the Company are:

- 1) To perform with transparency and honesty, including careful and fair decision-making to generate maximum wealth for shareholders.
- 2) To manage the assets of the Company and minimize loss or depreciation.
- 3) To ensure that shareholders are sufficiently informed about policies and future plans of the Company.
- 4) To ensure that directors, managers, and employees do not use unpublicized information to benefit themselves or a related person, and/or do any transactions which may cause a conflict of interest.

2. Policies and Practices Toward Customers

Customer satisfaction is a major factor affecting the success of the Company, thus the Company has a code of conduct as follows:

- 1) Contribute to customer satisfaction with quality, price, delivery, and service.
- 2) Deliver products and services on time, or exceeding customer expectations, at a reasonable price.
- 3) Provide accurate, updated, and adequate information to customers without any exaggeration that may cause misunderstanding.
- 4) Treat customers with politeness, efficiency, and reliability.

- 5) Provide a system for dealing with customer complaints on quality, quantity, response time, and delivery.
- 6) Customer information is to be kept secret and not used for the benefit of company employees, directors, or related persons.

3. Policies and Practices Toward Suppliers

The Company has a policy of treating all suppliers equally based on fair returns to each other and the highest benefit for the Company. The approach of the Company is as follows:

- 1) Not to require, receive or make any dishonest gain from any supplier.
- 2) Disclose details and coordinate with suppliers to fix any problem according to requirement, receiving, or having a fraudulent benefit.
- 3) Strictly comply with conditions set out in supplier agreements. In the event that the Company is not able to comply with a condition, the Company must inform the supplier in advance to find a resolution.

4. Policies and Practices Toward Competitors

The competition policy of The Company follows standard and trading competition laws. The Company must not offend competitors, or gain confidential information unlawfully. The Company procedure is as follows:

- 1) Compete with others under competitive regulations.
- 2) Do not seek confidential information of competitors by any dishonest or improper means.
- 3) Do not damage the reputation of competitors by defamation.

5. Policies and Practices Toward Employees

The Company recognizes that employees are a vital contributing factor to the Company's success. Therefore, the Company has policies that support fair treatment in terms of opportunity, compensation, appointment, transfer, and removal of employees, including capability development according to the principles below:

- 1) Treat employees politely with respect to human dignity.
- 2) Provide fair remuneration to employees.
- 3) Maintain a congenial work environment for employees and their property.
- 4) Make appropriate decisions regarding appointment, transfer, awards, and discipline.
- 5) Concentrate on promoting the ongoing development of employees' knowledge and potential.
- 6) Attention to opinions and suggestions of employees based on professional knowledge.
- 7) Strictly perform according to rules and regulations on employees.

- 8) Avoid any unfairness or pressure which may affect the employee's work stability and mentality.

6. Employee's Moral

The employees must follow the moral principles with understanding, acceptance, and faith. They must be aware of their behavior at all times and avoid misbehaving. If the employees have any inquiries, ask their supervisor and/or the human resource department.

The management team at all levels has the duty as follows:

- 1) Promote the moral code and be role models.
- 2) Lead as an example and listen to opinions related to morality.
- 3) Assign the employees to take suitable responsibilities and provide a management system that complies with the Company regulations.
- 4) Monitor the operation to ensure adherence to the Company's rules and regulations.
- 5) Development of human resources.

7. Internal Audit

The Internal Audit Unit has a duty to monitor company information in case it contains any offense relating to the Company's rules and regulations, then reports to the Board of Directors for corporate good governance.

8. The Abidance of Law and Company's Rule

- 1) Employees must strictly follow the law, and the Company's rules and regulations.
- 2) No consideration is taken for employees claiming they are acting to boost the profitability of the Company, or for other reasons, in the offense of law, shareholder consensus, Board of Directors' consensus, codes, and orders of the Company.

9. Regulations Related to Securities and Insider Information Disclosure

- 1) The employees are to strictly follow the rules and regulations of SET, SEC, and other related entities, especially those related to the Company's disclosure to the shareholders and/or public.
- 2) Disclosure of insider information that has not been disclosed to the public is considered a Company offense.
- 3) Disclosure of any information that may have an effect on the business and the share price of the Company must be agreed upon by the managing director. The managing director shall disclose such information, or assign any person to do so on his/her behalf.
- 4) The Company Secretary has a responsibility to disclose general information to the public and investors.

10. Responsibility to Society and Environment

- 1) Meet or exceed all environmental laws.
- 2) Eliminate the use of hazardous chemicals in processes and operations.
- 3) Ensure efficient use of energy through management controls and routine practices as well as minimizing waste from production.
- 4) Educate and control all employees to strictly enforce the environmental policy.

(2) Respect for Human Rights

The Company has supported the respect on human rights internally enacted, including the United Nations' declaration and conventions on human rights. The Company's directors, executives, and employees, and any other person acting on behalf of the Company shall respect human dignity, privacy, and the rights of individuals whom they have contacted during working by not taking any action or support to any infringement or harassment on human rights, as set forth in the principles of good corporate governance and business ethics of the Company.

(3) Anti-Corruption and Anti-Bribery

Anti-corruption Policy

The Directors, the Management, and employees are prohibited from operating or accepting every type of corruption both in a direct or indirect manner covering every business and related department in every country. The Anti-corruption Policy is required to be reviewed regularly, including with a possible revision of such policy and implementation provisions in order to comply with changes to the business environment, regulations, standards, and laws.

Roles and Responsibilities

- 1) The Board of Directors is responsible for determining the policy, monitoring, and forming an effective system to support the anti-corruption act and in order to affirm that the management team intensively shows concern, emphasizes, and cultivates an anti-corruption mindset as the company's culture.
- 2) The Audit Committee is responsible for the revision of financial and accounting reports, internal controls, internal audit functions, and risk management so that such operations are concise, appropriate, effective, and conformed to global standards.
- 3) The Chairman of the Board of Directors, Managing Director, and the Management is responsible for determining Anti-corruption systems, promoting, and encouraging Anti-corruption measures conveyed to all staff and related parties. This also includes reconsideration of systems or regulations in order to best adjust to business changes, regulations, standards, and laws.
- 4) The Internal Audit Director is responsible for auditing, assessments, and evaluations of business transactions, whether they are accurate and comply with guidelines, approval authority, standards, laws,

and policy in such monitored departments in order to assure that the internal controls are sufficient and suitable. This shall be directly reported to the Audit Committee.

Guidelines

- 1) The Board of Directors, the Management, and employees must adhere to the Anticorruption Policy and the Business Code of Ethics by avoiding involvement with corruption in a direct or indirect manner.
- 2) The Company's employees shall not be negligent in any environment of corruption involved directly with the Company. All staff must notify such acts to supervisors or responsible persons, including cooperating with investigations. Any queries or questions need to be discussed with the supervisor or a responsible person who monitors the Business Code of Ethics compliance provided through appropriate channels.
- 3) The Company shall be fair and safeguard staff who deny or inform of corruption cases relating to the Company by applying Protection Policies for persons who act on Anti-corruption information as stated in the Whistleblower Policy.
- 4) Committing corruption is equivalent to misconduct in the Business Code of Ethics. This means such persons will be disciplined in accordance with the Company standards. A conviction based on the law may be applied in a case such acts violate the law.
- 5) The Company recognized the importance of dissemination, sharing of knowledge, and communications with other parties who are involved with or affect the Company. These parties shall conform effectively with the Anti-corruption guideline.
- 6) The Company strives to create and sustain an organizational culture embodying that corruption is unacceptable in every business transaction and dealing with both the public and private sectors.

Provision in Implementation

- 1) This Anti-corruption Policy covers the Human Resource Management process starting from recruitment, promotion, training, evaluation, and benefits provided to staff. Every supervisor at any level must communicate to staff in order to apply this policy to all business transactions under their responsibility and to effectively monitor such implementation.
- 2) Implementation of the Anti-corruption Policy should be followed as a guideline in the Business Code of Ethics, Corporate Governance Guidelines, related operation manual, and additional guidelines that may be formulated subsequently.
- 3) To stress that extra vigilance on processes that incur high risk in corruption, the Board of Directors, the Management, and the employees must conform carefully in the following courses of action

3.1) Gifts, Entertainment, and Expenses

Offering or accepting gifts, entertainment, and hospitality activities must be in compliance with the Business Code of Ethics of the Company.

3.2) Charitable Contribution or Aid Granting

Contribution or receiving the grant must be transparent and in accordance with stipulated laws by confirming that such transaction shall not be construed as an act of bribery.

3.3) Business Relations and Procurement Processes with the Public Sector

All types of bribery or illegal payments are prohibited in all business transactions. The Company's operations and connections with the government sector must proceed transparently and honestly, and in alignment with related laws and regulations.

In 2022, the Company has revised its anti-corruption policy to prepare it in various areas and has a plan to join the Thai Private Sector Collective Action Coalition against Corruption (Collective Action Coalition). In 2021, The Company has established a work plan in building a sustainable ethical corporate culture, including anti-corruption, so that the employees and society will understand and support the Company in conducting business in an ethical manner.

(4) Handling of whistleblowing and protection of whistle-blower

The Company has stated in its Whistle-blower Policy to get complaints from both employees and outsiders, including stakeholders. The Company also stimulates the informing of unethical behavior, clues, or complaints about corruption (whether it's illegal or not) in order to verify and investigate.

The complainant may complain through several channels as follows:

- 1) E-mail: whistleblower@wowfactor.co.th (this e-mail shall be sent to the chairman of the audit committee directly)
- 2) Mail: The Chairman of the Audit Committee

WOW Factor Public Limited Company

77/1 Ruam Siri Mit, Chom Phon,

Chatuchak Bangkok 10900

Complainants will be protected and treated with the utmost confidentiality. Complaints will be investigated appropriately and confidentially by systematic audits and traceability. This ensures that the complainant will not be harassed or maliciously from any complaints or clues.

Section 4 Disclosure of Information and Transparency

Roles of the Board of Directors regarding Information Disclosure and Transparency

The Company Secretary under the supervision of the Board of Directors has a duty to disclose any information relevant to the Company, both financial and non-financial, correctly, accurately, completely, on a timely basis to the shareholders and stakeholders to obtain fairly and equitably information.

The Company has the policy to disclose important information to the public, including the information according to the law as follows:

- 1) The Company's objectives.
- 2) The Company's financial status and operating performance, shareholding structure, and voting rights.
- 3) Names of directors and committee members stating their remuneration, including the Chairman of the Executive Committee and the Managing Director.
- 4) Corporate governance structures and policies including the responsibility of the Board regarding financial reports, the reports of the Chairman of the Audit Committee, and all other related reports.
- 5) The total attendance of each director and/or each sub-committee member at their respective meetings compared with the total number of meetings of the Board and/or the sub-committees in each year. This shall be disclosed in the annual report. In addition, the Company is obliged to disclose any information that is required by law or related regulations.

Section 5 Responsibilities of the Board

The Board of Directors plays an important role in corporate governance for the best interests of the Company and is accountable to shareholders and independent of management. The Company has provided a system for clearly separating roles, duties, and responsibilities between the Board of Directors and the Management and supervising the operation system to ensure that its activities are carried out in a lawful and ethical manner.

The Board of directors shall be composed of persons with extensive expertise and experience related to the Company's interests, and contribute sufficient time to perform their duties to strengthen the Board.

The Company has set up the Audit Committee and Executive Committee to review and scrutinize tasks as needed, especially in the case of impartiality in the diagnosis. The Company has also clearly determined the roles, responsibilities, working process, and policy for the efficient and effective performance of the Board of Directors.

The Board of directors clearly realizes their roles and responsibilities and the Company's business. The Board of Directors well understands their duties and responsibilities and the nature of the Company's business operations and is ready to express their opinions independently. They perform their duties with honesty and be careful by taking into account the maximum benefit of the company and being fair to all shareholders in getting

accurate and complete information. In the past year, all directors contribute to performing their duties with full responsibilities. It is the duty of the directors to attend every board meeting unless there are really special reasons.

6.2 Business Code of Ethics

The Company compiles the actual guidelines for the Business Code of Ethics and reviews the items related to its business operation including good practices. The Company has notified the written Business Code of Ethics and be a part of corporate governance policy that shall be an operation standard as well as the behavior of the Company's personnel. The directors shall serve as role models in overseeing the management to have a mechanism to create and drive an organizational culture that adheres to the Business Code of Ethics. The Business Code of Ethics is comprised of the following items:

- 1. Environment, Health, and Safety** The Company operates its business with an emphasis on environment, health, and safety as well as stipulates standardized management. The Directors, executives, and employees, including business-related persons, are obliged to comply with all applicable laws, policies, standards, and regulations on the environment, health, and safety in all areas of the Company's business. The Company has also encouraged the efficient use of resources including the development of work systems or technologies that reduce resources consumption.
- 2. Compliance with laws, commitments, agreements, and respect for a different culture, customs, and tradition** The Company's members must comply with all applicable laws and regulations while respecting the culture, custom, and tradition in all areas where the business is operated, and adhere to commitments and agreements.
- 3. Human rights and Human resources** The Company respects the human rights of all persons by equitable treatment without discrimination and also promotes human rights while avoiding human rights violations.
- 4. Conflicts of Interest** Every decision must focus on the highest benefit of the Company by considering impacts on stakeholders to be significant. The decision for personal or others' interest unlawfully or immorally is prohibited. However, the Company recognizes that conflicts of interest may arise, once they are known, they must not be involved in making decisions or choosing their interests primarily regardless of the benefit of the Company.
- 5. Data and Assets Management** Using and storing data and assets requires good standard management based on related laws and impacts on stakeholders as a whole. It aims to ensure that any data and various assets are utilized for the maximum benefits of the Company and not used in a manner that may prejudice the Company.
- 6. Confidentiality and Transparency in Information Disclosure** Information of all kinds created or obtained during duty performance is confidential information and must not be disclosed to irrelevant persons unless such information is legally publicized. In this regard, the Company has recognized the

importance of information disclosure accurately, completely, and timely to assure stakeholders of the Company.

7. **Anti-corruption** The Company resists all kinds of anti-corruption, abides by all laws related to anti-corruption in all areas of operating business, and does not engage in any fraud both directly and indirectly. All directors, executives, and employees must comply.
8. **Gifts and Entertainment** Offering or receiving or promising to give any benefit in any kind or facilitating or providing entertainment to those related to the business must comply with local or national customs and traditions and applicable laws at a reasonable value.
9. **Political Operation** The Company respects the administrative regime in each area where the business is operated and supports employees in each area to behave under the administrative regime in different ways. The Company is politically neutral without concentrating on or giving any financial or other forms of support to any political party, political group, political authorities, or candidate for political election, directly or indirectly, and ready to support the government in various aspects as appropriate.
10. **Trade Competition** The Company adheres to fair trade competition by recognizing business ethics and trade competition laws.
11. **Money Laundering** The Company adheres to the law relating to anti-money laundering and shall not accept transfer or alteration of assets or encourage the acceptance of transfer or alteration of assets regarding offense committing. To prevent anyone from using the Company as a means or a tool to divert, conceal, or cover up the source of illegally acquired assets.

6.3 Significant Adjustment and Development in Policies, Practices, and Corporate Governance System in Previous Year

6.3.1 Significant Adjustment and Development in Reviewing Policies, Practices, and Corporate Governance System in Previous Year

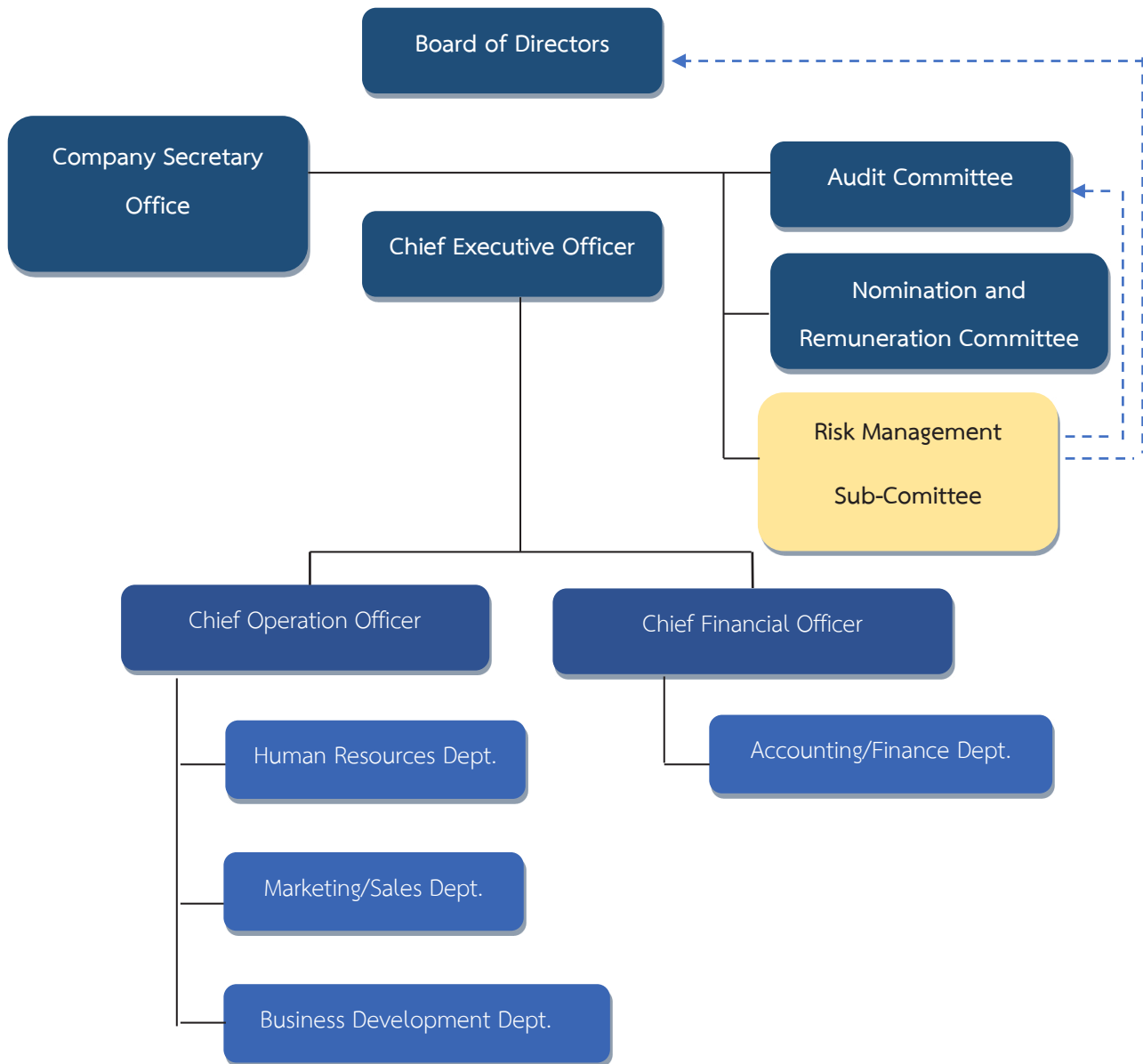
The Board of Directors is aware of the development of corporate governance to be concrete. This is to comply with international standards that will affect sustainable growth. The Board of Directors, therefore, reviewed the appropriateness, adequacy of policies, practices of corporate governance, and business ethics to be consistent with business operations, environmental changing as well as laws, rules, guidelines and stakeholders' opinions. In 2021, the Company has compiled the Company's current code of practice to review and add some more good practices. Then a written Business Code of Ethics has been established and is considered as a part of the corporate governance policy for overall personnel of the Company and affiliated to perform the same standard practice.

6.3.2 Compliance with Good Corporate Governance Principles of Listed Companies (CG Code)

The Board of Directors has considered the Good Corporate Governance Principles of Listed Companies 2017 (CG Code) prepared by the SEC and realized the roles and duties of the Board of Directors in applying good corporate governance principles to create value for sustainable business. The implementation of each CG Code was assessed and compared with the policies and operations concerning good corporate governance. It is seen that the overall company has policies, measures, and operating processes that are consistent with the CG Code, suitable for business directions. There are guidelines that the Company plans to take additional actions in 2022, namely, the improvement of anti-corruption policies and practices to prepare for joining the Thai private sector's Collective Action Coalition whereby the Company determines the action plan and communicate at all levels of the organization, and to outsiders in order to achieve the practical implementation of item 6.4 of CG Code.

7. Corporate Governance Structure and Details of the Board of Directors, Sub-Committees,

7.1 Structure of Wow Factor Public Company Limited



7.2 Details of the Board of Directors

The Board of Directors are consist of:

1. Ms. Yaowaroj Klinboon (Acting) Chairman of the Nomination and Remuneration Committee /Independent Director /Member of the Audit Committee
2. Mr. Veerayooth Bodharamik Vice-Chairman of the Board of Directors /Chairman of the Audit Committee /Member of the Nomination and Remuneration Committee /Independent Director
(resigned on January 27, 2022)
3. Mr. Sirutt Ratanapaitoon Director/
Chief Executive Officer (elected on January 7, 2022)/
(Acting) Chief Operation Officer
4. Mr. Jenvit Jivakulchainan Independent Director /Member of the Audit Committee /
Member of the Nomination and Remuneration Committee
5. Mr. Kusol Sangkananta Director
6. Mr. Ruengrit McIntosh Director
(resigned on February 25, 2022)
7. Mr. Sithiphong Netiphat Director (elected on January 7, 2022)
8. Ms. Vimol Hanpanishkitkarn Director / Chief Financial Officer (elected on January 7, 2022)
9. Mr. Boonlert Iewpornchai Independent Director /Member of the Audit Committee
/Member of the Nomination and Remuneration Committee
(elected on February 25, 2022)

Mr. Sirutt Ratanapaitoon (acting) the Company Secretary responsible for the Board of Directors' activities, recording minutes, storing all meeting documents completely.

Authorized Director

The Authorized Director in Binding the Company is

“Mr. Sirutt Ratanapaitoon, Mr. Kusol Sangkananta, Ms. Vimol Hanpanishkitkarn, Mr. Sithiphong Netiphat, two out of four directors jointly affix the signature and the Company's seal.”

Board Structure

- The Board shall be composed of experts with a wide range of experience in various fields. There shall be sufficient directors to govern and supervise the corporation: not less than five (5) directors (as required by law) shall sit on the Board. At least one director shall be experienced in the area of investment, and at least one director shall be experienced in the area of finance and accounting.
- At least one-third of the Board and not less than three (3) persons must be independent directors. More than one-half of the Board must be non-executive directors in order to ensure a good balance between executive and non-executive members.
- The appointment of members of the Board shall comply with the Company's articles of association and all relevant laws in Thailand. Selection of the directors shall be transparent and clear and processed through the Nomination Committee. Consideration shall be given to the educational and professional backgrounds of the candidates. Sufficient information shall be provided to the Board and all shareholders for decision-making.
- A director's term of office is defined in the Company's articles of association. A retired director can be re-elected.

Qualifications of the Board

- A director must be capable and honest, display the utmost integrity, conduct the business ethically.
- A director must possess the necessary qualifications for his or her position, and not be disqualified in any way according to the Public Company Act B.E. 2535 or other related laws.
- A director can sit on the board of other companies, providing this does not interfere with the performance of his or her duties at the Company.
- Independent directors shall meet all the requirements outlined in the section titled Qualifications and Scope of Work in the Audit Committee's qualification guidelines, as specified in the Notifications of the Stock Exchange of Thailand. Independent directors have a duty to protect the interests of every shareholder fairly and impartially in order to avoid any conflict of interests that may arise. They shall also attend the Board meetings and express their comments and opinions from an independent viewpoint.

Roles, Duties, and Responsibilities of the Board of Directors

According to the Public Company Act B.E. 2535, the Stock Exchange of Thailand, regulation of the Office of Securities and Exchange Commission, and the Company have prescribed the roles, duties, and responsibilities, including the authority of the Board as follows:

- (1) To Perform and assume responsibilities and duties with honesty, integrity, and prudence, and integrity taking into account the best interests of the Company and its shareholders.

- (2) To be responsible for managing the Company's operations, formulating the long-term business plans and strategies, organizing the appropriate organizational structure, and overseeing the business operations on a daily basis.
- (3) To approve the directions, vision, value, and expectations in the leadership of the Company.
- (4) To consider approving key transactions and operations, and in some cases, authorize others to make decisions following applicable laws, the Company's objectives, Articles of Association, resolutions of the shareholder's meeting, including corporate governance of the Company.
- (5) To effectively operate the Company in compliance with generally accepted rules on corporate governance and control.
- (6) To approve and supervise goals, strategies, and action plans Including any changes in the aforementioned goals, strategies, and operational plans.
- (7) To prepare accurate and complete reports on the Company's business operations and finance for shareholders and general investors.
- (8) To monitor the internal control about financial reporting adequately to meet the objectives, legal requirements, and the corporate governance policy of the Company.
- (9) To evaluate and discuss the Optimal Capital Structure, dividend payment policy, strategies for financing, and Optimal Funding Composition on a regular basis.
- (10) To consider and approve the payment of interim dividends to shareholders from time to time, if considering that the Company is profitable enough to do so.
- (11) To be responsible for reviewing the draft of the annual financial statement prepared by the management to ensure that the annual financial statement is accurately and completely prepared, and reflects the Company's financial status and operating results, for the benefit of shareholders and general investors.
- (12) To prepare the annual report with the management team.
- (13) To consider, approve and determine the overall structure of business operations of the Company and its subsidiaries.
- (14) To proactively plan for risk management and handle the Company's critical business risks by mainly taking into account strategic, financial, and legal risks.
- (15) To carry out transactions that may cause a conflict of interest of the management team, Board of Directors, and shareholders Including the person related to such persons, in the same way as Arm's Length Basis under general commercial terms, and without impacts on the interests of the Company and minor shareholders.
- (16) To arrange the internal control for the Company in an adequate and appropriate manner and assign a person responsible for the internal audit function to monitor and audit the internal control of the Company, and to report any failure or weakness insignificant controls, as well as to suggest solutions.

- (17) To prepare agendas and opinions to be proposed to the shareholders' meeting.
- (18) To recruit candidates for director positions with appropriate knowledge, capability, and experience to increase the potential of the Board of Directors and main subsidiaries.
- (19) To consider and propose the remuneration of the Board of Directors to shareholders for consideration and approval.
- (20) To have the power to appoint and remove the Chief Executive Officer of the Company; monitor, audit and arrange an annual performance evaluation for the Chief Executive Officer.
- (21) To monitor, audit, and provide appropriate and effective risk management in terms of security and protection of personnel, information, and other assets.
- (22) To provide adequate procedures and processes to prevent the Company from being involved in any fraud and corruption.
- (23) To provide the assessment of performance, duties, and abilities in performing their duties.

7.3 Details of Sub-committees

Audit Committee

The Audit Committee shall be a part of the Board and be appointed by the Board. The Audit Committee shall be composed of at least three (3) persons with at least one (1) person having knowledge of accounting and finance. The Audit Committee shall meet all the requirements outlined in the section titled Qualifications and Scope of Work in the Audit Committee's qualification guidelines as specified in the Notifications of the Stock Exchange of Thailand. As of December 31, 2021, the Audit Committee consists of 3 members as follows:

- | | |
|------------------------------|---------------------------------|
| 1. Mr. Veerayooth Bodharamik | Chairman of the Audit Committee |
| 2. Ms. Yaowaroj Klinboon | Member of the Audit Committee |
| 3. Mr. Jenvit Jivakulchainan | Member of the Audit Committee |

Mr. Jenvit Jivakulchainan member of the Audit Committee has knowledge and experience adequately in accounting to be able to oversee the reliability of the financial statement by the Securities and Stock Exchange Act (No. 4) 2008. And Mr. Sirutt Ratanapaitoon (acting) the Company Secretary is also the secretary of the Audit Committee who completely takes responsibility for recording minutes, storing all meeting documents.

Duties and responsibilities of the Audit Committee

- To review the company's financial statement to verify its sufficiency and correctness by considering the auditors and management report. Review any transactions which are necessary or significant for auditing the Company's financial statement.

- To confirm that the company has sufficient internal control by considering the report submitted by an auditor and/or the internal auditor.
- To ensure the Company's operation is compliant with SET and SEC rules, or any law related to the Company's business.
- To consider, select, nominate, appoint, and propose the remuneration of the Company's auditor based on the credentials, resources, amount of work on hand, and the professional experiences of the auditor.
- Consider, review and pay opinions on the Company's related transactions and its subsidiaries to be following the announcements, regulations, and related practices of the Stock Exchange of Thailand.
- To review the company's risk management system.
- To prepare a reviewing report of the Audit Committee and disclose in the Company's annual report, including comments on the preparation process and information disclosure in the financial report that is accurate, complete, and reliable, and opinions on the adequacy of the Company's internal control system.
- To share opinions for the consideration of work, appointment, removal, and determination of the internal auditors' remunerations in performing their duties under the scope of the Audit Committee's authorities and duties.
- To review the nomination and/or termination of the internal auditor, having the right and authority to invite the related management and staff to participate in giving necessary comments.
- To review and make comments on the business transactions between the company and its sole agents, quarterly and annually, based on the price and business conditions, according to the Sole Agents Agreement. The review and comments are to be reported in the Company's annual report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall be a part of the Board and be appointed by the Board. The Nomination and Remuneration Committee shall be composed of at least three (3) persons and more than one-half of the committee must be independent directors. As of December 31, 2021, The Nomination and Remuneration Committee is comprised of 3 directors as follows:

- | | |
|------------------------------|---|
| 1. Ms. Yaowaroj Klinboon | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Veerayooth Bodharamik | Member of the Nomination and Remuneration Committee |
| 3. Mr. Jenvit Jivakulchainan | Member of the Nomination and Remuneration Committee |

Ms. Yaowaroj Klinboon, the Company's director, is knowledgeable and experienced and is impartial in the nomination and selection of persons who deserve to be nominated to be the Company's directors, having a sense

of independence according to good corporate governance principles. And Mr. Sirutt Ratanapaitoon (acting) the Company Secretary is also the secretary of the Nomination and Remuneration Committee who completely takes responsibility for recording minutes, storing all meeting documents.

Duties and responsibilities of the Nomination and Remuneration Committee

- To consider and propose prospective persons to serve as new directors or the Chief Executive Officer (CEO) by determining the transparency criteria for nominating and selecting persons with a wide range of experience, professional, skills matrix, and specific qualifications necessary for the Company's business. In this regard, the consideration may be from the Directors' Pool of credible organizations to propose for approval at the Board of Directors, or shareholders' meeting.
- To consider and nominate the CEO, the criteria or nomination and selection shall be determined transparency propose to the Board of Directors for approval.
- To prepare criteria for determining the remunerations for the Board of Directors and CEO by determining fair and reasonable criteria to propose to the Board and/or the shareholders' meeting for approval.
- To consider and propose prospective persons to serve as directors for the Board of Directors to appoint as appropriate.
- To perform other duties assigned by the Board of Directors.
- The Nomination and Remuneration Committee is directly responsible to the Board of Directors for their assigned duties and responsibilities, and the Board of Directors remains responsible for the Company's operations to outsiders.
- There should be at least 2 meetings per year. The Committee is authorized to call for and order the management, heads of offices, or employees concerned to give opinions, attend meetings or submit necessary documents.
- In every meeting of the Nomination and Remuneration Committee, the quorum must consist of not less than two-thirds of the total numbers of present members at the time to constitute a quorum.
- The member of the Nomination and Remuneration Committee who has a stake in any matter, he/she shall not be entitled to vote on such matter, except in the case that voting for remunerating of the Board of Directors as a whole.
- In voting, the majority of votes will be used as a criterion and each member of the Nomination and Remuneration Committee has one vote. If there are equal votes, in order to make a decision, the Chairman of the Nomination and Remuneration Committee may cast one more vote.

- To report the performance appraisal of the Nomination and Remuneration Committee to the Board of Directors for acknowledgment. Such report shall be disclosed in the Company annual report with was signed by the Chairperson of the Nomination and Remuneration Committee.
- To evaluate the performance of the Nomination and Remuneration Committee and report the results of the annual assessment to Board of Directors

7.4 Details of the Executives

7.4.1 Name and Position

As of December 31, 2021, the Executives of WOW Factor Public Company Limited has 2 persons as follows:

Name - Surname	Position	Note
1. Mr. Sirutt Ratanapaitoon	Chief Executive Officer / (Acting) Chief Operation Officer	Former position as Chief Financial Officer. Holding of CEO position since January 7, 2022
2. Ms. Vimol Hanpanishkitkarn	Chief Finance Officer	Former position as Director of Finance and Accounting Department. Holding of CFO position since January 7, 2022

In addition, the Company structure will have employees at both the management level and the operating level at the subsidiary and indirect subsidiary to closely monitor the operations of the business. Therefore, it appears that the number of executives in the Company is few. In some positions, it will use personnel from subsidiaries and indirect subsidiaries without hiring a permanent position at the company, but let the agency collect service fees from the Company instead.

7.4.2 Policy on Remuneration of the Board of Directors and Executives

The 2021 Annual General Meeting of Shareholders held on April 8, 2021, resolved to approve the determination of the remuneration of the Board of Directors, the Audit Committee, and the Nomination and Remuneration Committee for the year 2021 in the amount not exceeding 5,000,000 Baht, as following details:

1) Remuneration of the Board of Directors		
- Chairman of the Board	30,000	Baht per meeting
- Directors	20,000	Baht per meeting
2) Remuneration of the Audit Committee		
- Chairman of the Audit Committee	30,000	Baht per meeting
- Members of the Audit Committee	20,000	Baht per meeting
3) Remuneration of Sub-Committee		
- Chairman	15,000	Baht per meeting
- Directors	10,000	Baht per meeting

Compensation or other welfare shall be determined as appropriate according to the Company's operating results.

7.5 Details of Employees

1) Number of employees

As of December 31, 2021, the number of all employees under the Company, its subsidiaries, including companies in which the Company holds shares indirectly through its subsidiaries are total of 952 personnel, divided into 11 personnel of the Company, 648 employees of subsidiaries, and 293 companies in which the Company indirectly holds shares through subsidiaries.

2) Total Remuneration and the Remuneration Structure for Employees

The remuneration structure for employees and management consists of

Remuneration Structure	Main Target
1. Salary and fixed benefits	Compensation management to be competitive in the overall market, such as salary and overtime.
2. Compensation based on short-term performance	Developing supervisors' team management and driving operations to achieve the Company's strategic goals, such as determining bonus payments.
3. Compensation based on long-term performance	To create long-term value for the Company such as provident funds.
4. Welfare and other benefits	Offering insurance plans and benefits tailored to the events of each life stage, based on economic conditions and standard of living, such as annual awards to encourage employees with long service years, providing provident fund benefits, diligence allowances, compensation, and special compensation for retired employees, medical treatment for employees and their families, and activities, or parties, etc. In addition, the Company also encourages personnel development in various forms such

as providing training for employees, domestic and organizing study tours, etc.

However, as of December 31, 2021, the Company paid remuneration for employees totaling 13,131,678 Baht, in which the remuneration of senior management for 2 persons, totaled 5,791,000 Baht.

The significant change in the number of employees

- None -

Personnel Development

The Company has a policy of recruiting, developing, and retaining personnel of the Company's group because it realizes that personnel is important to the Company's goals and success. Therefore, the Company has continually developed its personnel by organizing pieces of training/seminars both internally and externally by highly qualified speakers, especially in creating awareness and training on teamwork, good service, having a passion for organization and work system development.

The Company recognizes the importance of enhancing employees' working morale and pride by setting compensation and advancement in the organization based on knowledge, competence, and fairness including the provision of an appropriate welfare system as well as improving the lives of employees.

7.6 Other Significant Information

7.6.1 List of assigned personnel as follows:

1) The Company Secretary

According to the resolution of the Board of Directors No. 5/2020 dated June 22, 2020, has appointed Mr. Suwisit Khoipanit to be the Company Secretary for a position until October 27, 2021. Due to his resignation from being an employee of the Company and while there was no suitable person to hold the position of the Company Secretary, Mr. Sirutt Ratanapaitoon, therefore, acts as a Company Secretary with duties under the Securities and Exchange Act (No. 4) B.E. 2551. The Company Secretary has the responsibility to prepare and maintain a register of directors, invitation letter and minutes of the Board's meetings, the Company annual report, invitation letter and minutes of the shareholders' meetings, storing reports of stakeholding reported by directors or executives, including performing other duties as announced by the Capital Market Supervisory Board, on behalf the Company or the Board of Directors. The qualifications of a person holding the Company Secretary position appear in attachment 1.

2) Persons assigned to be directly responsible for the supervision of accounting

The Company has assigned Mrs. Sarita Suwongkrua, an Accounting Manager to be directly responsible for supervising accounting since January 12, 2022, detailed information as attachment 1.

3) Persons assigned to be Head of Internal Audit and Head of Compliance

The Company has appointed JP Tip Audit Company Limited as an internal auditor of the Company. Mr. Tanongsak Padistarn has been assigned as the Head of Internal Audit and Head of Compliance, while Ms. Natnaree Woranitiyaowapa, acting in the internal audit and compliance functions. The qualifications of the Head of Internal Audit are shown in attachment 3.

7.6.2 Head of Investor Relations

-None-

7.6.3 The Remuneration of the Auditor

In order to comply with the Public Company Limited Act B.E. 2535, which stipulates that the general meeting of shareholders consider the appointment of auditor and determine the Company's audit fee every year. The Audit Committee considers the selection of auditor and the determination of audit fee to propose to the Board of Directors' Meeting for proposing to the Annual General Meeting of Shareholders to consider and approve the appointment and the audit fee.

In this regard, the company that is the audit firm and the selected auditor must be independent, not having any relationship or interest with the Company, subsidiaries, associated companies, executives, major shareholders, or related persons of such persons in a manner that would affect their independent performance of duties. At the 2021 Annual General Meeting of Shareholders held on April 8, 2021, there was a resolution approving the appointment as follows:

Mr. Somkid Tiatragul	Certified Public Accountant License No. 2785 or
Ms. Kanyanat Sriratchatchaval	Certified Public Accountant License No. 6549 or
Mr. Narin Churamongkol	Certified Public Accountant License No. 8593 or
Ms. Saranya Akharamahaphanit	Certified Public Accountant License No. 9919 or
Ms. Amornjid Baolorpet	Certified Public Accountant License No. 10853

Grant Thornton Company Limited is the Company's auditor for the year 2021. Audit fee and a review fee of the quarterly and annual financial statements of the Company for the year 2021, totaling 5,685,000 Baht.

(1) Audit Fee

The Company and subsidiaries paid an audit fee to the Grant Thornton Company Limited, an auditing office that auditors belong to, persons or businesses related to auditors, and Grant Thornton Company Limited for the year 2021 as follows:

Company	Auditor	Annual Fee (Baht)
The Company	Grant Thornton Co. Ltd.	2,435,000
Food Holding Co. Ltd.	Grant Thornton Co. Ltd.	130,000
Bake Cheese Tart (Thailand) Co. Ltd.	Grant Thornton Co. Ltd.	675,000
Eastern Cuisine (Thailand) Co. Ltd.	Grant Thornton Co. Ltd.	770,000
Crepes & Co. Development Co. Ltd.	Grant Thornton Co. Ltd.	675,000
Domino Asia Pacific Co. Ltd.	Grant Thornton Co. Ltd.	1,000,000
Total Audit Fee		5,685,000

(2) Non-audit Fee

-None-

8. Significant Operations Report on Corporate Governance

8.1 Summary of the Board of Directors' Performance in the Previous Year

8.1.1 Remuneration, Development and Performance Assessment of the Board of Directors

At present, the Board of Directors consists of 8 directors, 3 of them are independent directors, 2 of them are female, 2 of them are executives and 2 of them are executives of subsidiaries. The Company's directors and independent directors are not holding a position in more than 4 listed companies, at present, there is no director in the Company to hold a directorship in more than 3 listed companies and the Company has no policy to allow any executive director to hold a directorship in more than 2 listed companies, excluding subsidiary, an affiliated company, and associated company, where the Company is required to oversee the management for its efficiency. The Company has more than one director with working experience related to its business.

In 2021, the Company has restructured its governance. Besides the Audit Committee and the Nomination and Remuneration Committee, the Company has set the Risk Management Sub-Committee to respond to business changes in a more comprehensive manner. The Audit Committee is responsible for controlling the risk management, comprising top management responsible for proposing the guideline of risk management.

The Company does not require the Chairman of the Board to be an independent director, since the Company conceives that the Chairman of the Board and directors of the Company has the knowledge, ability,

and understanding well of the nature of the Company's business operations, this qualification is necessary to make decisions for the utmost benefits of the Company and shareholders as a whole. Even if the Chairman of the Board is not an independent director, the Board of Directors is of the opinion that the Company has a good internal control system, including a mechanism that can ensure the shareholders and stakeholders that the Board of Directors makes decisions about various matters with independent and prudent discretion, and free from dominance during consideration.

(1) Independent Director

The Company defines the definition of the independent director for appropriate nomination as follows:

- To hold shares more than 1 % of all shares with voting right of the Company, holding company, subsidiaries, associates, major shareholders, or a regulator of the Company. Nevertheless, it is counted with the shareholding of related persons of that independent director.
- Not to be or used to be a director participating in work administration, or employee, staff, an advisor with salary, or a person controlling the Company, holding company, subsidiaries, associates, same-level subsidiary, major shareholders, or a regulator of the Company unless he/she is released from such position for at least 2 years before the independent director appointment date. Nevertheless, such restriction excludes the case of an independent director that used to be a bureaucrat or advisor of the government authorities that are major shareholders or a regulator of the Company.
- Not to have a biological or legal relationship as a parent, spouse, sibling, and child, as well as the spouse of a child, executive, major shareholder, regulator, or a person proposed to be an executive or regulator of the Company or subsidiary.
- Not to have or used to have a business relationship with the Company, holding company, subsidiary, associate, major shareholder or a regulator of the Company that interferes with free discretion use and not to be or used to be an implicit shareholder or regulator having a business relationship with the Company, holding company, subsidiary, associate, major shareholder or regulator of the Company unless he/she is released from such position for at least 2 years before the date of independent director appointment.

The business relationship in the previous paragraph includes any normal trade transactions to operate real estate rental or leasing business, transactions about assets or services or granting or receiving subsidy by receiving or loaning, guaranteeing, giving assets as debt guarantee and other similar manners that cause the Company or a signatory to have debt payable for at least 3 % of net tangible assets of the Company or at least 20 million Baht whichever has a lower value. Nevertheless, such debt calculation shall be under the transaction value calculation method according to the notice of the Capital Market Supervisory Board on the transactions. To consider

such debts, it counts debt during 1 year before the date of having a business relationship with the same person.

- Not to be or used to be an auditor of the Company, holding company, subsidiary, affiliate, major shareholder, or regulator of the Company, and not to be an implicit shareholder or partner of an audit office with an auditor of the Company, holding company, subsidiary, affiliate, major shareholder, or regulator of the Company unless he/she is released from such position for at least 2 years before the date of independent director appointment.
- Not to be or used to be a professional provider including services as a legal advisor or financial advisor with service charge more than 2 million Baht from the Company, holding company, subsidiary, associate, major shareholder, or regulator of the Company and not to be an implicit shareholder or regulator or partner of that professional provider unless he/she is released from such position for at least 2 years before the date of independent director appointment.
- Not to be a director appointed as a representative of a director of the Company, major shareholder, or shareholder that is related to the major shareholder.
- Not to do the same business that implicitly competes with the business of the Company or subsidiary or not to be an implicit partner in a partnership or a director joining the administration, employee, staff, or an advisor with regular payment, or hold shares more than 1 percent of all shares with voting right of other companies doing the same business that implicitly competes with the Company's or subsidiary's business.

(2) Nomination of Directors and High-Level Executive

The Board of Directors must consist of persons with extensive expertise and experience in various fields required for the Company's business, and a number of directors sufficient to supervise the business of the Company, for not less than 5 people as stipulated by law and not more than 12 people, with at least one person having experience related to the main business of the Company, and at least one person having experience in accounting and finance.

The Board of Directors believes that the diversity of the Board of Directors will provide the Board with a broad perspective that will enhance the decision-making process and be able to effectively function in its roles, the composition of the Board is therefore diverse in each field of knowledge and expertise, and consists of at least one lady director; however, in the selection of directors, the emphasis is on the work experience and qualifications of each director.

The Board of Directors is mainly composed of independent directors and non-executive directors, at least one-third of the total number of directors, but not less than three directors must be independent directors

The Board of Directors is aware of the nomination of directors with various qualifications and takes into account the essential elements for effective decision-making and management. The Nomination and Remuneration

Committee has established the guideline for determining the components as specified with Board Skill Matrix, a tool helping in nominating knowledgeable and competent directors with a wide range of skills and experience suitable for energy businesses, divided into 5 areas including knowledge and understanding in the Company's business, business development and strategic planning, accounting and finance, risk management, and good corporate governance and sustainable development, each area is required at least one director with special expertise.

The Company's directors should have the qualifications of directorship and should not have any prohibited characteristics as stipulated by laws, and should not hold a directorship in more than 4 listed companies. Additionally, the Company's executive directors should not hold a directorship in other companies and more than 3 listed companies, excluding subsidiaries, affiliates, and joint ventures of the Company, so that directors will be able to effectively perform their duties and responsibilities.

The Nomination and Remuneration Committee is responsible for the selection process of the Company's directors by considering, nominating, and selecting persons with qualifications suitable for holding the Company's directorship, then summarizing the results of the selection before proposing to the Board of Directors or shareholders' meeting for further consideration and approval (as the case may be).

The Company's directors will have an office term for 3 years and any director who vacates office may be re-elected, the appointment, dismissal, or the vacation of the company's directorship will be under the Company's Article of Association, and appointed by the shareholders' meeting, except in the case of any director resigning during the office term, and the Board resolves to appoint a new director to replace the resigned director with the remaining office term to be held by the resigned director, except the term of that resigned director is less than two months, the shareholders' meeting will consider and appoint based on following criteria:

- At each shareholders' meeting, one-third of the total number of directors, who have served the longest term, shall retire by rotation. those retired directors may be re-elected.
- The shareholders shall have the number of votes equal to the number of shares they are holding.
- Each shareholder must exercise all votes in selecting one or more persons as the director(s) provided that, such votes cannot be devisable.
- All candidates will be ranked in order descending from the one with the highest number to the lowest number of votes until the positions to be elected are filled. Where the votes are tied, which otherwise causes the number of directors to be exceeded, the Chairperson of the shareholders' meeting will cast the vote.

If any director wishes to resign from the position, he/she is required to submit a resignation letter to the Company, the resignation will be effective from the date the Company receives the resignation letter. However, the shareholders' meeting office before their office term is expired, with a supporting vote of not less than three-fourths of the total number of shareholders with voting rights attending the meeting and having shares totaling not less than one-half of the total number of shares of the total number of shareholders with voting rights attending the meeting.

8.1.2 Attendance and Remuneration of Individual Committee

The Board of Directors and sub-committees are required to hold meetings to consider matters within the scope of their duties and responsibilities. The Company Secretary will coordinate the date, time, and the main agenda of each meeting in advance every year, so that the directors can arrange times and attend the meetings in unison. The meeting agenda will be clearly prepared in each meeting and the meeting invitation letter together with supporting documents will be delivered to relevant directors at least 7 days in advance, except in the case of urgency, to allow directors to have sufficient time to study information before attending the meeting. At each meeting, high-level executives involved will attend the meetings to clarify details and answer inquiries. The Chairman of the meeting has a duty to allow all directors to openly express their opinions before voting and summarize the resolution of the meeting on each agenda. Any director with interests, whether directly or indirectly, is not entitled to vote and must leave the meeting during the consideration of any agenda related to him/her.

The Board of Directors requires a meeting of the Board of Directors to not be attended by executive directors and management at least once a year so that the directors could consider and review the performance of the executive board and the Company, as well as to consider and discuss management-related issues or in the interest of the Board. The results of the meeting will be notified to the Chief Executive Officer for further consideration and improvement. In addition, the Board of Directors also requires the Company's Auditors to attend a meeting with the Board of Directors but without executive directors and management at least once a year.

The Company Secretary is responsible for recording the minutes in writing and storing the manuscript together with the meeting invitation letter and supporting documents, and then saving it in an electronic copy for the convenience of directors and those involved in the audit.

In 2021, the Company held 5 meetings of the Board and 4 meetings of the Audit Committee meetings, 1 meeting of the Nomination and Remuneration Committee, 2 meetings of the Risk Management Sub-Committee. Details of meeting attendance of the directors are as follows:

The Board of Directors' Meetings

	Name - Surname	Position	Meeting attendance	Note
1	Ms. Yaowaroj Klinboon	(Acting) Chairman of the Board of Directors /Chairman of the Nomination and Remuneration Committee/ Independent Director /Member of the Audit Committee	5/5	
2	Mr. Veerayooth Bodharamik	Vice-Chairman of the Board of Directors/ Chairman of the Audit Committee/ Member of the	5/5	

Name - Surname		Position	Meeting attendance	Note
		Nomination and Remuneration Committee /Independent Director		
3	Mr. Sirutt Ratanapaitoon	Member of the Board of Directors /CEO	5/5	
4	Mr. Jenvit Jivakulchainan	Independent Director /Member of the Audit Committee /Member of the Nomination and Remuneration Committee	4/5	
5	Mr. Kusol Sangkananta	Member of the Board of Directors	5/5	
6	Mr. Ruengrit McIntosh	Member of the Board of Directors	4/5	
7	Mr. Sithipong Netiphath	Member of the Board of Directors	-	Elected on January 7, 2022
8	Ms. Vimol Hanpanishkitkarn	Member of the Board of Directors /CFO	-	Elected on January 7, 2022

Audit Committee's Meetings

Name - Surname		Position	Meeting attendance	Note
	Mr. Veerayooth Bodharamik	Chairman of the Audit Committee	4/4	
	Ms. Yaowaroj Klinboon	Member of the Audit Committee	4/4	
	Mr. Jenvit Jivakulchainan	Member of the Audit Committee	4/4	

Nomination and Remuneration Committee's Meetings

Name - Surname		Position	Meeting attendance	Note
	Ms. Yaowaroj Klinboon	Chairman of the Nomination and Remuneration Committee	1/1	

Mr. Veerayooth Bodharamik	Member of the Nomination and Remuneration Committee	1/1	
Mr. Jenvit Jivakulchainan	Member of the Nomination and Remuneration Committee	1/1	

Risk Management Sub-Committee's Meetings

Name - Surname	Position	Meeting attendance	Note
Mr. Sirutt Ratanapaitoon	Chairman of the Risk Management Sub-Committee	2/2	
Ms. Vimol Hanpanishkitkarn	Member of the Risk Management Sub-Committee	2/2	
Mr. Suwisit Khoipanit	Member of the Risk Management Sub-Committee	2/2	Resigned on October 27, 2021

Details of Directors' Meeting attendance who resigned during the year 2021

Name - Surname	Position	Meeting attendance	Note
Mr. Nattawut Phowborom	Chairman of the Board of Directors	5/5	Resigned on December 21, 2021
Mrs. Sangduan Ewbamrung	Member /(Acting) CEO	5/5	Resigned on December 9, 2021

Performance Assessment of the Board and Sub-committees

The Company has established an annual appraisal on the overall performance of the Board of Directors to evaluate the efficiency of the Board's operations based on the code of Corporate Governance with the following processes:

- The Company Secretary prepares and reviews the performance appraisal form to be correct, complete, and in accordance with the rules set by the regulator, and presents to the Board of Directors for the consideration of performance appraisal.
- The Company Secretary summarizes the Board's performance including advantages and disadvantages that should be improved and presents to the Nomination, Remuneration and

Corporate Governance Committee for consideration and recommendations before presenting to the Board of Directors for consideration and improvement of operations for more efficiency

The performance appraisal form of the Board of Directors is divided into 6 topics: (1) Structure and qualifications of the Board of Directors; (2) Roles, duties and responsibilities of the Board of Directors; (3) The Board's meetings; (4) Performance of directors' duties; (5) Relationship of the management; and (6) Self-development of Directors and management development; and the evaluation appraisal was represented into percentage in each topic as following ratings: Scores more than 85% = excellent, more than 75% = very good, more than 65% = good, more than 50% = fair, and less than 50% = improvement required

However, in 2021, the Board of Directors has assessed the performance of both the committee and individuals. The suggestions from all directors have been collected, and then apply as a plan for enhancing the performance of the Board and sub-committees. Most of the suggestions concern encouraging directors to attend training courses relating to the duties of the Board and sub-committees. Some suggestions have already been done.

Remuneration of the Board of Directors and Sub-committees

The Board of Directors has established and approved the director's remuneration framework and policy to propose to the shareholders' meeting for approval. The compensation must be in line with the duties and responsibilities, containing a combination and compositions of both short-term and long-term motivation, including taking into account factors such as the Company's businesses and performance, market and industry norms, economic condition, as well as duties and responsibilities of the Board and sub-committees, etc. The Board of Directors requires the Nomination and Remuneration Committee to consider the remuneration of directors, and then propose to the Board of Directors and the shareholders' meeting for consideration and approval every year. In addition, the Nomination and Remuneration Committee will consider and review the remuneration structure of the Board of Directors and sub-committees every 3 years to be in line with the market and industry trends.

At present, the remuneration of directors consists of annual compensation and meeting allowance only and any other benefits have not been provided to the directors of the Company. As of December 31, 2021, the Company paid remuneration of meeting allowance according to the number of meeting attendance as follows:

Name - Surname	Remuneration (Baht)			Total	Note
	Board of Directors	Audit Committee	Nomination & Remuneration Committee		
Mr. Nattawut Phowborom	150,000	-	-	150,000	
Mr. Veerayooth Bodharamik	100,000	120,000	10,000	230,000	
Ms. Yaowaroj Klinboon	100,000	80,000	15,000	195,000	
Mrs. Sangduan Ewbamrung	-	-	-	-	

Name - Surname	Remuneration (Baht)			Total	Note
	Board of Directors	Audit Committee	Nomination & Remuneration Committee		
Mr. Sirutt Ratanapaitoon	-	-	-	-	
Mr. Jenvit Jivakulchainan	80,000	80,000	10,000	170,000	
Mr. Kusol Sangkananta	100,000	-	-	100,000	
Mr. Ruengrit McIntosh	80,000	-	-	80,000	
Total	610,000	280,000	35,000	925,000	

8.1.3 Oversight of Subsidiaries

The Company has a supervisory mechanism that enables to control, supervise, manage and be responsible for the operations of subsidiaries to maintain the benefits in the Company's investments in accordance with the rules that be announced by the SEC as follows:

The Company will nominate and exercise the voting rights to appoint a person to be a director in its subsidiaries. The company stipulates rules for nomination and the exercise of voting rights to be approved by the Board of Directors. Persons who are appointed to be directors in subsidiaries are obliged to act in the best interests of the Subsidiary Companies or the Associated Companies (not to the Company). The Company stipulates that the appointed persons must obtain approval from the Board of Directors prior to voting or exercising their right to vote on important matters at the same level as those required by the Board of Directors. If it is operated by the company itself. In this regard, the submission of directors to be represented in the subsidiary or associated company is in accordance with the Company's shareholding proportion.

In addition, in the case of a subsidiary, the Company stipulates regulations for the person appointed by the Company to ensure that the subsidiary has regulations in connection with the acquisition or disposal of assets or any other important transactions which use the rules related to disclosure of information and the above transactions in the same manner as the rules of the company. Including supervising the collection of data and recording the accounts of the subsidiaries for the Company to be able to examine and collect them to prepare the consolidated financial statements in a timely manner.

As of December 31, 2021, the Company has 2 subsidiaries, namely Food Holding Company Limited and Domino Asia Pacific Company Limited, which hold 100% of the shares. The Company has the power to manage and control the business of the subsidiary.

At present, the Company, by the Board of Directors, has assigned the management to amend and improve the guidelines for supervision of subsidiaries and indirect subsidiaries to establish an explicit governance policy for subsidiaries and indirect subsidiaries as well as define the scope of delegation of powers to representatives

who are appointed to be directors/executives in subsidiaries and affiliates so that the company as a Holding Company being able to operate by applicable laws and regulations of regulatory bodies in accordance with the principles of good corporate governance of the Stock Exchange of Thailand. The management is in the process of making governance guidelines to determine the policy and regulations on the Corporate Governance Policy and Control Policy on subsidiaries and indirect subsidiaries. If it has already been prepared, it will be presented to the Board of Directors for approval and then will be disclosed in the Annual Registration Statement/ Annual Report for the Year 2021 (Form 56-1 One Report).

8.1.4 Monitoring of Compliance with Corporate Governance Policies and Practices

(1) Conflicts of Interest

Every decision must be emphasized the highest benefits of the Company by recognizing impacts on stakeholders. The decision for personal or others' interest unlawfully or immorally is prohibited. However, the Company realizes that the conflict of interest is possible, but when knowing such a case, you should not be involved with, make a decision on, or make personal benefits without considering the Company's interest.

Implementation

1) Do not operate a business that competes or be a partner, shareholder having decision power, director or executive in a business that competes with, or has the same business as the Company or in a juristic person that the Company owns. If it is inevitable, report to the supervisor immediately.

2) Do not engage in any transaction with a party related to you such as family, close relatives, or persons that you own or are a partner despite benefits to the Company.

3) Do not seek benefits information or what you or others know from a position and responsibility.

4) Avoid doing other jobs for personal benefits than jobs under your duty and responsibility.

5) The employees should not spend working hours to search information, contacting a person, or trading any securities or assets regularly for personal or others' benefit, and it is not for the Company's interest.

6) In case of conflicts of interest with the Company, report to the supervisor immediately.

However, in monitoring compliance with policies and guidelines on the part of employees, the Human Resources Department will follow up for employees to confirm compliance with the Company's corporate governance policy, including notifying conflicts of interest information.

Regarding the Board of Directors and executives, who are obliged to report of interests as required by the Securities and Exchange Act, the Company has prepared a Report Form on Interests of the Company's Directors and Executives to report to the Company for acknowledgment of change.

(2) Handling of Insider Information

The Company has supervised the use of insider information in accordance with the principles of good corporate governance. The Board of Directors has established a written corporate governance policy that summarizes the significant policies regarding the use of insider information as follows:

- (2.1) In using insider information, the Company requires all directors and executives to report changes in securities holdings to the Securities and Exchange Commission following Section 59 of the Securities and Stock Exchange Act B.E. 2535 within 3 days from the date that has changed the securities holdings and shall notify the Company Secretary on the same day of submitting a report to the SEC Office. In addition, the Board of Directors also requires the Company Secretary to report the securities holding status and changes in the securities of directors and executives to the Board of Directors on a quarterly basis. It also notifies the penalties if there is a violation or non-compliance with the aforementioned regulations.
- (2.2) The Company's directors or executives or entities that obtained insider information are prohibited from disclosing insider information to outsiders or irrelevant persons are prohibited from trading in the Company's securities for a period of 1 month prior to the disclosure of financial statements to the public. The employees may use insider information that has not yet been disclosed to the public for the benefit of trading securities shall not trade in the securities of the Company. Failure to comply with such stipulation is considered unethical to the Company. Directors, executives, or employees who have acquired important insider information and violate the Business Code of Ethics will be punished such as warnings, wage cuts, suspension without pay, or termination of employment. The disclosure of any information that may have an effect on the business and the share price of the Company must be agreed upon by the managing director. The managing director shall disclose such information, or assign any person to do so on his/her behalf.

(3) Anti-Fraud and Corruption

To ensure that the Company has a proper policy determining responsibility, guidelines, and regulations as a tool to prevent corruption from all business transactions, the Company has arranged a written guideline called 'Anti-corruption Policy' in order to prudently make a decision on any course of action that could lead to corruption and to serve as an apparent guideline in performing its business and effectively developing a sustainable organization.

To prevent the involvement in any corruption, the Board of Directors defines to operate with the principle of good corporate governance and adhere to the Business Code of Ethics of the Company and deploy in operation transparency. The Board of Directors, executives, and all employees have to conduct according to the Business Code of Ethics in terms of anti-fraud and corruption as follows:

- 1) Do not offer compensation, bribes, solicit, agree or accept bribes from other persons or entities in any form whether directly or indirectly in order to reward mutual benefit or aim at the Company's business.
- 2) Not to conduct unlawful transactions concerning government officials, other people, or other agencies in both direct or indirect manner.
- 3) Do not donate or give a benefit in facilitating or grant contribution to any other persons or entities as a way to pay the bribe.
- 4) Not to support money or any benefit directly or indirectly to the political parties, political group, or any person related to the politic, to the benefit of oneself and kin.

The Company has been monitoring its activities for the year 2021 and has never had any reports or complaints about bribery and corruption in any way.

(4) Whistleblowing

The Company has updated the Policy on Complaints Handling and Whistleblowing for Misconduct and Corruption and the Policy on Complaint Investigation and Whistleblowing of Misconduct and Corruption to protect relevant persons including whistleblower, accused, any person who assists in any relevant process by establishing channels for receiving complaints or whistleblowing that are convenient, secure, and have a transparent and credible process to prevent misconducts and corruptions that may occur in the Company and its companies in the Company Group, and as an administrative tool in detecting corruptions or misconducts, as well as reduce the damage from misconduct or corruption. The duties and guidelines for employees and management at all levels have been clearly established by opening the channel to send the complaints to the Audit Committee or notifying the supervisors trusted by whistleblowers at all levels, and having a fair investigation process by an investigation and punishment committee appointed by the persons involved in each department who have no interest in that matter. The process will be confidential to minimize the impact on the whistleblower with fair punishment measures, the results will be reported to the Audit Committee.

Complainants can submit their complaint or clue of misconduct through the following channels:

- 1) Email: whistleblower@wowfactor.co.th (This email will be sent directly to the Chairman of the Audit Committee.)
- 2) By mail: Chairman of the Audit Committee

WOW Factor Public Company Limited
77/1 Soi Ruam Siri Mit, Chom Phon
Chatuchak, Bangkok 10900

The Company shall fairly treat and protect any complainant with the utmost confidentiality. Complaints shall be investigated appropriately and confidentially through systematic and traceable investigations to ensure that the complainant will not be harassed or maliciously from any complaints or clues.

In the year 2021, none of the complaints and clues of misconduct and fraud were reported through determined channels.

8.2 Report of Audit Committee and Sub-Committees (Appears in Attachment 6)

8.3 Report on Changes in Securities Holdings of the Board of Directors and Executives

Directors and Executives are obliged to report their securities holdings themselves, their spouses, or those living together as husband and wife, and underage children, including a juristic person in which the above person is a shareholder of more than 30 percent of the total voting rights of such juristic person within 30 days from being elected as directors and executives of the Company and every time there is a change in the holding of such securities. It must be reported to the SEC within 3 business days. The holdings of “W” securities of Directors and Executives are summarized as follows:

Name - Surname		Amount of Holdings	Amount of Holdings	Increase (Decrease)
		As of Dec. 31, 2020	As of Dec. 31, 2021	
Directors and Executives				
1	Ms. Yaowaroj Klinboon	None	None	-
2	Mr. Veerayooth Bodharamik	None	None	-
3	Mr. Sirutt Ratanapaitoon	43,870,264	41,080,264	(2,790,000)
4	Mr. Jenvit Jivakulchainan	None	None	-
5	Mr. Kusol Sangkananta	None	None	-
6	Mr. Ruengrit Mcintosh	None	None	-
7	Mr. Sithipong Netiphath*	Non-disclosure	946,667	Non-disclosure
8	Ms. Vimol Hanpanishkitkarn**	Non-disclosure	None	Non-disclosure
9.	Mr. Boonlerd lewpornchai***	Non-disclosure	1,530,000	Non-disclosure

Remarks * Elected on January 7, 2022

** Elected on January 7, 2022

*** Elected on February 25, 2022

9. Internal Control and Related Party Transactions

9.1 Internal Control

According to the assessment of the Company's internal control system in various aspects, there are 5 elements, namely control environment, risk assessment, operational control, information and communication system, and monitoring system. The Board of Directors is of the opinion that the Company's internal control system is adequate and appropriate. The Company has provided sufficient personnel to operate the system effectively. The Company's internal control system has been covered the monitoring and supervising the subsidiaries' operations to be able to protect the assets of the Company and its subsidiaries from misconduct or unauthorized use by directors or executives. This includes the transactions with other persons who may have conflicts of interest and connected persons. In this regard, the Board of Directors is of the opinion that the Company has adequate internal control for other topics as well.

Opinion of the Audit Committee

The Audit Committee has no different opinion from the Board of Directors' point of view. They supervise the Head of Internal Audit and the Head of Compliance to perform their internal audit duties independently, use their knowledge, and experiences in giving advisory to operators to understand and perform in line with the international best practice.

Head of Internal Audit and Head of Compliance

The Audit Committee has approved the hiring of JP Tip Audit Company Limited to be the Company's internal auditor. Mr. Tanongsak Padistarn has been assigned as the Company's Head of Internal Audit and the Head of Compliance, while Ms. Natnaree Woranitiyaowapa, acting in the internal audit and compliance functions. The qualifications of the person holding the Head of Internal Audit position are shown in Attachment 3. The appointment, removal of the Head of Internal Audit, and the Head of the Company's Compliance must be approved by the Audit Committee.

9.2 Related Party Transactions

9.2.1 Disclosure of Related Party Transactions

Persons who may have conflicts of interest	Relationship	Characteristics of Transaction	Value by the year 2021 (Million Baht)	Reasonable Necessity of Transaction
Mr. Nuttawut Phowborom	Director and Company's shareholder (Ended December 21, 2021)	Rental, service fee, and utilities. Wow Factors Public Company Limited (lessee) entered into a contract with Siam Koi Avenue Co., Ltd. for the rental and service of property, in a kind of area-type building at 77/1 Soi Ruamsirimit, Chom Phon, Chatuchak, Bangkok, with an area of 473.27 square meters at the rate of 95,000 Baht per month. In addition, the Company has rented an additional area of 60.8 square meters at an additional rental rate of 12,000 Baht per month since October 29, 2021.	1.46	The rental, service fee, and utility are according to normal commercial conditions and are at reasonable prices compared to the rental and service rates in a nearby area of the same type of property.
Mr. Sirutt Ratanapaitoon	Director, executives, and Company's shareholder	Loan agreement with a credit line of 87.32 million Baht, an interest rate of 6% per annum. During the year 2021, the Company withdrew a total loan of 40.31 million Baht and has gradually repaid the principal of 55.82 million Baht, plus interest of 0.21 million Baht. As of December 31, 2021, the Company has an outstanding loan and remaining interest of 21.81 million and 0.08 million Baht respectively.	40.60	The Company needs to borrow more money from related parties to be the working capital as affected by the government's measures to alleviate the outbreak of COVID-19 in 2021, and requires sufficient and timely cash flow for business operations, including expanding branches of restaurants in the Company's chain as well as the inventory management, adjusting the sales model according to the situation. Providing financial support to the Company is considered a related party transaction with a transaction size of 4.69 million Baht. Details disclosed to the SET.
Individuals who are shareholders of the Company	The shareholders of the Company but holding less than 10% of the shares are not major shareholders according	Loan agreement with a credit line of 6.60 million Baht, an interest rate of 6% per annum as of December 31, 2021, the Company has outstanding loans of 6.60 million Baht and interest of 0.05 million Baht.	6.65	The Company has borrowed the loan to be the working capital for the Group's operations by borrowing under interest negotiated with the lender, which is not higher than the interest rate for a general short-term loan.

Persons who may have conflicts of interest	Relationship to the related party transaction criteria.	Characteristics of Transaction	Value by the year 2021 (Million Baht)	Reasonable Necessity of Transaction

9.2.2 Policy and Tendency of Related Party Transactions in the Future

The Board of Directors has clearly defined a policy on conflicts of interest in the Company's Business Code of Ethics. In addition, there has been a procedure for investigating transactions that may cause conflicts of interest and regulations on related party transactions to comply with the stipulation of the SEC Office. However, if any item must be approved by the Board of Directors and/or the Shareholders' Meeting, the Audit Committee will firstly scrutinize and give opinions on those transactions. In the event that the opinions of the Board of Directors have differed, the Company will also disclose such different opinions. Furthermore, if any director has a conflict of interest, he or she must be abstained from voting on such an agenda.

The Company aims to operate the business for the best benefit of the Company and its subsidiaries. Therefore, the related party transactions of the subsidiaries that currently exist, are likely to continue in the future, since the contractual obligations have not expired. However, in addition to the implementation of the above-mentioned procedures, the execution of such a transaction will be fair and at arm's length.

9.2.3 Price Valuation for Related Party Transactions

-None-

Financial Report



Report of the Board of Directors' Responsibilities on Financial Statements

The Board of Directors is responsible for the financial statements of WOW Factor Public Company Limited and its subsidiaries which are prepared following financial reporting standards under the Accounting Act B.E. 2543 and by the regulations of the Securities and Exchange Commission regarding the preparation and presentation of financial reports under the Securities and Exchange Act B.E. 2535. The appropriate accounting policy has been considered and practiced on a regular basis. In addition, there is adequate disclosure of significant information in the notes to the financial statements, whereby the auditor has audited the financial statements and made an unconditional opinion in the auditor's report.

The Board of Directors has continually emphasized duties and responsibilities in accordance with the good corporate governance policy in order to endorse the efficiency, transparency, and reliability of the Company's operations. These are including the establishment of an internal control system, appropriate risk management to ensure that the accounting information is accurate, complete, and sufficient as well as to prevent fraud, corruption, or substantial malfunction.

The Board of Directors has appointed the Audit Committee from independent and qualified directors who directly oversee the quality of financial reports. These are including reviewing the adequacy of internal control, internal audit, and risk management as well as the disclosure of related party transactions. The opinion of the Audit Committee has already appeared in the Audit Committee's report as shown in this annual report.

The Board of Directors is of the opinion that the overall internal control system and internal audit of the Company are at a satisfactory level. This is to ensure that the consolidated financial statements of the Company and its subsidiaries and the separate financial statements for the year ended December 31, 2021, are, in essence, correct in accordance with Financial Reporting Standards and comply with the relevant laws and regulations.



Mr. Sirutt Ratapaitoon



Ms. Vimol Hanpanishkitkarn

Authorized Director

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Wow Factor Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Wow Factor Public Company Limited and its subsidiaries (the "Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2021, the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and 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 consolidated and separate financial position of Wow Factor Public Company Limited and its subsidiaries as at 31 December 2021, and its consolidated and separate financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate Financial Statements section of my report. I am independent of the Group in accordance with 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 these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current year. 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 matter	How the matter was addressed in the audit
<p><u>Impairment of investment in subsidiaries, goodwill and intangible assets</u></p> <p>As at 31 December 2021, the Group has investments in subsidiaries of Baht 771 million, goodwill of Baht 516 million and intangible assets of Baht 365 million and which is derived from investment in restaurant business. In accordance with Thai Financial Reporting Standards, the Group is required to test impairment of such assets at the end of each reporting period. Such impairment test requires significant judgement and assumptions of management with complex consideration, specifically the assumptions relate to the cash flows projection of restaurant together with the consideration of discount rate for determination of projected cash flows which may affected by changes in the economic condition, market situation and specific risk of assets.</p> <p>I have focus on auditing of impairment of investment in subsidiaries, goodwill and intangible assets because these assets have significant impact to the financial statements and the Group has disclosed in Notes 13, 16 and 17 to financial statements.</p>	<p><u>Procedures for assessing the projection of operating results and financial model prepared by the Company's management are as follows:</u></p> <ul style="list-style-type: none"> • Understood and evaluated of assumptions and procedures for calculation of cash flow projections applied by management. • Evaluated the professional competency and independence of expert. • Assessed the discount rate by reference and comparing the industries information to ensure that the discount rate used by the management is reasonable. • Tested calculation for the recoverable amount. • Reviewed the sensitivity analysis provided by management and considered the impact to recoverable amount. • Considered the adequacy and appropriateness of the Group's disclosure for assumption and recoverable amount of investments in subsidiaries, goodwill, and intangible assets.

Other matter

The consolidated and separated financial statements of Wow Factor Public Company Limited and its subsidiaries for the year ended 31 December 2020, presented as comparative information, were audited by another auditor who used to be in the same office as mine who expressed an unmodified opinion on those statements according to the report dated on 1 March 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included 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 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 when it becomes available 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 and revised a material 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the 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 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 and separate financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year 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.

Saranya A.

Ms. Saranya Akharamahaphanit

Certified Public Accountant

Registration No. 9919

Grant Thornton Limited

Bangkok

25 February 2022

WOW FACTOR PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. NATURE OF OPERATIONS

Wow Factor Public Company Limited ("the Company") was incorporated as a public company in Thailand, and has been listed on the Stock Exchange of Thailand. The Company is engaged in investment in food and beverages business and the group are engaged in selling food and beverages.

The Company and its subsidiaries call "The Group".

The Company is incorporated in Thailand, the Company's shares are listed on the stock exchange of Thailand since 2003. The registered office address of the Company is 77/1 Soi Ruamsirimit, Chomphon Subdistrict, Chatuchak District, Bangkok.

On 1 October 2020, the Company has sold the investment in subsidiary, which is primarily engaged in producing and exporting electronics spare parts. The Group, therefore, has solely core operation in food and beverages since 1 October 2020 onward.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION

2.1 Statement of compliance

The accompanying financial statements have been officially prepared in accordance with Thai Financial Reporting Standards ("TFRS") issued by the Federation of Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to another language must be in compliance with the official report in Thai.

The consolidated and separate financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use of certain critical accounting estimates and to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

2.2 Principles of consolidation

The consolidated financial statements include the financial statements of Wow Factor Public Company Limited and subsidiaries which the Company can exercise control or holding the voting shares more than 50 percentage of total voting shares as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding held by the Company	
			2021	2020
Direct Subsidiaries				
Food Holding Co., Ltd.	Investment in food business	Thailand	99.80	99.80
Domino Asia Pacific Co., Ltd.	Selling foods and beverages	Thailand	99.99	99.99
Indirect Subsidiaries				
(Subsidiaries of Food Holding Co.,Ltd)				
Bake Cheese Tart (Thailand) Co., Ltd.	Selling foods and beverages	Thailand	-	-
Eastern Cuisine (Thailand) Co., Ltd.	Selling foods and beverages	Thailand	-	-
Crepes & Co. Development Co., Ltd.	Selling foods and beverages	Thailand	-	-

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

Investments in subsidiaries as recorded in the Company's books of account are eliminated against the equity of the subsidiaries.

Results of operations of the subsidiaries have been included in or excluded from the consolidated financial statements as from their effective dates of acquisition or disposal of the investments, respectively.

The consolidated financial statements have been prepared using the same accounting policy for similar transaction or accounts of similar nature in the preparation of the Company's financial statements.

2.3 Financial status of the Group

As at 31 December 2021, the Group has net current liabilities in excess of current assets of Baht 352.3 million (2020: Baht 69.6 million) and deficits which were caused by the operating losses from subsidiaries and indirect subsidiaries.

The management, therefore, has planned to increase the ordinary shares by right offering to the existing shareholders as disclosed in Note 36.1 to support for the operations plan and expand the business of the Group to earn the profit in the near future. Therefore, the financial statements are prepared under going concern basis.

2.4 Effect from the pandemic of Coronavirus Disease 2019

Form the uncertainty of situation in 2020, the Group applied accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of Covid-19 in preparing the financial statements for the year ended 31 December 2020. However, the accounting guidance already expired on 31 December 2020, the Group considered the impact of the expiration of this accounting guidance which have no material impact on the financial statements in 2021, except Covid-19-related rent concessions as disclosed in Note 3.1.5

3. CHANGES IN THE FINANCIAL REPORTING STANDARDS

3.1 Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2021

3.1.1 Thai Accounting Standard No.1 “Presentation of financial statements” and Thai Accounting Standard No. 8 “Accounting policies, Changes in Accounting Estimates and Errors”

The amendment definition of “Materiality” to comply with the Financial Reporting Standards and frameworks. Including the explanation that clarified the materiality application to Thai Financial Reporting Standard No.1.The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

3.1.2 Thai Financial Reporting Standard No.3 “Business combinations”

This standard was amended to provide more consideration as follow;

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of whether a transaction is an acquired of assets or a business combination.
- The amendment definition of “Business” that define the business combination must include, at a minimum, an input and a substantive process that are collective significantly contribute to the ability to create outputs. Furthermore, amendment definition of “Outputs” which focusing on goods and services provided to customers and removing the reference to an ability to lower the costs.

3.1.3 Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No.7 “Disclosure of Financial instruments”

These standards were change in specific hedge accounting requirements for relief the uncertainties arising from impact of interest rate benchmark reform including the effects of changes to contractual cash flow or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate such as Interbank offer rates – IBORs.

In addition, the amendment requires the entity to provide information of all hedging relationships directly affected by such uncertainty.

3.1.4 Conceptual Framework for Financial Reporting

The amendment conceptual framework in definition of assets and liabilities and criteria for recognizing assets and liabilities in financial statements. The principles and practices are as following:

- Measurement including factors to be considered when selecting a benchmark basis
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework describes responsibilities, conservatism, and measurement uncertainty in preparation of financial reporting. The revised in conceptual framework that effect to revised in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

3.1.5 Thai Financial Reporting Standard No.16 “Lease”

This standard amends of COVID-19 related rent concessions which permits lessees, as a practical expedient, not to assess whether rent concessions that meet specified conditions are lease modifications.

The Group has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021, which effect from applied practical expedients on situation of Covid-19 rent concessions on TFRS 16 “Leases” are as follows:

The Group received Covid-19-related rent concessions resulting in a decrease in lease payment for the year ended 31 December 2021, amounting to Baht 6.3 million.

3.2 Financial Reporting Standards and guidance which effective for the accounting period beginning on or after 1 January 2022 are as follows:

Thai Financial Reporting Standard 9, "Financial instruments", Thai Financial Reporting Standard 7, "Disclosure of Financial instruments", Thai Financial Reporting Standard 16, "Lease", Thai Financial Reporting Standard 4, "Insurance Contracts" and accounting guidance, financial instruments and disclosures for insurance business

Interest rate benchmark (IBOR) reform – phase 2 provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flow or hedging relationship arising from the change of interest rate benchmark to alternative benchmark rates. The significant information are as follows:

- Applying a practical expedient on relief measurement when changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), have to comply with 2 conditions are 1) the changes that are necessary as a direct result of the IBOR reform and 2) the new basis for determining contractual cash flows are considered economically equivalent, will not result in an immediate gain or loss in the statement of profit or loss. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS7 requires addition disclosures as follows:

- The nature and extent of risks arising from the IBOR reform including methods that the entity uses in managing for the transition to alternative benchmark rates.
- The quantitative information related to the financial instruments that have yet transitioning to an alternative benchmark rate as at the end of the reporting period, by separate significant benchmark rates under the IBOR reform.
- The changing to an entity's risk management strategies that the risk arising from financial instruments and transition to alternative benchmark rates.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates. Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods and services

Revenue from sales of goods and services is recognised when customer obtains control of goods, generally on delivery of the goods to the customers. The amount of revenue recognised as invoiced value or estimated returns, which deducting with discounts and allowances by excluding value added tax.

Revenue from produce and sales of electronics spare parts

Revenue from produce and sales of electronics spare parts 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.

4.2 Cash and cash equivalents

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

Restricted deposits with bank is presented under non-current assets in the statement of financial position.

4.3 Trade accounts receivable and allowance for doubtful accounts

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Trade accounts receivable are presented at the net realisable value. The Group applies the TFRS 9 to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the trade accounts receivable. To measure the expected credit losses, trade accounts receivable have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on economic factors affecting the ability of the customers to settle the receivables. The impairment losses are recognised in profit or loss.

4.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in, first out basis for inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made, where necessary, for obsolete or slow-moving and defective inventories.

4.5 Business combinations

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. In each business combination, the Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

Investment in subsidiaries presented in the separate financial statements are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised gain or losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are fully considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. The Group de-consolidated a subsidiary from consolidated financial statement since the date that control ceases.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For disposal shares to non-controlling interests, the difference between any consideration received and carrying amount of net assets for the disposal of subsidiary is recorded in equity.

4.6 Building and equipment

Building and equipment are initially recorded at cost and stated at historical cost less accumulated depreciation and provision for impairment (if any).

Cost includes acquisition cost and any cost directly attributable to bring the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence for having used the item during a particular period for purposes other than to produce inventories during that period.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets concerned as follows:

Buildings and factory	20	Years
Land and building improvements and cost of dismantling	1.5 – 6	Years
Machinery and factory equipment	5 – 20	Years
Equipment and furniture	2 – 10	Years
Vehicles	5	Years
Billboards and related cost	10 – 20	Years

The cost of replacing part of equipment is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Company and the carrying amount of those replaced parts is derecognised. Repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Gains and losses on disposal of equipment are determined by comparing proceeds with its carrying amount and are included in profit or loss from operations.

4.7 Intangible assets

Intangible assets consist of royalty right, trademark and computer software is stated cost less accumulated amortisation and allowance for impairment (if any) and is amortised as expense on a straight-line basis over a period of 5 - 10 years.

4.8 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is reported in the consolidated of financial position as an intangible asset.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

4.9 Impairment of assets

At the end of the reporting period, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, the Group will make an estimate of the asset's recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the statement of profit or loss. An asset's recoverable amount is the higher of fair value less costs to sell and value in use.

If there is subsequently any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group will make another estimate of the asset's recoverable value, compare this with the book value, and reverse previously recognised impairment to reflect the change in recoverable value.

4.10 Right-of-use assets

Leases - where the Group are the lessee

The Group recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and

estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the exercise price under a purchase option that the Group is reasonably certain to exercise.

After initial cost measurement, when the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

The Group recognises the short-term leases payment and leases of low-value assets payment associated with these leases as an expense on a straight-line basis over the lease term. The short-term leases is lease which had lease term of 12 months or less.

4.11 Provisions

Provisions are recognised when the Group company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.12 Foreign currency translation

Transactions denominated in foreign currencies are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities at the end of the reporting year denominated in foreign currencies are translated into Baht at the rates of exchange ruling at the end of the reporting year. Gains and losses on exchange are recognised as revenues or expenses for each period.

4.13 Employee benefits

Short-term employment benefits

Salaries, wages, bonuses and contribution to the social security are recognized as expenses when incurred.

Post-employment benefits (Defined contribution plan)

The Group and its employees have jointly established a provident fund plan whereby monthly contribution are made by employees and by the Group. The fund's assets are held in a separate trust fund from the Group's assets. The Group's contribution to the fund is recognized as expenses when incurred.

Post-employment benefits and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under the labor law and other employee benefit plan. The Group treats these severance payment obligations as a defined benefit plan and the obligation is determined by a qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains or losses arising from post-employment benefits are recognized in other comprehensive income. Actuarial gains or losses arising from other long-term employee benefits are recognized in profit or loss.

The defined benefit obligation comprises the present value of the defined benefit obligation and actuarial gain or loss.

4.14 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

4.15 Segment reporting

Segment information has been prepared based on the internal report of the Group, which disaggregates its business by services or products and by geographic area.

4.16 Financial instrument

Recognition and derecognition

The Group shall recognise a financial asset or a financial liability when the Group becomes party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Initial recognition and measurement of financial assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

with the exception of allowance for impairment losses from trade accounts receivable as separable.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

Financial assets at fair value

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at fair value through profit or loss (FVTPL).

Impairment of financial assets

For trade accounts receivable, 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.

Initial recognition and measurement of financial 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.

The Group's financial liabilities include bank overdraft and short-term loans, trade accounts payables, others payable and long-term loans.

Subsequent measurement of financial liabilities

Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the Effective Interest (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

4.17 Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax

Current income tax is the expected tax payable or claimable, under the income tax prevailing, on the taxable profit or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting year, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and if they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they are intended to be settled on a net basis or when income tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4.18 Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings per share is calculated by dividing the profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings (loss) per share

Diluted earnings per share is calculated by dividing profit (loss) for the year by the weighted average number of ordinary shares in issue during the year plus adjustments of conversion of all dilutive potential ordinary shares from the exercise of the warrants provided that the conversion carried out at the beginning of the year or issuance of potential ordinary shares.

4.19 Fair value measurements

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.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT

The preparation of the financial statements in accordance with the Thai Financial Reporting Standards requires management to make estimates and assumption that affect the reporting amounts of revenues, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The actual result may differ from those estimates.

5.1 Critical accounting estimates, assumption and judgements are as follow:

5.1.1 Building, equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's building, equipment and intangible assets. Management will revise the depreciation and amortisation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

5.1.2 Impairment of investments

The Group regularly evaluates the impairments of investment in subsidiaries when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The evaluation is based on results of operation and future plan of its subsidiary or associate. Such consideration requires the use of estimate and judgement by the management.

5.1.3 Impairment of goodwill

At the end of the reporting period, the Group assesses the impairment on goodwill by determine of the cash-generating unit and an impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. Impairment loss is recorded in the statement of profit or loss.

The recoverable amount of a non-financial asset is the higher of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

5.1.4 Post-employment benefits and other long-term employee benefit

The obligation under defined benefit plan and other long-term employee benefit plan is determined based on actuarial valuations. Such determination is made based on various assumptions including discount rates, future salary increase rate, mortality rates and other demographic factors.

5.1.5 Provision for cost of dismantling

The Group is obligated to remove decoration and fixtures and restore the rental spaces before returning them to the lessors at the end of the rental agreements. The Group records a provision for cost of dismantling whenever it is highly probable that an obligation will arise as a result of a past event and the amount of the obligation can be reliably estimated. In estimating of dismantling costs, the management exercises judgement in predicting future dismantling costs expected to be paid and economic useful lives of the assets.

5.1.6 Leases

Determine the lease terms

The Group shall determine the lease term is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group shall consider all relevant ducts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Group shall revise the lease term if there is a change in the non-cancellable of a lease by may be caused by the group of companies using (or not exercising) rights. The reasonably certain assessment of certainty upon the occurrence of either a significant event or a significant change in circumstances. This has an impact on assessment of the lease term and is under the control of the Group.

Determination of the discount rate on lease liabilities

The Group assesses interest rate of incremental borrowing of lessee using information provided by third-party financing of each leasing entity and updating information obtained to reflect changes in the tenant's financial factors, if possible.

5.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

6. TRANSACTIONS WITH RELATED PARTIES

The Group has transactions with its related parties. These companies are related through common shareholding and/or directorship.

Details of relationship between the Group and related parties which related through control or transaction are as follows:

Company's Name	Located	Type of relationship
EIC Semiconductor Co., Ltd.	Thailand	Subsidiary (Ended 1 October 2020)
Food Holding Co., Ltd.	Thailand	Subsidiary
Domino Asia Pacific Co., Ltd.	Thailand	Subsidiary
Bake Cheese Tart (Thailand) Co., Ltd.	Thailand	Indirect subsidiary
Eastern Cuisine (Thailand) Co., Ltd.	Thailand	Indirect subsidiary
Crepes & Co. Development Co., Ltd.	Thailand	Indirect subsidiary
Unitop Rubber Co., Ltd.	Thailand	Common director and shareholding with subsidiaries (Ended 1 October 2020)
LED Lighting Co., Ltd.	Thailand	Common director with subsidiary (Ended 1 October 2020)
Siamkoi Avenue Co., Ltd.	Thailand	Common director and shareholding with the Company (Ended 21 December 2021)

Significant transactions with related parties for the years ended 31 December 2021 and 2020 are as follows:

Pricing policy		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		2021	2020	2021	2020
<u>Subsidiary companies</u>					
Management income	Mutually agreed	-	-	12,134,400	-
Interest income	Mutually agreed	-	-	23,506,599	10,432,189
Interest expense	Mutually agreed	-	-	6,204	14,996
Purchase inventories	Market price	-	-	14,966	28,247
Management fee	Mutually agreed	-	-	-	1,428,000
<u>Related companies</u>					
Other income	Mutually agreed	-	519,750	-	-
Rental and service	Mutually agreed	1,461,884	1,084,567	1,461,884	-
<u>Related persons – Director</u>					
Interest expenses	Mutually agreed	340,577	2,701,670	340,577	2,701,670

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
Pricing policy		2021	2020	2021	2020
Remunerations for directors and management					
Current employment benefits	Approved by shareholders and The Company's Board of Directors	9,510,700	14,476,074	7,110,700	7,902,906
Post-employment benefits	Actuarial assumption	393,638	404,158	393,638	371,946
Total		9,904,338	14,880,232	7,504,338	8,274,852

Significant balances with related parties as at 31 December 2021 and 2020 are as follows:

		(Unit: Baht)			
		Consolidated F/S		Separate F/S	
		2021	2020	2021	2020
Trade and other receivables					
	Direct and indirect subsidiaries	-	-	12,983,808	-
Short-term loans to related companies					
	Subsidiaries and indirect subsidiaries	-	-	569,749,317	315,481,426
Other payables					
	Subsidiaries	-	-	1,596,510	2,390,377
	Related companies and directors	1,964,263	2,401,343	1,871,884	-
Total		1,964,263	2,401,343	3,468,394	2,390,377
Short-term loans from related company and related persons					
	Subsidiary	-	-	-	265,988
	Related persons	28,536,468	40,266,238	28,536,468	40,266,238
Total		28,536,468	40,266,238	28,536,468	40,532,226
Employee benefits obligation					
	Key management personnel				
	Post-employment benefits	1,090,448	696,810	1,090,448	696,810

Short-term loans to direct and indirect subsidiaries amount of Baht 569.7 million are denominated in Baht without collateral which will be due at call and bear interest at the rate of 6% per annum.

Short-term loans from related persons amount of Baht 28.5 million are denominated in Baht without collateral which will be due at call and bear interest at the rate of 6% per annum.

7. TRANSACTIONS WITH AGENTS

The subsidiary had business transactions with 2 agents to sell of goods in overseas as follows:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
Country		2021	2020	2021	2020
Sales					
EIC International Co., Ltd.	Hong Kong	-	12,854,339	-	-
EIC Semiconductor Inc.	USA	-	4,513,468	-	-
		-	17,367,807	-	-

On 1 October 2020, the Company has sold investment in a subsidiary and does not include this subsidiary since control ceases.

8. CASH AND CASH EQUIVALENTS

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		2021	2020	2021	2020
Cash		1,935,603	833,065	7,902	5,324
Deposits held at call with banks		26,077,335	42,583,252	3,456,846	27,863,382
Total		28,012,938	43,416,317	3,464,748	27,868,706

As at 31 December 2021 and 2020, the interest rates on deposits held at call with banks bear interest at the rate of 0.00% - 0.25% per annum.

9. TRADE AND OTHER RECEIVABLES

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Trade accounts receivable	5,067,936	3,708,853	-	-
Other receivables				
Management fee	-	-	12,983,808	-
Refundable value added tax	12,687,598	8,280,522	8,591,951	8,277,336
Prepaid expenses	3,282,521	2,622,586	198,018	1,201,698
Advances	9,100,604	8,689,304	-	769,785
Refundable rental deposit	695,000	-	-	-
Others	5,503,300	2,760,036	158,372	180,535
Total other receivables	31,269,023	22,352,448	21,932,149	10,429,354
Total	36,336,959	26,061,301	21,932,149	10,429,354

As at 31 December 2021 and 2020, the aged of trade accounts receivable are as follows:

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Trade accounts receivable				
Not yet due	2,704,364	2,196,800	-	-
Over due :				
Less than 3 months	2,109,712	1,508,295	-	-
3 - 6 months	10,560	3,758	-	-
6 - 12 months	152,272	-	-	-
More than 12 months	91,028	-	-	-
Total	5,067,936	3,708,853	-	-

10. INVENTORIES

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Finished goods	5,361,216	5,832,653	-	-
Raw materials	21,721,927	8,783,410	-	-
Raw materials and goods in transit	3,259,443	2,336,135	-	-
Supplies	4,774,792	3,282,763	-	-
Total	35,117,378	20,234,961	-	-

11. ADVANCES FOR SHARE SUBSCRIPTION

	(Unit : Baht)	
	Consolidated F/S and Separate F/S	
	2021	2020
Advance for share subscription		
Opening balance as at 1 January	48,126,986	48,126,986
Received a settlement	-	-
Closing balance as at 31 December	48,126,986	48,126,986
Allowance for doubtful accounts		
Opening balance as at 1 January	(48,126,986)	(48,126,986)
Reversal	-	-
Closing balance as at 31 December	(48,126,986)	(48,126,986)
Advance for share subscription - net	-	-

In 2018, the Company had sued the recipient of advance for share subscription in the bankruptcy case. On 4 November 2019, the defendant were put under absolute receivership and ordered the defendant to be bankrupt by court. The Company has submitted an application for debt repayment and the case is currently in the process of reviewing the debt repayment request.

The Company has recorded the allowance for doubtful account of advance for share subscription at full amount.

12. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTION

As at 31 December 2021 and 2020, the direct and indirect subsidiaries' deposits with bank have been pledged as corporate credit card of Baht 0.8 million and Baht 0.2 million, respectively.

13. INVESTMENTS IN SUBSIDIARIES

	(Unit : Baht)	
	Separate F/S	
	2021	2020
Cost	922,749,625	922,749,625
<u>Less</u> Allowance for impairment of investments	(151,545,336)	(151,545,336)
Net book value	<u>771,204,289</u>	<u>771,204,289</u>
Movement of investments during the year:		
Opening balance as at 1 January	771,204,289	546,660,316
Additional investment	-	322,500,000
Transferred out from sale of investment in subsidiary	-	(241,756,200)
Reversal of loss on impairment of investment	-	24,444,038
Reversal of allowance for impairment of sale on investment	-	119,356,135
Closing balance as at 31 December	<u>771,204,289</u>	<u>771,204,289</u>

Details of investments in subsidiaries as at 31 December 2021 and 2020 are as follows:

Company's name	Type of Business	Country	Paid-up Share Capital		Percentage of Shareholding and voting right		Cost method		Allowance for impairment		Net	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
					(Percent)	(Percent)						
<u>Direct subsidiaries</u>												
Domino Asia Pacific Co., Ltd.	Selling foods and beverages	Thailand	322,750,000	322,750,000	99.99	99.99	322,749,925	322,749,925	-	-	322,749,925	322,749,925
Food Holding Co., Ltd.	Investment in food and beverages business	Thailand	600,000,000	600,000,000	99.80	99.80	599,999,700	599,999,700	(151,545,336)	(151,545,336)	448,454,364	448,454,364
<u>Indirect subsidiaries</u>												
Bake Cheese Tart (Thailand) Co., Ltd.	Selling foods and beverages	Thailand	1,000,000	1,000,000	99.99	99.99	-	-	-	-	-	-
Eastern Cuisine (Thailand) Co., Ltd.	Selling foods and beverages	Thailand	74,000,000	74,000,000	99.99	99.99	-	-	-	-	-	-
Crepes & Co. Development Co., Ltd.	Selling foods and beverages	Thailand	8,163,300	8,163,300	99.99	99.99	-	-	-	-	-	-
Net			922,749,625	922,749,625			922,749,625	922,749,625	(151,545,336)	(151,545,336)	771,204,289	771,204,289

(Unit : Baht)

Separate F/S

14. BUILDING IMPROVEMENT AND EQUIPMENT

	Consolidated F/S							(Unit : Baht)
	Buildings and factory	Land and building improvements and cost of dismantling	Machinery and factory equipment	Office equipment and furniture	Vehicles	Billboards and related costs	Assets in progress	
Cost								
As at 1 January 2020	95,566,568	54,293,540	338,171,358	81,088,584	21,138,616	109,996	10,352,020	600,720,682
Additional from business combination	-	21,156,061	-	29,990,755	-	-	895,290	52,042,106
Purchased of assets	-	17,124,608	4,091,650	7,372,812	-	-	5,384,556	33,973,626
Transfer in (out)	(31,500)	47,425	13,143,502	6,075	-	-	(13,165,502)	-
Disposals	-	-	(11,224)	(271,772)	(1,788,524)	-	-	(2,071,520)
Written-off assets	-	(8,333,385)	(1,044,671)	(2,442,774)	-	-	-	(11,820,830)
Transferred out from sale of investment in subsidiary	-	-	(354,350,615)	(7,069,951)	(14,809,458)	(109,996)	-	(376,340,020)
Transfer out to right-of-use asset	(95,535,068)	-	-	(10,167,670)	(1,930,396)	-	-	(107,633,134)
As at 31 December 2020	-	84,288,249	-	98,506,059	2,610,238	-	3,466,364	188,870,910
Purchased of assets	-	5,189,072	-	22,119,566	-	-	56,660,979	83,969,617
Transfer in (out)	-	36,599,880	-	12,450,010	-	-	(49,049,890)	-
Disposals	-	-	-	(1,256,710)	-	-	-	(1,256,710)
Written-off assets	-	(1,889,246)	-	(10,968,719)	-	-	-	(12,857,965)
As at 31 December 2021	-	124,187,955	-	120,850,206	2,610,238	-	11,077,453	258,725,852

(Unit : Baht)

	Consolidated F/S							Total
	Buildings and factory	Land and building improvements and cost of dismantling	Machinery and factory equipment	Office equipment and furniture	Vehicles	Billboards and related costs	Assets in progress	
Accumulated depreciation								
As at 1 January 2020	(16,572,484)	(25,248,034)	(234,192,990)	(53,168,013)	(14,738,972)	(109,996)	-	(344,030,489)
Transfer out (in)	518	(501)	-	(17)	-	-	-	-
Transfer out to right-of-use asset	16,571,966	-	-	1,793,735	464,353	-	-	18,830,054
Disposals	-	-	9,374	140,618	1,660,523	-	-	1,810,515
Written-off assets	-	6,104,115	717,374	2,236,201	-	-	-	9,057,690
Transferred out from sale of investment in subsidiary	-	-	245,610,345	6,421,536	11,724,520	109,996	-	263,866,397
Depreciation for the year	-	(8,971,807)	(12,144,103)	(12,635,634)	(1,487,102)	-	-	(35,238,646)
As at 31 December 2020	-	(28,116,227)	-	(55,211,574)	(2,376,678)	-	-	(85,704,479)
Disposals	-	-	-	909,676	-	-	-	909,676
Written-off assets	-	751,684	-	7,627,521	-	-	-	8,379,205
Depreciation for the year	-	(16,652,823)	-	(18,767,691)	(210,036)	-	-	(35,630,550)
As at 31 December 2021	-	(44,017,366)	-	(65,442,068)	(2,586,714)	-	-	(112,046,148)
Net book value								
As at 31 December 2020	-	56,172,022	-	43,294,485	233,560	-	3,466,364	103,166,431
As at 31 December 2021	-	80,170,589	-	55,408,138	23,524	-	11,077,453	146,679,704
Depreciation for the year 2020								
Depreciation for the year 2021								
								35,238,646
								35,630,550

	Separated F/S		(Unit : Baht)
	Land improvements	Office equipment and furniture	Total
<u>Cost</u>			
As at 1 January 2020	-	1,555,273	1,555,273
Additions	-	713,137	713,137
As at 31 December 2020	-	2,268,410	2,268,410
Additions	209,610	92,472	302,082
Written-off assets	-	(228,504)	(228,504)
As at 31 December 2021	209,610	2,132,378	2,341,988
<u>Accumulated depreciation</u>			
As at 1 January 2020	-	(891,620)	(891,620)
Depreciation for the year	-	(301,814)	(301,814)
As at 31 December 2020	-	(1,193,434)	(1,193,434)
Written-off assets	-	91,240	91,240
Depreciation for the year	(70,252)	(351,912)	(422,164)
As at 31 December 2021	(70,252)	(1,454,106)	(1,524,358)
<u>Net book value</u>			
As at 31 December 2020	-	1,074,976	1,074,976
As at 31 December 2021	139,358	678,272	817,630
Depreciation for the year 2020			301,814
Depreciation for the year 2021			422,164

As at 31 December 2021, the Group's gross carrying amount of fully depreciated of building improvements and equipment that are still in use amounted to Baht 48.5 million (2020 : Baht 41.5 million).

15. RIGHT-OF-USE ASSETS

(Unit : Baht)

	Consolidated F/S				Total
	Right-of-use land	Building and building improvement	Machinery and factory equipment	Vehicles	
Cost					
As at 1 January 2020	125,940,254	147,629,434	10,167,670	1,930,396	285,667,754
Addition from business combination	-	41,261,561	-	-	41,261,561
Additions	-	34,334,040	-	2,515,984	36,850,024
Transferred out from sale of investment in subsidiary	(125,940,254)	(95,535,068)	-	-	(221,475,322)
As at 31 December 2020	-	127,689,967	10,167,670	4,446,380	142,304,017
Additions	815,513	53,526,021	2,388,409	-	56,729,943
As at 31 December 2021	815,513	181,215,988	12,556,079	4,446,380	199,033,960
Accumulated amortisation					
As at 1 January 2020	-	(16,571,966)	(1,793,735)	(464,353)	(18,830,054)
Transferred out from sale of investment in subsidiary	-	27,955,486	-	-	27,955,486
Discount of rental fee	-	(3,279,281)	-	-	(3,279,281)
Amortisation for the year	-	(22,595,988)	(2,033,527)	(570,175)	(25,199,690)
As at 31 December 2020	-	(14,491,749)	(3,827,262)	(1,034,528)	(19,353,539)
Amortisation for the year	(360,343)	(27,995,338)	(2,257,587)	(1,122,465)	(31,735,733)
As at 31 December 2021	(360,343)	(42,487,087)	(6,084,849)	(2,156,993)	(51,089,272)
Net book value					
As at 31 December 2020	-	113,198,218	6,340,408	3,411,852	122,950,478
As at 31 December 2021	455,170	138,728,901	6,471,230	2,289,387	147,944,688
Amortisation for the year 2020					25,199,690
Amortisation for the year 2021					31,735,733

(Unit : Baht)

	Separated F/S		
	Right-of-use land	Vehicles	Total
<u>Cost</u>			
As at 1 January 2020	-	-	-
Additions	-	2,515,984	2,515,984
As at 31 December 2020	-	2,515,984	2,515,984
Additions	815,513	-	815,513
As at 31 December 2021	815,513	2,515,984	3,331,497
<u>Accumulated amortisation</u>			
As at value as at 1 January 2020	-	-	-
Amortisation for the year	-	(184,096)	(184,096)
As at 31 December 2020	-	(184,096)	(184,096)
Amortisation for the year	(360,343)	(736,386)	(1,096,729)
As at 31 December 2021	(360,343)	(920,482)	(1,280,825)
<u>Net book value</u>			
As at 31 December 2020	-	2,331,888	2,331,888
As at 31 December 2021	455,170	1,595,502	2,050,672
Amortisation for the year 2020			184,096
Amortisation for the year 2021			1,096,729

16. GOODWILL

(Unit : Baht)

	Consolidated F/S	
	2021	2020
Opening balance as at 1 January	516,102,452	440,405,598
Addition from business combination	-	168,058,190
<u>Less</u> Allowance for impairment	-	(92,361,336)
Closing balance as at 31 December	516,102,452	516,102,452

As at 31 December 2021, the Group has goodwill only for the food and beverages business.

Impairment testing

For the purpose of annual impairment testing, management calculated the recoverable amount of the Company has engaged an independent financial advisor to assess the recoverable amount of selling foods and beverages business referring to a financial and business plan of the group. The valuation is considered to be level 3 in the fair value hierarchy.

Key assumptions used in the recoverable amount assessment include:

	Consolidated F/S Selling food and beverages
Growth rate (%)	1.18 – 6.70
Discount rate (%)	8.56

17. INTANGIBLE ASSETS

	Consolidated F/S					(Unit : Baht) Separated F/S
	Computer software	Royalty right	Trademark	Software in progress	Total	Computer software
Cost						
As at 1 January 2020	1,008,448	30,076,135	244,847,680	-	275,932,263	438,765
Additional from business combination	3,870,574	206,943,034	-	-	210,813,608	-
Additions	3,434,485	60,000	-	-	3,494,485	21,100
Written-off	(25,813)	-	-	-	(25,813)	-
Disposal of investment in subsidiary	-	(737,792)	-	-	(737,792)	-
As at 31 December 2020	8,287,694	236,341,377	244,847,680	-	489,476,751	459,865
Additions	1,118,481	2,002,909	-	99,120	3,220,510	-
Written-off	-	(60,000)	-	-	(60,000)	-
As at 31 December 2021	9,406,175	238,284,286	244,847,680	99,120	492,637,261	459,865
Accumulated amortisation						
As at 1 January 2020	(564,966)	(20,604,042)	(20,754,281)	-	(41,923,289)	(304,812)
Additional from business combination	(2,404,554)	-	-	-	(2,404,554)	-
Written-off	16,626	-	-	-	16,626	-
Disposal of investment in subsidiary	-	597,745	-	-	597,745	-
Amortisation for the year	(572,801)	(8,224,913)	(22,598,331)	-	(31,396,045)	(41,324)
As at 31 December 2020	(3,525,695)	(28,231,210)	(43,352,612)	-	(75,109,517)	(346,136)
Written-off	-	16,550	-	-	16,550	-
Amortisation for the year	(1,275,106)	(23,187,258)	(28,229,495)	-	(52,691,859)	(30,898)
As at 31 December 2021	(4,800,801)	(51,401,918)	(71,582,107)	-	(127,784,826)	(377,034)
Allowance for impairment						
As at 1 January 2020	-	-	(22,139,760)	-	(22,139,760)	-
Decrease	-	-	22,139,760	-	22,139,760	-
As at 31 December 2020	-	-	-	-	-	-
As at 31 December 2021	-	-	-	-	-	-
Net book value						
As at 31 December 2020	4,761,999	208,110,167	201,495,068	-	414,367,234	113,729
As at 31 December 2021	4,605,374	186,882,368	173,265,573	99,120	364,852,435	82,831

	Consolidated F/S				(Unit : Baht)	
	Computer software	Royalty right	Trademark	Software in progress	Total	Separated F/S Computer software
Amortisation for the year 2020					31,396,045	41,324
Amortisation for the year 2021					52,691,859	30,898

18. BANK OVERDRAFTS AND SHORT-TERM LOANS

	Interest rate per annum (%)	Consolidated F/S		(Unit: Baht) Separate F/S	
		2021	2020	2021	2020
		Bank overdrafts	MOR	7,791,773	7,214,710
Short-term loans	6.00 – 15.00	256,940,863	9,597,246	256,940,863	9,597,246
Liabilities under trust receipt Agreements	MLR-2	8,273,876	9,884,738	-	-
Total		273,006,512	26,696,694	256,940,863	9,597,246

An indirect subsidiary has a credit facilities for liabilities under trust receipt of Baht 10 million and bank overdraft facility of Baht 7.9 million. These are guaranteed by director of the Company and personal assets of such person.

As at 31 December 2021, short-term loans in consolidated and separate financial statements amounted of Baht 256.9 million are as follow:

Short-term loans (Million Baht)	Interest rate per annum (%)	Due date	Collateral
38.2	6.0	28 February 2022	Without collateral
3.1	6.0	31 May 2022	Without collateral
31.8	8.0	30 June 2022	A subsidiary's shares
9.7	6.0	30 June 2022	Without collateral
15.0	8.0	30 June 2022	Without collateral
159.1	15.0	30 June 2022	Without collateral
<u>256.9</u>			

19. TRADE AND OTHER PAYABLES

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Trade accounts payable	71,013,891	35,524,422	-	90,263
Other payables				
Accrued expenses	16,877,759	9,642,795	8,993,063	4,619,408
Other payables	24,160,991	19,428,783	155,616	155,616
Advances received for goods	298,572	825,569	-	-
Others	3,886,240	1,712,032	940,485	126,958
Total	116,237,453	67,133,601	10,089,164	4,992,245

20. LONG-TERM LOAN FROM FINANCIAL INSTITUTIONS

Credit line (Million Baht)	Interest rate per annum (%)	Principal repayment conditions	Guarantees	Consolidated F/S	
				2021	2020
1. 10.0*	MLR-1	Repayable by monthly of Baht 0.2 million starting from May 2021 to March 2027	Directors and the Small Industry Credit Guarantee Corporation	9,627,724	10,000,000
2. 0.6	Without interest rate	Repayable by monthly of Baht 5,200 starting from July 2021 to April 2030 and pay principal in full amount in May 2030	Without collateral	520,800	552,000
3. 0.9*	MLR-2	Repayable by monthly of Baht 18,000 starting from April 2018 to August 2023 and pay principal and interest in full amount in September 2023	Director	402,147	519,335
4. 6.0	Year 1 – 2: 2% per annum Year 3 – 5: 6% per annum Year 6: MRR+1 per annum	Repayable by monthly of Baht 88,600 starting from December 2021 to April 2028 and pay principal and interest in full amount in May 2028	Directors and the Small Industry Credit Guarantee Corporation	5,912,058	-
Long-term loans				16,462,729	11,071,335
Less Deferred front-end fee				(119,284)	(168,268)
Less Current portion				16,343,445	10,903,067
Net				13,201,129	(1,436,132)
					9,466,935

* The loan facilities are exemption from repayment of principal and pay only interest starting from August 2021 to January 2022 due to the impact of Covid-19.

Movements in long-term loans for the year ended 31 December 2021 is as follow:

	(Unit : Baht)
	<u>Consolidated F/S</u>
Opening balance as at 1 January 2021	10,903,067
<u>Add</u> Loan increase	6,000,000
Amortisation front-end fee	48,984
<u>Less</u> Loan repayment	(608,606)
Closing balance as at 31 December 2021	<u>16,343,445</u>

As at 31 December 2020, the indirect subsidiary had credit facility with a financial institution of Baht 1.1 million. This loan bears interest at the rate of MLR-2 and MLR-1 per annum. These are collateralized by directors. However, as at 31 December 2021, an indirect subsidiary has no credit facility with such financial institution.

Under the term of loan agreements, the indirect subsidiary is required to comply with loan covenants as specified in the agreements.

As at 31 December 2021, the indirect subsidiary was able to comply as stipulated in the loan agreements.

21. LEASE LIABILITIES

	(Unit: Baht)	
	<u>Consolidated F/S</u>	<u>Separate F/S</u>
Lease liabilities as at 1 January 2021	123,610,727	2,345,139
<u>Add</u> Increase during the year	56,729,943	815,513
Recognised deferred interest	6,704,049	124,433
<u>Less</u> Payment during year	(35,877,299)	(1,179,053)
Lease liabilities as at 31 December 2021	<u>151,167,420</u>	<u>2,106,032</u>
Lease liabilities as at 31 December 2021	169,087,921	2,207,964
<u>Less</u> Deferred interest	(17,920,501)	(101,932)
	<u>151,167,420</u>	<u>2,106,032</u>
<u>Less</u> Current portion	(30,184,556)	(1,117,322)
Net	<u>120,982,864</u>	<u>988,710</u>

Details of present value of minimum paid under lease liabilities as at 31 December 2021 and 2020 are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Within one year	30,184,556	23,249,586	1,117,322	609,203
More than one year not over five years	113,098,479	96,042,236	988,710	1,735,936
Over five years	7,884,385	4,318,905	-	-
Total	151,167,420	123,610,727	2,106,032	2,345,139

22. INCOME TAX AND DEFERRED TAX

22.1 Income tax

Income tax recognised for the years ended 31 December 2021 and 2020 are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Deferred tax	(5,645,899)	2,716,335	-	-

Reconciliation of income tax are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Profit (loss) before income tax	(282,097,738)	(234,413,698)	135,585	6,548,082
Tax calculated at a tax rate of 20%	(56,419,548)	(46,882,740)	27,117	1,309,616
Tax effect of :				
Exemption of income	(791,972)	-	(6,000)	(4,888,807)
Income subjected to tax	3,859,424	1,095,016	2,764,407	-
Non – deductible expenses for tax purposes	3,053,695	27,412,037	29,711	1,162,660
Expense subject to tax	(9,349)	-	-	-
Current year losses which no deferred tax assets were recognised	47,477,086	10,978,395	-	2,416,531
Temporary differences which were not recognised as deferred tax assets.	(2,815,235)	10,113,627	(2,815,235)	-
Tax benefits (expenses)	(5,645,899)	2,716,335	-	-

22.2 Deferred tax

Deferred tax assets and liabilities are as follows:

		Consolidated F/S			(Unit : Baht)
		Recognised in			
	1 January 2021	Profit or loss	Other comprehensive income	Disposal of investment in a subsidiary	31 December 2021
Deferred tax liabilities :					
Excess of fair value over carrying amount of intangible asset	(40,299,014)	5,645,899	-	-	(34,653,115)
		Consolidated F/S			(Unit : Baht)
		Recognised in			
	1 January 2020	Profit or loss	Other comprehensive income	Disposal of investment in a subsidiary	31 December 2020
Deferred tax assets :					
Loss carry forward not over five years	855,868	-	-	(855,868)	-
Finance leases	6,639,025	(553,914)	-	(6,085,111)	-
Provision for loss on indemnity claims	2,362,395	(2,362,395)	-	-	-
Employee benefit obligations	1,716,499	108,259	-	(1,824,758)	-
Deferred tax liabilities :					
Excess of fair value over carrying amount of intangible asset	(40,390,729)	91,715	-	-	(40,299,014)
	(28,816,942)	(2,716,335)	-	(8,765,737)	(40,299,014)

As at 31 December 2021, the Group and the Company have unutilised taxable losses which had not been included in the calculation of deferred tax assets to be recognised in the statement of financial position in the amount of Baht 650 million (2020 : Baht 527 million) and Baht 202 million (2020: Baht 304 million), respectively, since the Group has not prepared financial projections to justify whether the Group will have available profit to utilise these taxable losses in the future of the Company.

23. EMPLOYEE BENEFIT OBLIGATIONS

Movement of employee benefit obligations for the years ended 31 December 2021 and 2020 as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
As at 1 January	6,721,567	13,344,637	805,628	1,701,162
Additional from business combination	-	2,692,267	-	-
Current service cost	2,472,250	2,302,281	447,792	400,477
Interest cost	135,790	328,743	15,387	36,770
Transferred out from sale of investment in subsidiary	-	(9,123,789)	-	-
Actuarial gain	(1,752,888)	(2,822,572)	-	(1,332,781)
As at 31 December	<u>7,576,719</u>	<u>6,721,567</u>	<u>1,268,807</u>	<u>805,628</u>

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Employee benefit obligations	7,576,719	6,721,567	1,268,807	805,628
<u>Less</u> Current portion	(624,471)	(527,183)	-	-
Net	<u>6,952,248</u>	<u>6,194,384</u>	<u>1,268,807</u>	<u>805,628</u>

Actuarial gain recognised in other comprehensive income arising from:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Change in demographic assumptions	351,134	-	-	-
Change in financial assumptions	856,614	(245,835)	-	(30,510)
Experience adjustments	545,140	3,068,407	-	1,363,291
Total	<u>1,752,888</u>	<u>2,822,572</u>	<u>-</u>	<u>1,332,781</u>

Principal actuarial assumptions at the reporting date for the years ended 31 December 2021 and 2020 are as follows :

	(Unit : Baht)	
	Consolidated and Separate F/S	
	2021	2020
Discount rates (%)	0.49% - 2.87%	0.49% - 2.29%
Salary increment rates (%)	5%	5%
Employee turnover (%)	1.91% - 45.84%	1.91% - 45.84%
Mortality	105% of Thai mortality rate (TMO2017)	105% of Thai mortality rate (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 as at 31 December 2021 by the amounts shown below.

	(Unit : Baht)	
	31 December 2021	
	Consolidated F/S	Separate F/S
	Increase (Decrease)	Increase (Decrease)
Mortality rate (increase of 1% per annum)	(902,323)	(82,545)
Mortality rate (decrease of 1% per annum)	1,094,579	99,748
Increase in future salary (increase 1% per annum)	1,058,924	108,515
Increase in future salary (decrease 1% per annum)	(890,893)	(92,341)
Turnover rate of employees (increase 20% per annum)	(1,052,871)	(72,612)
Turnover rate of employees (decrease 20% per annum)	1,403,760	90,994

24. SHARE CAPITAL

On 8 April 2021, the Annual Shareholders' meeting of year 2021 had considered and passed resolutions on the capital restructuring of the Company as follows:

- 24.1 Decrease in the Company's registered capital of Baht 355 from the existing registered capital of Baht 17,168,095,768 to Baht 17,168,095,413 by cancelling ordinary shares of the Company, which had not been sold in the number of 355 shares at the par value of Baht 1 per share. Such to-be-cancelled shares are the shares remaining from allocating to accommodate the exercise of rights under the warrants representing the right to purchase the newly issued ordinary shares of the Company No.5 (W-W5) which the Company had completely registered for the decrease in the registered capital on 9 April 2021.
- 24.2 Increase in the Company's registered capital by issuing 300,027 newly issued ordinary shares, at the par value of Baht 1 per share and allot the newly issued ordinary shares as following details,
- 1) To allocate 300,015 newly issued ordinary shares, at the par value of Baht 1 per share in order to accommodate the rights adjustment of the W-W5 Warrants after adjusting the par value of the Company's shares by means of reverse stock split.
 - 2) To allocate 12 newly issued ordinary shares, at the par value of Baht 1 per share to a specific person (Private Placement).

The Company had completely registered for the increase in the Company's registered Capital of Baht 300,027 and registered for the increase in the Company's paid-up capital of Baht 12 (from the allocation of 12 newly issued ordinary shares of the Company according to no. 2 mentioned above) on 16 April 2021. In this regard, after the above proceeding, the Company's registered Capital and the Company's paid-up capital will be changed as following details,

	Before the registration	After the registration
Registered Capital	Baht 17,168,095,413	Baht 17,168,395,440
Paid-Up Capital	Baht 12,208,700,478	Baht 12,208,700,490

- 24.3 Transfer of the legal reserve of Baht 13,726,481 for compensation of the Company's deficits.
- 24.4 Adjustment of the par value of the Company's shares by means of reverse stock split from the existing par value of Baht 1 per share, at the par value of Baht 15 per share, resulting in the reduction of 16,023,835,744 shares of the Company, from the existing 17,168,395,440 shares, with a par value of Baht 1 per share, to 1,144,559,696 shares which with a par value of Baht 15 per share the Company had completely registered for the adjustment of the par value on 19 April 2021.

After the adjustment of the par value of the Company's shares as mentioned above, the Company had completely registered for the increase in the Company's paid-up capital of 24 shares, at the par value of Baht 15 per share at the total Baht 360 which effect to the Company's registered capital of Baht 17,168,395,440 and the paid-up capital of the Company of Baht 12,208,700,850. The Company had completely registered for the increase in the Company's registered Capital on 18 June 2021.

24.5 Decrease in the registered capital and the paid-up capital of the Company by decreasing the par value of the Company's shares from the existing par value of Baht 15 per share to Baht 1 per share as following details,

- 1) The decrease in the Company's registered capital of Baht 16,023,835,744, from the existing Baht 17,168,395,440 to Baht 1,144,559,696.
- 2) The decrease in the Company's paid-up capital of Baht 11,394,787,460, from the existing Baht 12,208,700,850 to Baht 813,913,390.
- 3) The compensate of discount on share capital of Baht 10,320,878,089.
- 4) The compensate of the Company's deficits and record the differences as surplus on share reduction of Baht 257,402,745.

25. WARRANTS

Details of Warrants representing the right to purchase ordinary shares of the Company. Type of Warrants are name-specified and transferable, the details are as follow;

No.	Period of warrants	Issuance date of the warrants	Expiration date	Unit of warrants (Units)	Number of ordinary shares for warrants (Shares)	Exercised ratio (Unit : Share)	Exercised price (Baht per share)	The remaining warrants	
								2021	2020
No.2 (W-W2)	5 years, the first exercise date was on 30 December 2015 and the last exercise date was on 16 July 2020	17 July 2015	16 July 2020	190,752,458	735,751,877	1 : 2.32054	1	-	-
No.3 (W-W3)	5 years, the first exercise date was on 27 December 2016 and the last exercise date will be on 16 June 2021	17 June 2016	16 June 2021	16,415,094	75,915,094	1 : 2.85710	1	-	16,415,094
No.5* (W-W5)	3 years 10 months, the first exercise date is on 28 October 2022. The next exercise date will be on 31 October 2023 and the last exercise date will be on 31 October 2024.	8 January 2021	31 October 2024	4,883,479,841	4,883,480,196	1 : 1	0.14	4,883,479,841	4,883,479,841
				<u>5,090,647,393</u>	<u>5,695,147,167</u>			<u>4,883,479,841</u>	<u>4,899,894,935</u>

* Referred to the change in number of share capital in note 24 to the financial statements, the effect to the warrants No. 5 (W-W5) are as follows:

	Before adjustment	After adjustment
Unit of warrant (Unit)	4,883,479,841	325,565,323
Exercised ratio (Unit : shares)	1 : 1	1 : 0.0667
Exercised price (Baht : shares)	0.14	2.10

At the 2020, Annual General Meeting of Shareholders, held on 11 May 2020, the shareholders have resolution to approve the allocation of the newly issued ordinary shares in the number of 2,817,392,182 shares, at the par value of Baht 1 per share, to be offered to the existing shareholders (Rights Offering), under the general mandate basis. Subsequently, the Board of Directors' Meeting No. 5/2020 of the Company, held on 22 June 2020, the Board of Director has resolution to determine the newly issued shares price is offered at Baht 0.12 per share. As a result from the aforementioned price offered of newly issued shares, the Company is needed to adjust the exercise price and the exercise ratio of the warrants to purchase the ordinary shares of the Company No 3 (W-W3) from 1 Unit of W-W3 : 2.32054 of the ordinary share to be 1 Unit of W-W3 : 2.48416 of ordinary share.

On 16 July 2020, a W-W2 holder exercised for 1,021 ordinary shares at the warrant exercise price of 1 Baht per share. When the Company received the exercise amount, the Company completed the registration of the new paid-up capital of the Company from 9,391,307,275 shares to 9,391,308,296 shares at the par value of Baht 1 per share, totaling Baht 9,391,308,296 with the Department of Business Development on 31 July 2020.

At the Extraordinary General Meeting of Shareholders of the Company No. 2/2020, held on 30 November 2020, the shareholders has resolution to approve the issuance and offering of the warrants representing the right to purchase the newly issued ordinary shares of the Company No. 5 ("W-W5") at the number of 4,883,480,196 units to the existing shareholders of the Company proportionate to their respective shareholding (Rights Offering) without charge. The existing shareholders shall be allocated W-W5 at the ratio of 2.5 ordinary shares for 1 unit of the warrants. The exercise price shall be 0.14 Baht per share. As a result, the Company is needed to adjust the exercise ratio of the warrants to purchase the ordinary shares of the W-W3 in order to ensure that the benefits of the holder of warrants are not less than the existing status, from 1 Unit of W-W3 : 2.48416 to be 1 Unit of W-W3 : 2.85710.

In addition, the Company has determined the rights of shareholders who will be entitled to receive the allotment of W-W5 (Record Date) on 23 December 2020. Consequently, the Company has allocated 4,883,479,841 unit of W-W5 to the shareholders. There are 355 units of remaining ordinary shares which were not allocated to the warrant holders, at the par value of Baht 1 per share.

26. LEGAL RESERVE

Under the Public Limited Company Act. B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net income for the year net of deficit (if any), until the reserve reaches 10 percent of the registered capital. This reserve shall not be distributable for dividends.

27. EARNINGS (LOSS) PER SHARE

On 8 April 2021, the Annual Shareholders' meeting of year 2021 had considered and passed resolutions on the capital restructuring of the Company as described in Note 24.

27.1 Effects on basic earnings (loss) per share

	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Profit (loss) for the year				
- portion of the Company's shareholders (Baht)	(276,451,839)	(238,811,188)	135,585	6,548,082
Issued and paid-up share capital (shares)				
Issued and paid-up share capital	12,208,700,478	9,391,307,275	12,208,700,478	9,391,307,275
Increase in the paid-up share capital	372	800,570,746	372	800,570,746
Issued and paid-up share capital	12,208,700,850	10,191,878,021	12,208,700,850	10,191,878,021
The decrease of par value of the Company's share (times)	15	15	15	15
Issued and paid-up share capital	813,913,390	679,458,535	813,913,390	679,458,535
Weighted average number of ordinary share (shares)	813,913,390	679,458,535	813,913,390	679,458,535
Basic earnings (loss) per share (Baht per share)	(0.340)	(0.351)	0.000	0.010

27.2 Effects on diluted earnings (loss) per share

	Consolidated F/S	Separate F/S
	2021	2021
Profit (loss) for the year		
- portion of the Company's shareholders (Baht)	(276,451,839)	135,585
Issued and paid-up share capital (shares)		
Issued and paid-up share capital	12,280,700,478	12,280,700,478
Potential ordinary shares deemed to be exercised of warrants	252,856,084	252,856,084
Weighted average number of diluted ordinary shares	12,461,556,562	12,461,556,562
The decrease of par value of the Company's share (times)	15	15
Weighted average number of ordinary share (shares)	830,770,437	830,770,437
Diluted earnings (loss) per share (Baht per share)	(0.333)	0.000

In the capital restructuring, the change in the number of ordinary shares does not change the entity's resources. Therefore, the number of share capital outstanding before the issuance of the capital restructuring is adjusted to the number of outstanding shares for earnings (loss) per share computation as if the number of shares had changed since the beginning of the earliest period presented and the Company's calculation of basic earnings (loss) per share for all periods presented shall be adjusted retrospectively.

28. REVENUE

The Group disclosed the revenue disaggregated by pattern of revenue recognition is as follows:

(Unit : Baht)

	Consolidate F/S					
	Producing and exporting electronics spare parts		Selling foods and beverages		Total	
	2021	2020	2021	2020	2021	2020
At point in time	-	205,905,255	412,541,645	209,985,376	412,541,645	415,890,631
Over time	-	-	-	-	-	-
Total	-	205,905,255	412,541,645	209,985,376	412,541,645	415,890,631

29. EXPENSES BY NATURE

(Unit : Baht)

	Consolidated F/S				Separate F/S	
	2021		2020		2021	2020
	2021	2020	2021	2020	2021	2020
Changes in finished goods and work in progress	471,437	5,414,424	-	-	-	-
Raw materials and consumable used	188,327,414	210,661,339	-	-	-	-
Employee expenses	188,416,625	125,984,657	13,131,678	12,982,993	13,131,678	12,982,993
Depreciation and amortisation	120,058,142	91,834,381	1,549,791	527,234	1,549,791	527,234
Professional fees	16,551,126	15,694,518	9,689,076	8,485,880	9,689,076	8,485,880
Utility expenses	30,420,350	18,711,530	311,072	10,494	311,072	10,494
Loss on devaluation of inventories	-	3,747,237	-	-	-	-
Loss on written off of fixed assets	4,522,210	2,772,327	137,264	-	137,264	-
Rental expenses	39,783,950	24,096,180	1,224,091	717,960	1,224,091	717,960

30. SEGMENT REPORTING

Operating segment information is presentation of the management's perspective. The segment reporting is based on internal data to be regularly presented to the Company's decision maker concerning the business operations.

As at 31 December 2021, the Group is engaged in business sector as selling foods and beverages. All revenues, profit and entire assets shown in the financial statements are related to the same business sectors and geographical segment. The Group's financial statements are classified by business sector as follows.

The segment for the years ended 31 December 2021 and 2020 as follows;

(Unit: Baht)

	Consolidated F/S				
	For the year ended 31 December 2021				
	Selling foods and beverages	Parent Company	Total	Eliminated transactions	Total
Sales	412,541,645	-	412,541,645	(85,710)	412,455,935
Costs of sales	(219,029,673)	-	(219,029,673)	18,617	(219,011,056)
Gross profit	193,511,972	-	193,511,972	(67,093)	193,444,879
Management income	15,996,000	12,134,400	28,130,400	(28,130,400)	-
Other income	13,643,935	23,680,611	37,324,546	(23,558,892)	13,765,654
Depreciation and amortisation	(118,508,351)	(1,549,791)	(120,058,142)	-	(120,058,142)
Loss on exchange rate	(319,941)	-	(319,941)	-	(319,941)
Selling and administrative expenses	(352,941,963)	(17,548,066)	(370,490,029)	28,243,583	(342,246,446)
Remunerations for directors and management	(2,400,000)	(7,504,338)	(9,904,338)	-	(9,904,338)
Interest expense	(31,214,975)	(9,077,231)	(40,292,206)	23,512,802	(16,779,404)
Income tax benefit	5,645,899	-	5,645,899	-	5,645,899
Profit (loss) for the year	(276,587,424)	135,585	(276,451,839)	-	(276,451,839)
Increase (decrease) in non-current assets	30,857,333	(561,921)	30,295,412	-	30,295,412
Total assets	1,528,742,346	1,369,457,985	2,898,200,331	(1,577,607,342)	1,320,592,989
Total liabilities	1,052,988,353	298,941,334	1,351,929,687	(704,744,056)	647,185,631

(Unit: Baht)

	Consolidated F/S							
	For the year ended 31 December 2020							
	Producing and distributing electronics spare parts			Selling food and beverages	Parent Company	Total	Eliminated transaction	Total
Overseas	Domestic	Total						
Sales	172,758,143	33,147,112	205,905,255	209,985,376	-	415,890,631	(275,468)	415,615,163
Cost of sales	(151,742,145)	(29,114,772)	(180,856,917)	(105,216,976)	-	(286,073,893)	82,187	(285,991,706)
Gross profit	21,015,998	4,032,340	25,048,338	104,768,400	-	129,816,738	(193,281)	129,623,457
Other income			1,495,840	16,127,939	10,679,095	28,302,874	(24,031,184)	4,271,690
Depreciation and amortisation			(1,325,536)	(51,031,895)	(344,167)	(52,701,598)	-	(52,701,598)
Gain on exchange rate			7,085,932	96,508	-	7,182,440	-	7,182,440
Selling and administrative expenses			(15,647,754)	(177,915,985)	(16,955,489)	(210,519,228)	13,777,281	(196,741,947)
Remunerations for directors and management			(4,193,611)	(2,411,769)	(8,274,852)	(14,880,232)	-	(14,880,232)
Interest expenses			(9,232,840)	(14,796,387)	(3,001,743)	(27,030,970)	10,447,184	(16,583,786)
Gain (loss) on disposal of investment in subsidiaries			-	-	1,200	1,200	(119,791,728)	(119,790,528)
Reversal of loss on impairment of investment in subsidiary			-	24,444,038	24,444,038	48,888,076	(48,888,076)	-
Reversal of loss on impairment of intangible assets			-	22,139,760	-	22,139,760	-	22,139,760
Reversal of allowance for doubtful accounts			3,067,046	-	-	3,067,046	-	3,067,046
Income tax benefit (expense)			-	91,714	-	91,714	(2,808,049)	(2,716,335)
Profit (loss) for the year			6,297,415	(78,487,677)	6,548,082	(65,642,180)	(171,487,853)	(237,130,033)
Increase (decrease) in non-current assets			(329,874,090)	522,981,653	226,896,358	420,003,921	(260,561,799)	159,442,122
Total assets			-	1,448,350,044	1,128,653,179	2,577,003,223	(1,296,460,342)	1,280,542,881
Total liabilities			-	697,761,516	58,272,484	756,034,000	(423,597,056)	332,436,944

Revenue based on geographical segment which are over 10% of total Group's revenue are as follows :

(Unit : Baht)

	Consolidated F/S			
	2021		2020	
	Amount	Percentage	Amount	Percentage
Production and distribution of electronics parts				
Thailand	-	-	33,147,112	8
Germany	-	-	12,308,232	3
Hong Kong	-	-	14,571,251	4
China	-	-	16,858,075	4
Others	-	-	129,020,585	31
Total	-	-	205,905,255	50
Food business				
Thailand	412,541,645	100	209,985,376	50
Total	412,541,645	100	415,890,631	100

31. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in liabilities arising from financing activities of the Group are as follows:

(Unit : Baht)

	Consolidated F/S				
	Short-term loans	Short-term loans from related persons	Long-term loans from bank	Lease liabilities	Total
As at 1 January 2021	19,481,984	40,266,238	10,903,067	123,610,727	194,262,016
Cash-flows:					
Repayment	(12,921,908)	(56,031,609)	(608,606)	(35,877,299)	(105,439,422)
Proceeds	247,104,907	46,905,000	6,000,000	-	300,009,907
Non-cash items:					
Reclassify	2,943,738	(2,943,738)	-	-	-
Acquisition	8,606,018	340,577	48,984	63,433,992	72,429,571
As at 31 December 2021	265,214,739	28,536,468	16,343,445	151,167,420	461,262,072

(Unit : Baht)

	Consolidated F/S				Total
	Short-term loans	Short-term loans from related persons	Long-term loans from bank	Lease liabilities	
As at 1 January 2020	17,045,695	-	606,756	88,672,655	106,325,106
Cash-flows:					
Repayment	(30,117,612)	(69,692,107)	(255,689)	(15,239,856)	(115,305,264)
Proceeds	32,553,901	109,958,345	10,552,000	-	153,064,246
Non-cash items:					
Acquisition	-	-	-	252,725,518	252,725,518
Transferred out from sale of investment in subsidiary	-	-	-	(202,547,590)	(202,547,590)
As at 31 December 2020	19,481,984	40,266,238	10,903,067	123,610,727	194,262,016

(Unit : Baht)

Separate F/S

	Short-term loans	Short-term loans from related persons	Lease liabilities	Total
	As at 1 January 2021	9,597,246	40,532,226	2,345,139
Cash-flows:				
Repayment		(2,256,139)	(1,179,053)	(59,738,992)
Proceeds		238,050,000	-	284,995,000
Non-cash items:				
Reclassify		2,943,738	-	-
Acquisition		8,606,018	939,946	9,892,744
As at 31 December 2021	256,940,863	28,536,468	2,106,032	287,583,363

(Unit : Baht)

	Separate F/S			Total
	Short-term loans	Short-term loans from related persons	Lease liabilities	
As at 1 January 2020	10,000,000	32,344,200	-	42,344,200
Cash-flows:				
Repayment	(20,063,934)	(69,692,107)	(199,500)	(89,955,541)
Proceeds	19,661,180	110,224,333	-	129,885,513
Non-cash items:				
Acquisition	-	-	2,544,639	2,544,639
Transferred out short-term loan to buyer of subsidiary	-	(32,344,200)	-	(32,344,200)
As at 31 December 2020	9,597,246	40,532,226	2,345,139	52,474,611

32. FINANCIAL INSTRUMENTS

Liquidity risk

The Group monitor its liquidity risk and maintain a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

As at 31 December 2021 and 2020, the financial assets and liabilities classified by the periods of time for the date on the statements of financial position to their maturity dates are as follows:

(Unit: Baht)

	Consolidated F/S			Total
	2021			
	At call	Within 1 year	Over 1 year	
Financial assets/ liabilities				
Cash and cash equivalents	28,012,938	-	-	28,012,938
Trade and other receivables	36,336,959	-	-	36,336,959
Restricted deposits with financial institution	-	-	800,000	800,000
Bank overdraft and short-term loans	273,006,512	-	-	273,006,512
Trade and other payable	116,237,453	-	-	116,237,453
Short-term loans from related company and related persons	28,536,468	-	-	28,536,468
Long-term loans from financial institutions	-	3,142,316	13,201,129	16,343,445
Lease liabilities	-	30,184,556	120,982,864	151,167,420

	Consolidated F/S			
	2020			
	At call	Within 1 year	Over 1 year	Total
Financial assets/ liabilities				
Cash and cash equivalents	43,416,317	-	-	43,416,317
Trade and other receivables	26,061,301	-	-	26,061,301
Restricted deposits with financial institution	-	-	200,000	200,000
Bank overdraft and short-term loans	26,696,694	-	-	26,696,694
Trade and other payable	67,133,601	-	-	67,133,601
Short-term loans from related company and related persons	40,266,238	-	-	40,266,238
Long-term loans from financial institutions	-	1,436,132	9,466,935	10,903,067
Lease liabilities	-	23,249,586	100,361,141	123,610,727

(Unit: Baht)

	Separated F/S			
	2021			
	At call	Within 1 year	Over 1 year	Total
Financial assets/ liabilities				
Cash and cash equivalents	3,464,748	-	-	3,464,748
Trade and other receivables	21,932,149	-	-	21,932,149
Restricted deposits with financial institution	569,749,317	-	-	569,749,317
Bank overdraft and short-term loans	256,940,863	-	-	256,940,863
Trade and other payable	10,089,164	-	-	10,089,164
Short-term loans from related company and related persons	28,536,468	-	-	28,536,468
Lease liabilities	-	1,117,322	988,710	2,106,032

(Unit: Baht)

	Separated F/S			
	2020			
	At call	Within 1 year	Over 1 year	Total
Financial assets/ liabilities				
Cash and cash equivalents	27,868,706	-	-	27,868,706
Trade and other receivables	10,429,354	-	-	10,429,354
Restricted deposits with financial institution	315,481,426	-	-	315,481,426
Bank overdraft and short-term loans	9,597,246	-	-	9,597,246
Trade and other payable	4,992,245	-	-	4,992,245
Short-term loans from related company and related persons	40,532,226	-	-	40,532,226
Lease liabilities	-	609,203	1,735,936	2,345,139

Interest rate risk

Interest rate risk arises from the fluctuation of interest rates in the future which will affect operations and cash flows of the Group. The Group is exposed to interest rate risk in respect of assets and liabilities as follows:

(Unit: Baht)

	Consolidated F/S			
	For the year ended 31 December 2021			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Assets				
Savings deposits	18,847,505	-	-	18,847,505
Current deposits	-	-	7,140,257	7,140,257
Fixed deposit	-	89,573	-	89,573
Restricted deposits with financial institution	800,000	-	-	800,000
Liabilities				
Bank overdraft and short-term loans	7,791,773	256,940,863	-	264,732,636
Short-term loans from related person and related companies	-	28,536,468	-	28,536,468
Liabilities under trust receipt agreements	8,273,876	-	-	8,273,876
Lease liabilities	-	151,167,420	-	151,167,420

(Unit: Baht)

	Consolidated F/S			
	For the year ended 31 December 2020			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Assets				
Savings deposits	12,798,491	-	-	12,798,491
Current deposits	-	-	29,784,761	29,784,761
Restricted deposits with financial institution	200,000	-	-	200,000
Liabilities				
Bank overdraft and short-term loans	7,214,710	9,597,246	-	16,811,956
Short-term loans from related person and related companies	-	2,943,738	37,322,500	40,266,238
Liabilities under trust receipt agreements	9,884,738	-	-	9,884,738
Lease liabilities	-	123,610,727	-	123,610,727
Long-term loan from financial institution	10,351,067	-	552,000	10,903,067

(Unit: Baht)

	Separated F/S			
	For the year ended 31 December 2021			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Assets				
Savings deposits	846,251	-	-	846,251
Current deposits	-	-	2,610,595	2,610,595
Liabilities				
Short-term loans	-	256,940,863	-	256,940,863
Short-term loans from related person and related company	-	28,536,468	-	28,536,468
Lease liabilities	-	2,106,032	-	2,106,032

(Unit: Baht)

	Separated F/S			
	For the year ended 31 December 2020			
	Floating interest rate	Fixed interest rate	Non-interest rate	Total
Assets				
Savings deposits	1,929,672	-	-	1,929,672
Current deposits	-	-	25,933,710	25,933,710
Liabilities				
Short-term loans	-	9,597,246	-	9,597,246
Short-term loans from related person and related company	-	3,209,726	37,322,500	40,532,226
Lease liabilities	-	2,345,139	-	2,345,139

Exchange rates risk

The Group has exposure to foreign currencies risk relating to the settlement of export-import goods and services with overseas partners in foreign currencies which are currently unhedged by any derivative financial instruments.

As at 31 December 2021 and 2020, the Group's assets and liabilities denominated foreign currencies as follows:

		Consolidated F/S			
		2021		2020	
		Assets	Liabilities	Assets	Liabilities
U.S. Dollar	USD	-	3,926,196	-	-
Japanese Yen	JPY	-	2,000,164	-	1,848,652

(Unit: Baht)

Credit risk

The Company is exposed to credit risk in respect of any trade accounts receivable the management has a policy and controlling method for credit provided to any trade accounts receivable by determining the credit line amount and review the settlement ability.

33. PROVIDENT FUND

The provident fund is contributed to by the Group employees at the rates of 2% -5% of their basic salaries on a monthly basis. The Group has appointed the authorized manager to manage the provident fund in accordance with the terms and conditions prescribed in the Ministerial Regulation No.2 (B.E. 2532) issued under the Provident Fund Act B.E. 2530 amount of Baht 0.73 million. (2020 : Baht 1.39 million)

34. COMMITMENTS AND CONTINGENT LIABILITIES

34.1 As at 31 December 2021 and 2020, the Group have commitments for rental and services agreements and construction contracts as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2021	2020	2021	2020
Rental and services				
Within 1 year	21,842,042	28,580,343	475,000	861,600
More than 1 year but not over 3 years	13,594,654	17,449,838	-	1,869,700
	<u>35,436,696</u>	<u>46,030,181</u>	<u>475,000</u>	<u>2,731,300</u>
Building improvement under construction and purchase fixed assets				
Within 1 year	<u>17,028,958</u>	<u>2,643,879</u>	<u>-</u>	<u>-</u>

- 34.2 The direct and indirect subsidiaries have entered into license agreements with foreign companies for using trademark and know-how on production and sales under the conditions of the license agreements. The subsidiaries have to pay monthly royalty fee according to the rates in the agreements.

35. OTHERS

The current situation of the spread of viral diseases Corona 2019 has affected the economic slowdown. Such situations may lead to instability and impact on the Company's business operations. However, the management will continuously monitor the situation and assess the impact to the Group's business operations regularly.

36. EVENTS AFTER THE REPORTING PERIOD

On 25 February 2022, at the Board of Directors' Meeting No. 2/2022 had considered and passed resolutions on the significant matters as follows:

- 36.1 Approve to propose the Annual General Meeting of Shareholders of the year 2022 for:
- 1) The decrease in the Company's registered capital of Baht 5,060,983 from the existing registered capital of Baht 1,144,559,696 to Baht by cancelling ordinary shares of the Company, which had not been sold in the number of 5,060,983 shares at the par value of Baht 1 per share.
 - 2) The increase in the Company's registered capital of Baht 180,869,643 from the existing registered capital of Baht 1,139,498,713 to Baht 1,320,368,356 by issuing not exceeding 180,869,643 newly issued ordinary shares, at the par value of Baht 1 per share in order to accommodate the issuance and offering of newly issued ordinary shares to the existing shareholders (Right Offering).
 - 3) The allocation of not exceeding 180,869,643 newly issued ordinary shares, at the rate of 9 existing ordinary shares per 2 newly issued ordinary shares to the existing shareholders in proportion to their shareholding (Right Offering), at the par value of Baht 3.30 per share.
- 36.2 To approve the joint venture investment of Crepes & Co. Development Co., Ltd. ("Crepes & Co."), an indirect subsidiary, with a non-related company and establish a new joint venture company. The objective of new company is incorporated for serving food and beverage in the hotel business. The stating registered capital is Baht 12 million, comprising 120,000 ordinary shares at the value of Baht 100 per share, Crepes & Co., will hold 75 percent of total registered capital.
- 36.3 To approve the issuance of posted date cheque in amounting to Baht 150 million to be a collateral for loan. On 24 January 2022, the Company entered into loan agreement with non-related person amounting to Baht 150 million, interest rate 12% per annum and due date on 30 September 2022.

37. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 25 February 2022.

Certification on the Accuracy of Information



Part 4 Certification on the Accuracy of Information

The Company has reviewed the information contained in the annual registration statement/this annual report with prudence. We hereby certify that the statement and information contained in the report are true, accurate, and complete, do not mislead other parties. In addition, we hereby certify based on information that:

- (1) The annual financial statement and financial information summarized in the annual registration statement/ annual report show accurate and complete information about the financial position, performance, and cash flow of the Company and its subsidiaries.
- (2) The Company has established a good system of data disclosure to ensure that the Company has correctly and completely disclosed all material information of the Company and its subsidiaries as well as supervising the implementation of systems.
- (3) The Company has provided a good internal control system and supervised the implementation of such a system. The Company has notified the details of the internal control system assessment as of December 31, 2021, to the auditors and the Audit Committee, covering significant non-compliances and changes to the internal control system, including any misconduct that may affect the financial reporting of the Company and its subsidiaries.

In this regard, evidence that all documents are identical to those is verified. The company has also assigned Ms. Vimol Hanpanishkitkarn to endorse every page. If the document or page is without her endorsement. It will be regarded as unverified by the Company.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr. Sirutt Ratanapaitoon	Director / Chief Executive Officer	
2. Ms. Vimol Hanpanishkitkarn	Director / Chief Financial Officer	
<u>Authorized Person</u>		
Ms. Vimol Hanpanishkitkarn	Director / Chief Financial Officer	

Attachment



Attachment 1

1. Details of Directors, Executives and Chief Financial Officer and Company Secretary

Details of directors as of December 31, 2021

Name--surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Period	Work Experience	
						Position	Organization/company
1. Ms. Yaowaroj Klinboon (Acting) Chairman / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Independent Director	49	<ul style="list-style-type: none"> ■ Master of Laws, University of East Anglia, United Kingdom ■ Master of Laws, Chulalongkorn University ■ Bachelor of Laws, Chulalongkorn University ■ Director Certification Program (DCP) class of 27/2019, Thai Institute of Directors (IOD) ■ Director Accreditation Program (DAP) class of 154/2018, Thai Institute of Directors (IOD) 	None	None	2019 – Present	Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Independent Director	Wow Factor Plc.
2. Mr. Veerayooth Bodharamik Chairman of the Audit Committee / Member of the Nomination and Remuneration	52	<ul style="list-style-type: none"> ■ Bachelor of Laws, Chulalongkorn University 	None	None	2019 – Present	Senior Director of Corporate Relations Management	Mono Next Plc.
					2018 – Present	Chairman of the Nomination and Remuneration Committee	AddTech Hub Plc.
					2020 – Present	Member of the Audit Committee / Independent Director	META Corporation Plc.
					2017 – Present	Senior Legal Counsel	Hunton Andrews Kurth (Thailand) Ltd.
					2015 – 2017	Partner	The Capital Law Office Limited
					2003 – 2015	Senior Associate	Weerawong Chinnavat and Peangpanor Co., Ltd.
					2019 – Present	Senior Director of the Office of Chief Executive Officer	Triple T Broadband Plc.

Name-surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Work Experience		
					Period	Position	Organization/company
Committee / Independent Director / Director (Resigned on January 27, 2022)					2019 – Present	Managing Director	Grow Green Consultant Co., Ltd.
					2018 – Present	Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee / Independent Director	Wow Factor Plc.
3. Mr. Sirutt Ratanapaltoon Chief Executive Officer / Director	33	<ul style="list-style-type: none"> ■ Bachelor's degree, Faculty of Economics (International Program), Chulalongkorn University ■ Director Accreditation Program (DAP) class of 2018 	5.05	None	2018 – Present	Chief Executive Officer / Director	Wow Factor Plc.
					2018 – Present	Independent Director, Member of Audit Committee and Member of the Nomination and Remuneration Committee	AddTech Hub Plc.
					2019 – Present	Director	Crepes & Co.
					2019 – Present	Director	Development Co., Ltd.
					2019 – Present	Director	Domino Asia Pacific Co., Ltd.
					2019 – Present	Director	Eastern Cuisine (Thailand) Co., Ltd.
					2019 – Present	Director	Food Holding Co., Ltd.

Name—surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Work Experience		
					Period	Position	Organization/company
4. Mr. Jivakulchaitan Member of the Audit Committee / Independent Director	40	<ul style="list-style-type: none"> ■ Master's degree in Public Administration, National Institute of Development Administration ■ Bachelor's degree in Public Administration, Chiang Mai University ■ Director Accreditation Program (DAP) class of 126/2016 	None	None	2019 – Present	Director	Bake Cheese Tart (Thailand) Co., Ltd.
					2018– 2022	Chief Financial Officer	Wow Factor Plc.
					2020 – 2021	Independent Director and Member of Audit Committee.	Max Metal Corporation Plc.
					2018	Director	Chuo Senko (Thailand) Plc.
					2018	Executive Director	Orion Advisory Co., Ltd.
					2017 – 2018	Director	V.O.Net Biodiesel Asia Co., Ltd.
					2017	Executive Director and Investment Director	Vintage Engineering Plc.
					2016 – 2018	Director	VTE International Construction Co., Ltd.
					2016 – 2018	Director	Vintage EPC Co., Ltd.
					2015 – 2017	Managing Director	Nova Asia Co., Ltd.
					2013 – 2017	Director	DLK Innovation Co., Ltd.
					2018 – Present	Director	AddTech Hub Plc.
					2020 – Present	Director	Mitsui ICT Co., Ltd.
					2020 – Present	Director	Prop Tech Co., Ltd.
					2020 – Present	Director	Tham Digital Co., Ltd.
					2020 – Present	Independent Director / Member of Audit Committee	Wow Factor Plc.
2017 – Present	Director	Nextsif Ratch Energy Rayong Co., Ltd.					
2016 – Present	Director	Born Digital Co., Ltd.					
2016 – 2018	Director	Faraday Farm Co., Ltd.					

Name-surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Work Experience		
					Period	Position	Organization/company
5. Mr. Kusol Sangkananta Director	61	<ul style="list-style-type: none"> ■ Master of Laws, Business Law, Sripatum University ■ Barrister at Law, Institute of Legal Education of Thai Bar Association ■ Bachelor of Laws, Chulalongkorn University ■ Role of the Chairman Program class of 45/2019, Thai Institute of Directors Association (IOD) ■ How to Develop a Risk Management Plan (HRP) class of 20/2018, Thai Institute of Directors Association (IOD) 	None	None	2016 – 2017	Director	Winchai Co., Ltd.
					2016	Director	Sinwichai Electricity Co., Ltd.
					2015 – 2017	Director	Ceres Holding Co., Ltd.
					2015 – 2016	Managing Director	Demeter Power Co., Ltd.
					2015 – 2016	Director	Demeter Corporation Plc.
					2015 – Present	Director	Wanvela Asset Co., Ltd.
					2014 – 2018	Director	Born Publishing Co., Ltd.
					2012 – 2015	Managing Director	REC Systems (Thailand) Co., Ltd.
					2020 – Present	Director	Global Consumer Plc.
					2020 – Present	Director	The Master Real Estate Co., Ltd.
					2020 – Present	Director	Wow Factor Plc.
					2020 – Present	Chairman of the Board	Alpha Division Plc.
					2019 – Present	Independent Director / Member of Audit Committee/ Chairman of the Nomination and Remuneration Committee	Stark Corporation Plc.
					2019 – Present	Independent Director / Member of Audit Committee	Phelps Dodge International (Thailand) Co., Ltd.
2019 – Present	Vice Chairman	Max Metal Corporation Plc.					
2019 – 2020	Chief Executive Officer	Food Holding Co., Ltd.					
2018 – 2021	Director	Nous Coffee Co., Ltd.					
2016 – Present	Director	Kinsen Coffee Fresh Co., Ltd.					
2012 – Present	Director						

Name-surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Work Experience		
					Period	Position	Organization/company
		<ul style="list-style-type: none"> ■ Board Nomination and Compensation Program 2018, Thai Institute of Directors Association (IOD) ■ Advanced Audit Committee Program (AACP) class of 1/2009 (2552), Thai Institute of Directors Association (IOD) ■ Monitoring the Internal Audit Function (MIA), Thai Institute of Directors Association (IOD) ■ Monitoring Fraud Risk Management (MFM), Thai Institute of Directors Association (IOD) ■ Monitoring the Quality of Financial Reporting (MFR), Thai Institute of Directors Association (IOD) ■ Monitoring the System of Internal Control and Risk Management (MIR), Thai Institute of Directors Association (IOD) ■ Mandatory Accreditation Program (MAP) (2004) ■ KLSE TRAINING SDN.BHD. (MESDAQ SDN BHD) MALAYSIA. 			<p>2011 – Present</p> <p>2011 – Present</p> <p>2004 – Present</p> <p>2004 – Present</p> <p>2002 – Present</p> <p>2016 – 2020</p> <p>2016 – 2020</p> <p>2003 – 2020</p> <p>1986 – 2020</p> <p>2019 – 2020</p> <p>2005 – 2014</p> <p>2005</p> <p>2002 – 2005</p> <p>1996 – 1999</p> <p>1989 – 2005</p> <p>1983 – 1989</p>	<p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Director</p> <p>Assistant to the Rector of Legal,</p> <p>Acting Assistant to the Rector for Academic Services and Dean of the Faculty of Law</p> <p>Advisor to the Minister</p> <p>Executive Director and Secretary to the Board of Directors</p> <p>Legal Advisor and Secretary to the Board of Directors</p> <p>Managing Director</p> <p>Attorney, Legal Counsel and Office Manager</p>	<p>JKJP and Associates Co., Ltd.</p> <p>HNC Power Co., Ltd.</p> <p>SPT Park Co., Ltd.</p> <p>SPT Land Co., Ltd.</p> <p>Unique Chalet Realty Co., Ltd.</p> <p>EIC Semiconductor Co., Ltd.</p> <p>Electronics Industry Plc.</p> <p>SP Unisearch Co., Ltd.</p> <p>The Majestic Creek</p> <p>Country Club Co., Ltd.</p> <p>S. Thana Media Co., Ltd.</p> <p>Sripatum University</p> <p>Ministry of Justice</p> <p>Datamat Plc.</p> <p>Pacific Assets Plc.</p> <p>Attorneys Corporation Co., Ltd.</p> <p>Nitisorn Consultants Co., Ltd.</p>

Name-surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Work Experience		
					Period	Position	Organization/company
		<ul style="list-style-type: none"> ■ Directors Certification Program (DCP) class of 26/2003 (2546), Thai Institute of Directors Association (IOD) ■ Laws and Procedures for Company Secretary, Class 1 (1996) Legal Research and Development Center Faculty of Law Chulalongkorn University association with the Stock Exchange of Thailand 			1981 – 1983	Attorney and Legal Counsel	Bamrung Suvicha Apisakdi Law Associates Co., Ltd.
6. Mr. Ruengrit McIntosh Director (Resigned on February 25, 2022)	51	<ul style="list-style-type: none"> ■ Bachelor of Science, Eastern Michigan University. 	None	None	1999 – Present 2009 – present	Managing Director Managing Director	Ruengrit Chaimet Co., Ltd. Well Well Co., Ltd.
7. Mr. Sithipong Nitiphat Director (To replaced Mr. Nuttawut Phowborom on January 7, 2022)	36	<ul style="list-style-type: none"> ■ Master of Science: Marketing and International Business, University of Reading ■ Bachelor of Administration with Major in Marketing, Assumption University 	0.12	None	2018 – Present 2022 – Present 2016 – 2017 2012 – 2015	Assistant Manager in Product and Marketing Communication Director Intra Company Transfer Supervisor in Corporate Communication	Toyota Motor Thailand Co., Ltd. Food Holding Co., Ltd. Toyota Motor Thailand Co., Ltd. Toyota Motor Thailand Co., Ltd.
8. Ms. Vimol Hanpanishkitkarn Chief Financial Officer / Director	38	<ul style="list-style-type: none"> ■ Bachelor's degree in Accounting, Thammasat University ■ Master's degree in Business Administration, Thammasat University ■ CFO Orientation Course 	None	None	2021 – Present 2021 – Present 2021 – Present	Director of Accounting and Finance Director	Wow Factor Plc. Crepes & Co. Development Co., Ltd. Domino Asia Pacific Co., Ltd.

Name-surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Work Experience		
					Period	Position	Organization/company
(To replaced Mrs. Sangduan Ewbamung on January 7, 2022)					2021 – Present	Director	Eastern Cuisine (Thailand) Co., Ltd.
					2021 – Present	Director	Food Holding Co., Ltd.
					2021 – Present	Director	Bake Cheese Tart (Thailand) Co., Ltd.
					2018 – 2021	Director of Accounting	AQ Estate Plc.
					2016 – 2018	Manager of Accounting and Finance	KPN Land Co., Ltd.
					2005 – 2016	Audit Manager	EY Office Co., Ltd.
					2008 – Present	Certified Public Accountant	
9. Mr. Boonlerd lewporchai	52	<ul style="list-style-type: none"> ■ Bachelor's Degree of Engineering (Industrial Engineering), Kasetsart University ■ Bachelor's Degree of Laws, Thammasat University ■ Master's Degree of Business Administration (Finance), Kasetsart University ■ Master's Degree of Engineering (Electrical Engineering), Chulalongkorn University ■ Director Accreditation Program (DAP) class of 2010 	0.19%	None	2021 – Present	Executive Director / Chief Executive Officer	Simat Technologies Plc.
Member of the Audit Committee/ Member of the Nomination and Remuneration Committee/ Independent Director					2018 – Present	Member of Audit Committee	Alpha Divisions Plc.
					2020 – 2021	Executive Director/ Vice Chief Executive Officer	One To One Contacts Plc.
					2019 – 2020	Executive Director / Chief Financial Officer	Inter Far East Energy Corporation, Plc.
					2010 – 2020	Member of Audit Committee	SKY ICT, Plc.
					2016 – 2017	Chief Financial Officer	Equator Solar One Co., Ltd.
(To replaced Mr. Veerayooth Bodharamik on February 25, 2022)					2010 – 2016	General Manager	Vita Food Factory (1989) Co., Ltd..

Details of Executives, Chief Financial Officer, Direct responsible person for the supervision of bookkeeping and Company Secretary as of 31 December 2021

Name-surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Work Experience		
					Period	Position	Organization/company
1. Mr. Sirutt Ratanapaitoon Chief Executive Officer / (Acting) Company Secretary	33	<ul style="list-style-type: none"> ■ Bachelor's degree, Faculty of Economics (International Program), Chulalongkorn University ■ Director Accreditation Program (DAP) class of 2018 	5.05	None	2018 – Present 2018 – Present 2019 – Present 2019 – Present 2019 – Present 2019 – Present 2019 – Present 2018 – 2022 2020 – 2021 2018 2018 2017 – 2018 2017 2016 – 2018	Chief Executive Officer / Director Independent Director, Member of Audit Committee and Member of the Nomination and Remuneration Committee Director Director Director Director Director Chief Financial Officer Independent Director and Member of Audit Committee. Director Executive Director Director Executive Director and Investment Director Director	Wow Factor Plc. AddTech Hub Plc. Crepes & Co. Development Co., Ltd. Domino Asia Pacific Co., Ltd. Eastern Cuisine (Thailand) Co., Ltd. Food Holding Co., Ltd. Bake Cheese Tart (Thailand) Co., Ltd. Wow Factor Plc. Max Metal Corporation Plc. Chuo Senko (Thailand) Plc. Orion Advisory Co., Ltd. V.O.Net Biodiesel Asia Co., Ltd. Vintage Engineering Plc. VTE International Construction Co., Ltd.

Name-surname/position/date of appointment	Age	Educational qualifications/ Training	Shareholding proportion in the Company (%)	Family relationship between directors and executives	Work Experience		
					Period	Position	Organization/company
					2016 – 2018 2015 – 2017 2013 – 2017	Director Managing Director Director	Vintage EPC Co., Ltd. Nova Asia Co., Ltd. DLK Innovation Co., Ltd.
2. Ms. Vimol Hanpanishkitkarn Chief Financial Officer / Director (To replaced Mr. Sirutt Ratapaiboon on January 7, 2022)	38	<ul style="list-style-type: none"> ■ Bachelor's degree in Accounting, Thammasat University ■ Master's degree in Business Administration, Thammasat University ■ CFO Orientation Course 	None	None	2021 – Present 2021 – Present 2021 – Present 2021 – Present 2021 – Present 2021 – Present	Director of Accounting and Finance Director Director Director Director Director	Wow Factor Plc. Crepes & Co. Development Co., Ltd. Domino Asia Pacific Co., Ltd. Eastern Cuisine (Thailand) Co., Ltd. Food Holding Co., Ltd. Bake Cheese Tart (Thailand) Co., Ltd.
3. Mrs. Sarita Suwongkrua Accounting Manager (To replaced Ms. Atcha Somsuk dated January 12, 2022)	37	<ul style="list-style-type: none"> ■ Bachelor's degree in Accounting, Chulalongkorn University ■ Master's degree in Business Administration, National Institute of Development Administration 	None	None	2018 – 2021 2016 – 2018 2005 – 2016 2008 – Present 2022 – Present 2021 – Present 2018 – 2021 2006 – 2017 2010 – Present	Director of Accounting Manager of Accounting and Finance Audit Manager Certified Public Accountant Accounting Manager Accounting Manager Senior Manager Audit Manager Certified Public Accountant	AQ Estate Plc. KPN Land Co., Ltd. EY Office Co., Ltd. Wow Factor Plc. Domino Asia Pacific Co., Ltd. Grande Asset Hotels and Property Plc. EY Office Co., Ltd.

Attachment 2**Details of the Subsidiaries' Directors**

	Directors' Name	Subsidiaries		Indirect Subsidiaries		
		Food Holding Co., Ltd.	Domino Asia Pacific Co., Ltd.	Bake Cheese Tart (Thailand) Co., Ltd.	Eastern Cuisine (Thailand) Co., Ltd.	Crepes & Co. Development Co., Ltd.
1	Ms. Yaowaroj Klinboon	-	-	-	-	-
2	Mr. Veerayooth Bodharamik	-	-	-	-	-
3	Mr. Sirutt Ratanapaitoon	✓	✓	✓	✓	✓
4	Mr. Jenvit Jivakulchainan	-	-	-	-	-
5	Mr. Kusol Sangkananta	-	-	-	-	-
6	Mr. Ruengrit McIntosh	-	-	-	-	-
7	Mr. Sithipong Netiphat	✓	-	-	-	-
8	Ms. Vimol Hanpanishkitkarn	✓	✓	✓	✓	✓
9	Mr. Boonlerd lewpornchai	-	-	-	-	-

Attachment 3

Details of the Head of Internal Audit and Head of Compliance

1. Head of Internal Audit and Head of Compliance

The Audit Committee has approved the hiring of JP Tip Audit Company Limited to be the Company's internal auditor. Mr. Tanongsak Padistarn has been assigned as the Head of the Internal Audit and the Head of Compliance, while Ms. Natnaree Woranitiyaowapa, acting in the internal audit and compliance functions for the year 2021. The details of the Head of Internal Audit as of December 31, 2021, are as follows:

Name-Surname/ Position Appointment Date	Educational Qualification	Work Experience		
		Period	Position	Organization
Mr. Tanongsak Padistarn Is appointed to be the head of the internal audit and the head of the company's compliance on August 16, 2021	<ul style="list-style-type: none"> ▪ Bachelor of Business Administration (Accounting) Ramkhamhaeng University ▪ Certified Public Accountant of Thailand 	2013 – present	Managing Director	JP Tip Audit Company Limited
		2002 – 2013	Senior Audit Manager	A NS Audit Company Limited
		1994 – 2002	Assistant Audit Manager	Office of Pitisevi Company Limited
Ms. Natnaree Woranitiyaowapa	<ul style="list-style-type: none"> ▪ Bachelor of Accounting, University of the Thai Chamber of Commerce ▪ Master of Business Administration, University of the Thai Chamber of Commerce ▪ Certified Public Accountant of Thailand 	2013 – present	Executive Director	JP Tip Audit Company Limited
		2007 – 2013	Head of Audit	A NS Audit Company Limited
		2006	Assistance Auditor	A NS Audit Company Limited

Head of Internal Audit's Duty and Responsibility

- (1) Review the internal control system of the Company's significant working system by adhering to standard criteria from the Company's operational manual as well as COSO's framework for efficient performance, including applying other necessary audit methods in order to obtain a conclusion of the Company's internal control system according to the standard audit plan. However, the Company will monitor the internal control system of the significant working system as follows:
 - Accounting and Finance System
 - Petty Cash and Advance Payment System
 - Warehousing and Storage System
 - Production System
 - Procurement System / Asset Purchasing System
 - Payment and Creditor System
 - Sales System, Marketing and Service Revenue System
 - Account Receivable System
 - Asset Management System
 - Information Technology System
- (2) Propose a report to the Company on the facts found from the internal audit system.
- (3) Follow up on the results of reviewing for the audited systems and report the results continually.
- (4) Follow up and give advice for resolving any issues received from the auditor (Management Letter).
- (5) Attend the Audit Committee meeting in case there are any issues and observations from the monitoring of the quarterly internal control audit.

Head of Compliance's Duty and Responsibility

The responsibility of the Head of Compliance is to ensure the operations of the Company's employees always comply with laws, rules, regulations, and requirements related to the Company's business and its subsidiaries.

Attachment 4

Assets Used in Business Operation and Details of Assets Valuation

1. Main Fixed Assets

As of December 31, 2021, Details of the main fixed assets of the Company and its subsidiaries are as follows:

Type/Characteristic of Asset	Proprietary	Value (Million Baht)	Obligation
1. Land and building improvement	Owner	80.17	None
2. Office equipment and supplies	Owner	55.41	None
3. Vehicles	Owner	0.02	None
4. Assets in process	Owner	11.08	None
Total		146.68	

2. Significant Intangible Assets in Business

As of December 31, 2021, significant intangible assets in business are as follows:

Type/Characteristic of Asset	Value (Million Baht)
1. Computer Program	4.60
2. Copyright fee	186.88
3. Trademark	173.27
4. Software under development	0.10
Total	364.85

3. Investment Policy in Subsidiaries and Associated Companies

To diversify business risks from the manufacturing and distribution of electronic spare parts and enhance the Company's potential to build security and stability for the Company business in the long term, the Company has expanded the business of the Company into the food business. However, diversified investments are business risk diversification to create good and sustainable returns for the Company in the future.

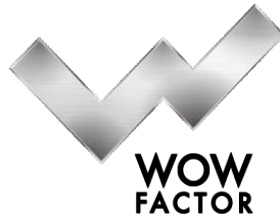
Subject	Investment Policy Framework
1. Investment Categories	The Company will purchase paid-up ordinary shares or invest in newly-issued ordinary shares or purchase assets or operate by any other means that enable the Company to acquire the business and be consistent with the investment policy framework.

Subject	Investment Policy Framework
<p>2. Qualifications of the Company and/or Investment Business</p>	<p>The Company focuses on investing in the following businesses:</p> <ol style="list-style-type: none"> 1. Food businesses or businesses related to food selling and services 2. Other businesses are concerned with the following characteristics: <ul style="list-style-type: none"> ▪ Business in an industry that is growing continuously. ▪ Business generates income and cash flow for the company immediately. ▪ Business with no significant risks that are out of control or manage that may result in disruption of such business in the future.
<p>3. Minimum Rate of Return</p>	<p>The Company will invest in any business with the qualifications stated above that yields a return of not less than the Company's Weighted Average Cost of Capital ("WACC") (which currently has at 8.56%)</p> <p>The Company's WACC may change depending on various factors such as the type of investment business or the risk-free rate at that time. The Company will explain the return on investment and the Company's WACC in detail once the Company has negotiated and determined clear investment conditions and agreed to buy shares as well as having signed the related purchase contracts.</p>
<p>4. Payback Period</p>	<p>In the case of investing in a new branch of the food business</p> <p>The payback period is approximately 1-3 years, depending on the type of food. However, regarding a restaurant in the form of a flagship store to create brand awareness, there may be a longer payback period than in other stores.</p> <p>In the case of purchasing a food business.</p> <p>The payback period is between 5-10 years, depending on the negotiation of the purchase price.</p> <p>In the case of investing in other businesses.</p> <p>At present, the Company has no policy to invest in other businesses except food-related businesses. However, if the company plans to invest in other businesses, the focus will be on investing in businesses that are stable and generate recurring income for the Company such as power plant business, concession with the government, etc. It is</p>

Subject	Investment Policy Framework
	<p>expected that the payback period is around 5-10 years, depending on the type of business and actual cash flows.</p> <p>In the future, if investing in other businesses as mentioned above, the Company will clarify the payback period in more detail by disseminating the information in accordance with the rules of the Stock Exchange of Thailand and the other relevant regulations.</p>
<p>5. Consideration of business risks in investment</p>	<p>The Company will consider the risks of the business to invest by taking into account the risks from external factors such as risks from economic conditions, fluctuations in interest rates and/or exchange rates, competition risks, and internal factors such as cost management risk, cash flow management risk, personnel capability risk, etc. The Company will clarify various risks related to the business that the Company will invest in together with risk management guidelines when the Company negotiates and defines clear investment conditions and agree to buy shares and has signed the related purchase contract.</p>

Detail of Assets Valuation

-None-



Corporate Governance Policy

Wow Factor Public Company Limited



Corporate Governance Policy

The Board of Directors passed a resolution to approve the Corporate Governance Policy, which lays down guidelines that comply with the Stock Exchange of Thailand's principles of good corporate governance and best practice recommendations. This policy became effective on 9 November 2005 and has been updated to keep it aligned with best business practices.

The Corporate Governance Policy can be divided into 5 sections as follows:

1. Rights of Shareholders
2. Equitable Treatment to Shareholders
3. Role of Stakeholders
4. Disclosure and Transparency
5. Responsibilities of the Board

Section 1 Rights of Shareholders

Rights and Equitability of Shareholders

The Board respects the shareholders' rights and has a duty to protect the benefits of every shareholder equitably, regardless of whether they are retail, foreign, institutions, or major shareholders. Every shareholder is entitled to the same rights and equitable treatment as the following details:

- 1) The right to receive share certificates and share transfers and to be sufficiently informed of operating results and management policy on a timely basis.
- 2) The right to an equitable dividend.
- 3) The right to participate in meetings, vote, and make recommendations on decisions concerning major corporate actions such as amendments to the articles of association, appointments to the Board, the appointment of the Company's external auditors, and issuance of new shares capital.
- 4) The right to elect directors.

In addition to the above rights, every shareholder is entitled to the rights and equitable treatment stipulated in the laws and regulations of the Company.

Shareholders Meeting

The Company has the policy to conduct regular and transparent shareholders' meetings and establish appropriate procedures for general shareholders' meetings in accordance with the law and the regulations issued by the Stock Exchange of Thailand.

In each shareholder's meeting, every shareholder has the right to give his or her opinion and query any of the information presented which is relevant to the agenda and the issues being discussed. The chairman of the

meeting shall allocate an appropriate period of time for each item on the agenda and encourage all attendees to participate in the discussion and express their opinions.

In each meeting, at least one independent director must be appointed as a proxy for who cannot attend the meeting, and every party shall be informed beforehand in the notification of the meeting. Every shareholder shall have the right to vote separately for each item on the agenda.

It is the duty of all directors to attend every shareholder's meeting in order to answer any queries the shareholders might have.

Section 2 Equitable Treatment to Shareholders

All shareholders whoever holds an executive position or not, Thai or foreign shareholders, individual shareholders, or legal entities, must be equitable treated. Any shareholder whose rights are violated will be compensated.

The Board of Directors must ensure that all shareholders are treated equally in all meeting processes.

Handling of Insider Information and Securities Trading

The Company has the policy to maintain the confidentiality of non-public information from unauthorized access that may lead to misuse.

All directors and managers are to strictly adhere to the disciplinary action procedure according to Section 59 of the Securities and Stock Exchange Act B.E.2535.

Directors, management, and employees at all levels shall not use any significant inside information of the Company or any affiliates that have not been publicly disclosed, for private interests or others.

Directors, management, and employees at all levels shall have the right and freedom to invest and trade in the securities of the Company. However, in order to prevent conflicts of interest, all directors and employees should avoid or suspend trading for a period of one month prior to the disclosure of all financial statements to the public.

Conflicts of Interest and Related Party Transactions

Every director, manager, and employees shall disclose his or her relationship to any other business entity that the Company may be dealing with, according to the Company's disclosure criteria.

Prior to entering into any business dealings, the management of the Company has a duty to determine the relationship between business partners and the Company's directors, managers, and employees who are conducting business with those partners.

The definition of “relationship” is given in the Notification of the Board of Governors of the Stock Exchange of Thailand, Re: Disclosure of Information and Act of Listed Companies Concerning Connected Transactions, B.E. 2546.

Section 3 Role of Stakeholders

The Company is aware of the rights of stakeholders and has a policy to ensure the importance of these rights by the appropriate prioritization of all stakeholders as follows: shareholders, employees, executives, customers, partners, creditors, and society. Cooperation between stakeholders shall be established according to their roles and responsibilities so that the Company can run its operations smoothly and effectively in order to benefit all groups of stakeholders fairly.

In order to maintain high ethical standards, the Company has formulated a Business Code of Ethics to be the practice guidelines for the Company’s directors, managers, and employees.

The Company assigns the highest priority to the rights of Stakeholders and has the policy to oversee all aspects of the business and ensure that appropriate priorities are maintained for all shareholders, employees, managers, customers, business partners, creditors, and the public and community at large. The company shall facilitate co-operation among the various groups of stakeholders according to their roles and duties in order to create a fair and stable business environment that runs smoothly for the benefit of all parties concerned.

Responsibility to shareholders

The Company is also dedicated to continually improving the efficiency of performance in order to offer an appropriate return to investors. The major responsibilities of the Company are:

- 1) To perform with transparency and honesty, including careful and fair decision-making to generate maximum wealth for shareholders.
- 2) To manage the assets of the Company and minimize loss or depreciation.
- 3) To ensure that shareholders are sufficiently informed about policies and future plans of the Company.
- 4) To ensure that directors, managers, and employees do not use unpublicized information to benefit themselves or a related person, and/or do any transactions which may cause a conflict of interest.

Policy and Practice Toward Customers

Customer satisfaction is a major factor affecting the success of the Company, thus the Company has a code of conduct as follows:

- 1) Contribute to customer satisfaction with quality, price, delivery, and service.

- 2) Deliver products and services on time, or exceeding customer expectations, at a reasonable price.
- 3) Provide correct, updated, and adequate information to customers without any exaggeration that may cause misunderstanding.
- 4) Treat customers with politeness, efficiency, and reliability.
- 5) Provide a system for dealing with customer complaints on quality, quantity, response time, and delivery.
- 6) Customer information is to be kept secret and not used for the benefit of company employees, directors, or related persons.

Policy and Practice Toward Suppliers

The Company has a policy of treating all suppliers equally based on fair returns to each other and the highest benefit for the Company. The approach of the Company is as follows:

- 1) Not to require, receive or make any dishonest gain from any supplier.
- 2) Disclose details and coordinate with suppliers to fix any problem according to requirement, receiving, or having a fraudulent benefit.
- 3) Strictly comply with conditions set out in supplier agreements. In the event that the Company is not able to comply with a condition, the Company must inform the supplier in advance in order to find a resolution.

Policy and Practice Toward Competitors

The competition policy of The Company follows principle standards and trading competition laws. The Company must not offend competitors, or gain confidential information unlawfully. The Company procedure is as follows:

- 1) Compete with others under competitive regulations.
- 2) Do not seek confidential information of competitors by any dishonest or improper means.
- 3) Do not damage the reputation of competitors by defamation.

Policy and Practice Toward Employees

The Company recognizes that employees are a vital contributing factor to the Company's success. Therefore, the Company has policies that support fair treatment in terms of opportunity, compensation, appointment, transfer, and removal of employees, including capability development according to principles below:

- 1) Treat employees politely with respect to human dignity.
- 2) Provide fair remuneration to employees.
- 3) Maintain a congenial work environment for employees and their property.

- 4) Make appropriate decisions regarding appointment, transfer, awards, and discipline.
- 5) Concentrate on promoting the ongoing development of employees' knowledge and potential.
- 6) Attention to opinions and suggestions of employees based on professional knowledge.
- 7) Strictly perform according to rules and regulations on employees.
- 8) Avoid any unfairness or pressure which may affect the employee's work stability and mentality.

Employee's Moral

The employees must follow the moral principles with understanding, acceptance, and faith. They must be aware of their behavior at all times and avoid misbehaving. If the employees have any inquiries, ask their supervisor and/or the human resources department.

Management

The management team at all levels has the duties as follows:

- 1) Promote the moral code and be role models.
- 2) Lead as an example and listen to opinions related to morality.
- 3) Assign the employees to take suitable responsibilities and provide a management system that complies with the Company regulations.
- 4) Monitor the operation to ensure adherence to the Company's rules and regulations.
- 5) Development of human resources.

Internal Audit

The Internal Audit Unit has a duty to monitor company information in case it contains any offense relating to the Company's rules and regulations, then reports to the Board of Directors for corporate good governance.

The Abidance of Law and Company's Rule

- 1) Employees must strictly follow the law, and the Company's rules and regulations.
- 2) No consideration is taken for employees claiming they are acting to boost the profitability of the Company, or for other reasons, in the offense of law, shareholder consensus, Board of Directors' consensus, codes, and orders of the Company.

Regulations Related to Securities and Insider Information Disclosure

- 1) The employees are to strictly follow the rules and regulations of SET, SEC, and other related entities, especially those related to the Company's disclosure to the shareholders and/or public.
- 2) Disclosure of insider information that has not been disclosed to the public is considered a Company offense.

- 3) Disclosure of any information that may have an effect on the business and the share price of the Company must be agreed upon by the managing director. The managing director shall disclose such information, or assign any person to do so on his/her behalf.
- 4) The Company Secretary has a responsibility to disclose general information to the public and investors.

Responsibility to Society and Environment

- 1) Meet or exceed all environmental laws.
- 2) Eliminate the use of hazardous chemicals in processes and operations.
- 3) Ensure efficient use of energy through management controls and routine practices as well as minimizing waste from production.
- 4) Educate and control all employees to strictly enforce the environmental policy.

Business Code of Ethics

The Company compiles the actual guidelines for the Business Code of Ethics and reviews the items related to its business operation including good practices. The Company has notified the written Business Code of Ethics and be a part of corporate governance policy that shall be an operation standard as well as the behavior of the Company's personnel. The directors shall serve as role models in overseeing the management to have a mechanism to create and drive an organizational culture that adheres to the Business Code of Ethics. The Business Code of Ethics is comprised of the following items:

1. **Environment, Health, and Safety** The Company operates its business with an emphasis on environment, health, and safety as well as stipulates standardized management. The Directors, executives, and employees, including business-related persons, are obliged to comply with all applicable laws, policies, standards, and regulations on the environment, health, and safety in all areas of the Company's business. The Company has also encouraged the efficient use of resources including the development of work systems or technologies that reduce resources consumption.
2. **Compliance with laws, commitments, agreements, and respect for a different culture, customs, and tradition** The Company's members must comply with all applicable laws and regulations while respecting the culture, custom, and tradition in all areas where the business is operated, and adhere to commitments and agreements.
3. **Human rights and Human resources** The Company respects the human rights of all persons by equitable treatment without discrimination and also promotes human rights while avoiding human rights violations.

4. **Conflicts of Interest** Every decision must focus on the highest benefit of the Company by recognizing impacts on stakeholders. The decision for personal or others' interest unlawfully or immorally is prohibited. However, the Company recognizes that conflicts of interest may arise, once they are known, they must not be involved in making decisions or choosing their interests primarily regardless of the benefit of the Company.
5. **Data and Assets Management** Using and storing data and assets requires good standard management based on related laws and impacts on stakeholders as a whole. It aims to ensure that any data and various assets are utilized for the maximum benefits of the Company and not used in a manner that may prejudice the Company.
6. **Confidentiality and Transparency in Information Disclosure** Information of all kinds created or obtained during duty performance is confidential information and must not be disclosed to irrelevant persons unless such information is legally publicized. In this regard, the Company has recognized the importance of information disclosure accurately, completely, and timely to assure stakeholders of the Company.
7. **Anti-corruption.** The Company resists all kinds of anti-corruption, abides by all laws related to anti-corruption in all areas of operating business, and does not engage in any fraud both directly and indirectly. All directors, executives, and employees must comply.
8. **Gifts and Entertainment** Offering or receiving or promising to give any benefit in any kind or facilitating or providing entertainment to those related to the business must comply with local or national customs and traditions and applicable laws at a reasonable value.
9. **Political Operation** The Company respects the administrative regime in each area where the business is operated and supports employees in each area to behave under the administrative regime in different ways. The Company is politically neutral without concentrating on or giving any financial or other forms of support to any political party, political group, political authorities, or candidate for political election, directly or indirectly, and ready to support the government in various aspects as appropriate.
10. **Trade Competition** The Company adheres to fair trade competition by recognizing business ethics and trade competition laws.
11. **Money Laundering** The Company adheres to the law relating to anti-money laundering and shall not accept transfer or alteration of assets or encourage the acceptance of transfer or alteration of assets

regarding offense committing. To prevent anyone from using the Company as a means or a tool to divert, conceal, or cover up the source of illegally acquired assets.

Section 4 Disclosure of Information and Transparency

The Company Secretary under the supervision of the Board of Directors has a duty to disclose any information relevant to the Company, both financial and non-financial, correctly, accurately, completely, on a timely basis to the shareholders and stakeholders to obtain fairly and equitably information.

The Company has the policy to disclose important information to the public, including the information according to the law as follows:

- 1) The Company's objectives.
- 2) The Company's financial status and operating performance, shareholding structure, and voting rights.
- 3) Names of directors and committee members stating their remuneration, including the Chairman of the Executive Committee and the Managing Director.
- 4) Corporate governance structures and policies including the responsibility of the Board regarding financial reports, the reports of the Chairman of the Audit Committee, and all other related reports.
- 5) The total attendance of each director and/or each sub-committee member at their respective meetings compared with the total number of meetings of the Board and/or the sub-committees in each year. This shall be disclosed in the annual report. In addition, the Company is obliged to disclose any information that is required by law or related regulations.

In addition, the Company has stated in its Whistle-blower Policy to get complaints from both employees and outsiders, including stakeholders. The Company also stimulates the informing of unethical behavior, clues, or complaints about corruption (whether it's illegal or not) in order to verify and investigate.

The complainant may complain through several channels as follows:

- 1) E-mail: whistleblower@wowfactor.co.th (this e-mail shall be sent directly to the chairman of the audit committee)
- 2) Mail: The Chairman of the Audit Committee

Wow Factor Public Company Limited

77/1 Ruam Siri Mit, Chom Phon,

Chatuchak Bangkok 10900

Complainants will be protected and treated with the utmost confidentiality. Complaints will be investigated appropriately and confidentially by systematic audits and traceability. This ensures that the complainant will not be harassed or maliciously from any complaints or clues.

Section 5 Responsibilities of the Board

The Board of Directors plays an important role in corporate governance for the best interests of the Company and is accountable to shareholders and independent of management. The Company has provided a system for clearly separating roles, duties, and responsibilities between the Board of Directors and the Management and supervising the operation system to ensure that its activities are carried out in a lawful and ethical manner.

The Board of directors shall be composed of persons with extensive expertise and experience related to the Company's interests, and contribute sufficient time to perform his duties to strengthen the Board of Directors.

The Company has set up the Audit Committee and Executive Committee to review and scrutinize tasks as needed, especially in the case of impartiality in the diagnosis. The Company has also clearly determined the roles, responsibilities, and working process for the efficient and effective performance of the Board of Directors.

The Board of directors clearly realizes their roles and responsibilities and the Company's business. The Board of Directors well understands their duties and responsibilities and the nature of the Company's business operations and is ready to express their opinions independently. They perform their duties with honesty and be careful by taking into account the maximum benefit of the company and being fair to all shareholders in getting accurate and complete information. In the past year, all directors contribute to perform their duties with full responsibilities. It is the duty of the directors to attend every board meeting unless there are really important reasons.



(Mr. Sirutt Ratanapaitoon)

Chief Executive Officer

Wow Factor Public Company Limited



BUSINESS CODE OF ETHICS

Wow Factor Public Company Limited



BUSINESS CODE OF ETHICS

Wow Factor Public Company Limited

Introduction

Business code of ethics are important principles and code of practices for the executives and employees must comply with and also encourage the persons associate with the Company to perform in the same way with the Directors as a good role model. Whenever all Company's members act in a unidirectional manner, it will reflect the corporate governance of the Company' as a guideline for making the Company to sustainably grow.

Persons to follow the Business Code of Ethics

Directors, executives, and employees are all obliged to comply with this Business Code of Ethics and do a self-review if they perform in consistence with the Code of Ethics. They are also responsible for reporting an incident of violations or noncompliance with the Business Code of Ethics via specified channels.

Complaint Channel

When detecting an act of violation or noncompliance with the Business Code of Ethics, shall proceed as follows:

1. In case of doubt without clear evidence, consult a reliable supervisor at all levels, but should not refer to or identify any person for your safety and to protect the human right of accused person without adequate evidence.
2. In case of believing that there is sufficient evidence about a violation or non-compliance with the Business Code of Ethics, the available evidence must be submitted and reported to the chief at highest rank of Human Resources Department, and identity nondisclosure can be opted.
3. In case of a related person is a senior management, report should be directly informed to the Audit Committee via auditcom@wowfactor.co.th

Nevertheless, the Company does not recommend investigating by their own for the safety of complainants or whistle-blowers and to protect the personal rights of those concerned.

Business Code of Ethics

1. Environment, Health, and Safety

Principle

The Company operates its business with an emphasis on environment, health, and safety as well as stipulates standardized management. The Directors, executives, and employees, including business-related persons, are obliged to comply with all applicable laws, policies, standards, and regulations on the environment, health, and safety in all areas of the Company's business. The Company has also encouraged the efficient use of resources including the development of work systems or technologies that reduce resources consumption.

Examples of Practice

1. Avoid taking any acts that may be harmful to the environment, health and safety. If it is unavoidable, such act shall not be illegal or against the local custom and tradition.
2. Use all company's resources to carry out their assignments for company interests worthwhile and economically.
3. Promote the development of environmentally friendly work process or technology.
4. Understand various contingency plans and participate in any emergency drills organized by the Company.
5. Once encountering unsafe working conditions, everyone must stop working and fix such dangerous circumstances to be safe before carrying on their works and immediately report to those involved.

2. Compliance with laws, commitments, agreements, and respect for different culture, custom, and tradition

Principle

The Company's members must comply with all applicable laws and regulations while respecting the culture, custom, and tradition in all areas where the business is operated, and adhere to commitments and agreements.

Examples of Practice

1. Study, understand, and comply with the laws related to the Company's business operation, including important custom and tradition, especially in the working area.
2. Study, understand and comply with regulations, internal rules, and procedures related to their responsibilities.
3. When finding that the internal rules, regulations, and procedures are inconsistent with the law or contrary to the local custom and tradition, consult the relevant department before taking any action.
4. When detecting any violation or non-compliance with the laws, internal rules, regulations, and operating procedures, they shall report to the supervisor or complaint channels of the Company.
5. Respect the differences of local culture, custom, and tradition without doing anything contrary to that culture, custom, and tradition.

3. Human rights and Human resources

Principle

The Company respects the human rights of all persons by equitable treatment without discrimination and also promotes human rights while avoiding human rights violations.

The Company recognizes the importance of human resources as the vital factor leading to sustainable success. Therefore, the Company has set the standards concerning welfare and compensation in various forms that shall attract decent and talented persons to work for the Company. In addition, the Company has formulated the personnel's potential development plan continually. All employees shall be treated fairly according to labor laws and related regulations.

Examples of Practice

1. Treat each other with respect and dignity.
2. Treat each other equally without discrimination related to physical and mental condition, ethnicity, nationality, religion, gender, language, age, complexion, education, social status, and other matters.
3. Perform their duties with caution to prevent the risk of human rights violations in business operations, including those associated.
4. Supervise the respect for human rights and report supervisors to prevent acts that violate human rights.
5. The Company's personnel shall be treated equally in all employment processes, for instance, recruitment, remuneration, working hours, assignments, performance appraisal, training and development, and career path without discrimination.
6. Do not use labor from unlawful human trafficking or child labor, including punishing the employee's body or mind whether through threatening, detention, restraint, intimidation, harassment or any form of violence.

4. Conflict of Interest

Principle

Every decision must focus on the highest benefit of the Company by recognizing impacts on stakeholders. The decision for personal or others' interest unlawfully or immorally is prohibited. However, the Company recognizes that the conflict of interest may arise, once they are known, they must not be involved in making decisions or choosing their interests primarily regardless of the benefit of the Company. If there is a conflict of interest, they must urgently notify supervisors or the responsible department.

Examples of Practices

1. Do not operate a business that competes to be a partner, shareholder with decision-making power, director or executive in a business that competes with, or has the same business as the Company or in a juristic person owned by the Company. If it is inevitable, report to the supervisor immediately

2. Do not engage in any transaction with counterparties related to themselves, such as family members, close relatives, or persons, or self-owned or partner even if it is beneficial to the Company.
3. Do not seek benefits from the information, or what oneself or others know due to job position and responsibility.
4. Do not take for yourself any discount or reward received from suppliers through company procurement. The gift or discount must be delivered to the Company in its entirety.
5. Avoid doing other work for personal benefits other than working in one's duty and responsibilities.
6. Avoid spending working time on a regular basis searching for information, contacting or trading any securities or assets for the benefit of yourself or others that are not for the benefit of the Company.
7. If there is any transaction that may cause a conflict of interest with the Company, it must be reported to the supervisor immediately.

5. Data and Assets Management

Principle

Using and storing data and assets requires good standard management based on related laws and impacts on stakeholders as a whole. It aims to ensure that any data and various assets are utilized for the maximum benefits of the Company and not used in a manner that may prejudice the Company

The Company's assets mean movable properties such as office equipment, tools, machines, computer systems for controlling, processing, software, etc., including immovable properties such as lands, buildings, and other technologies and intellectual property of the Company.

Examples of Practice

1. Record and report various information accurately and straightforwardly.
2. Documents or data must be stored and destroyed with a suitable method by each type of data or document.
3. Use documentary evidence in support of correct, true, and complete accounting and financial transactions.
4. Keep information or documents used for approval in various matters, especially related to accounting and financial transactions, to be safe, systematic, and traceable. When the period of data or document storage is due, it must be supervised to destroy appropriately according to each type of data and document.
5. Any persons responsible for keeping the information in possession or custody of the Company shall protect such information of employees and persons related to business operation. Thus, the usage, disclosure, or transmission of the personal information of employees and related persons can be done to the extent possible and shall be normal duty performance without violating legal rights.

6. Confidentiality and Transparency in Information Disclosure

Principle

Information of all kinds created or obtained during duty performance is confidential information and must not be disclosed to irrelevant persons unless such information is legally publicized. In this regard, the Company has recognized the importance of information disclosure accurately, completely, and timely to assure stakeholders of the Company.

Examples of Practice

1. Do not use the Company's information for personal benefit or others illegally.
2. Supervise the responsible sectors not to disclose exaggerated or unnecessary information, especially for data that may cause misunderstanding or affect abnormal securities trading. In the case of information related to joint ventures or other partners must be approved by the joint venture or partners or as specified in the contract.
3. Keep confidential information such as trade secrets, invention formulas, software, technology, academic knowledge, etc. not to be released to irrelevant persons unless approved by the authorized person or required to comply with the law. Even after termination of employment, the Company's confidential information must not be disclosed, kept, or used for personal benefit.
4. When detecting an abnormality, or defect, or invalidity of any information, including accounting and financial transactions must immediately report to the supervisor or financial and accounting department.

7. Anti-corruption

Principle

The Company resists all kinds of anti-corruption, abides by all laws related to anti-corruption in all areas of operating business and not engage in any fraud both directly and indirectly. All directors, executives, and employees must comply. The verification of adequacy and suitability of anti-corruption measures must be done regularly at least once a year. The fraud must be inspected by the audit department. Nevertheless, the directors, executives and supervisors at all levels are obliged to monitor subordinates not to violate or not comply with the Code of Ethics in this regard, as well as to communicate and educate related persons.

Examples of Practice

1. Not commit to or involve in any form of corruption, by any means, whether directly or indirectly. For the recruitment, their profiles must be thoroughly inspected to prevent fraud.
2. Operate properly, transparent, verifiable, straightforward when contacting, coordinating, asking for permission, asking for approval of legal acts or transactions with government officials or public or private agencies.

3. In any juristic act or transaction with the unfamiliar third party, the profile, background, reputation of that person must be thoroughly examined. The conditions in that legal act, or the transaction shall be stipulated to ensure that there will be no corruption in any case.
4. Employing government officials as consultants, related persons must ensure that the terms of employment are legal, transparent, suitable, and non-corruption.
5. Employing any person to act on for the company, the related person must inform the contractor of the business code of ethics in this regard, and ensure that the employment conditions are under the law, transparency, suitable and non-corruption.
6. Not neglecting or ignoring when detecting any actions that may involve fraud related to the Company. It is a must to immediately notify the supervisor or responsible person and cooperate in fact investigation.
7. The Board of Directors has duties and responsibilities in formulating policies and supervising internal control and risk management systems to support effective anti-corruption and implant as the Company's culture.
8. The Audit Committee has duties and responsibilities to review financial and accounting reporting systems, internal control systems, and risk management systems to ensure that they meet international standards and are concise, appropriate, up-to-date, and efficient.
9. The audit unit has duties and responsibilities in auditing and verifying work operations to be in accordance with this policy and to ensure that there is an appropriate and adequate internal control system.
10. The executives have the duty and responsibility to establish a system promoting and supporting anti-corruption. This includes guidelines for recruiting personnel to work with the Company, communicating to employees and all related parties, as well as reviewing the suitability of various systems and measures.

8. Gifts and Entertainment

Principle

Offering or receiving or promising to give any benefit in any kind or facilitating or providing entertainment to those related to the business must comply with local or national customs and traditions and applicable laws at a reasonable value.

Examples of Practice

1. Not to offer gifts, souvenirs, entertainment, or other benefits unless specified by law, customs and traditions in each locality. Approval from the authorized person as specified by the Company's regulation is needed. In addition, it is necessary to ensure that such giving does not cause any conflict of interest or corruption, especially to government officials.
2. Not to receive gifts, souvenirs, entertainment, or other benefits. In case of not being in a position to refuse or it is necessary to accept it to maintain a good relationship, they must report to the

supervisor immediately. The supervisor must use discretion, that it does not cause conflict of interest or corruption.

3. Not to offer discounts that are contrary to existing regulations. If a special discount is to be issued, it must be approved by the authorized person.
4. There must be evidence of expenditure indicating the asset's value, service, or entertainment for verification. Such reception must focus on the Company's benefit.
5. If unsure of the different practices in each area. Ask the supervisor before proceeding.

9. Political Operation

Principle

The Company respects the administrative regime in each area where the business is operated and supports employees in each area to behave under the administrative regime in different ways. The Company is politically neutral without concentrating on or giving any financial or other forms of support to any political party, political group, political authorities, or candidate for political election, directly or indirectly, and ready to support the government in various aspects as appropriate.

Examples of Practice

1. Avoid any actions of political expression that may cause others to misunderstand that they are the actions on behalf of the Company.
2. Not to dress in staff uniform or use any symbols that may misguide others to perceive you as the Company's employee for attending the political meeting or participating in public gatherings with political context.
3. Avoid expressing political opinions in the workplace or during work hours that may cause disharmony among employees.

10. Trade Competition

Principle

The Company adheres to fair trade competition by recognizing business ethics and trade competition laws.

Examples of Practice

1. Not making any agreements with competitors or any person that may reduce or limit trade competition, such as joining with others in bid pricing in the tender or price-fixing, etc.
2. Not making any agreement with others to jointly abstain from doing business with any customers or trade partner except in the case of sanction for international trade.
3. Trade competition law is complex. Therefore, any operations related to the competitors require consultation from legal units and responsible departments because there may be some uncertainties in interpretation and law enforcement.

11. Money Laundering

Principle

The Company adheres to the law relating to anti-money laundering and shall not accept transfer or alteration of assets or encourage the acceptance of transfer or alteration of assets regarding offense committing. To prevent anyone from using the Company as a means or a tool to divert, conceal, or cover up the source of illegally acquired assets.

Examples of Practice

1. Before entering into a transaction with a counterparty on behalf of the Company, the Company must carefully examine the counterparty's background that they are not committing money laundering offenses.
2. In case of detecting any disclosed transactions that may be subject to money laundering, they must immediately report to their supervisors, legal unit, or financial and accounting department.
3. When acting on behalf of the Company, not to accept payment in cash or cash equivalents without clear proof of payment or receipt.
4. When acting on behalf of the Company, payment must not be made to the non-signatory party or any person identified as a payee under the contract, or make payment through a person or via an unclear channel unless it complies with applicable laws such as legal execution, claiming right transfer, etc.

This shall be effective from February 25, 2022 onwards.



(Mr. Sirutt Ratanapaitoon)

Chief Executive Officer

Wow Factor Public Company Limited



Core Values in Business Operation
Wow Factor Public Company Limited



Core Values in Business Operation

The Company has conducted its business integrity in accordance with principles of corporate governance coupled with the determination of social and environmental responsibility following the sustainable development goals. Those factors enable the balance of society, environment and business have grown up sustainably together.

The Company's Core Values

- Determination of Fairness : The Company conducts its business with the responsibility to ensure stakeholders are treated fairly
- Commitment to Excellence : The Company always strives to do the right things with the intention of excellent performance
- Believe in Your Own Value : The Company has recognized employees as the most valuable resource
- Commitment to Social Responsibility : The Company behaves as a good citizen in every community and country where it conducts business



(Mr.Sirutt Ratanapaitoon)

Chief Executive Officer

Wow Factor Public Company Limited



Core Values in Business Operation
Wow Factor Public Company Limited





Wow Factor Public Company Limited

Blackout Period Announcement

“A prohibition from trading in the Company’s Securities by the Board of Directors, Executives, and Employees related to financial statement information etc.”

The Board of Directors, executives, and employees responsible for related functions (including their spouses and underage child) are prohibited from trading the securities of the Company for 1 month prior to the public disclosure of quarterly and annual financial statements.

In addition, the Company’s Directors, executives, and employees related to insider information (including their spouses and underage child) who are privy to undisclosed information that may affect the prices of securities of the Company shall not trade in the securities of the Company until 24 hours following the public disclosure has elapsed.

Remarks: Any person engaging in insider trading, regardless of whether it takes place during a blackout period, shall be liable to penalties in accordance with the Securities and Exchange Act B.E. 2535. The Office of the Securities Exchange Commission (SEC) has the right to call for the benefit received, including criminal punishment Imprisonment for a term not exceeding two years, or a fine not exceeding two times the benefit received or which should have been received but not less than 500,000 baht, or both.

Attachment 6

Report of Audit Committee and Nomination and Remuneration Committee

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of Wow Factor Public Company Limited, as of December 31, 2021 consists of 3 independent directors who are qualified and independently as follows:

- | | | | |
|----|----------------|----------------|---------------------------------|
| 1. | Mr. Veerayooth | Bodharamik | Chairman of the Audit Committee |
| 2. | Ms. Yaowaroj | Klinboon | Member of the Audit Committee |
| 3. | Mr. Jenvit | Jivakulchainan | Member of the Audit Committee |

Mr. Jenvit Jivakulchainan is a member of the Audit Committee who is knowledgeable and adequately expertise in accounting to perform his duties in reviewing the reliability of financial statements according to the Securities and Stock Exchange Act (No.4) B.E. 2551. The Audit Committee independently performs its duties as specified in the Audit Committee Charter. In the fiscal year ended December 31, 2021, the Audit Committee performed various duties which can be summarized as follows:

1. Review the Company's annual and quarterly consolidated financial statements, including reporting the opinions of such financial statements to the Board of Directors.

The Audit Committee reviewed the quarterly financial statements and the company's consolidated financial statements for the year 2021, which have been reviewed and audited by the auditor. The financial statements are accurate, complete, reliable, with adequate information disclosure, and none of the issues were of any significant remark.

2. Consider the annual internal audit plan and the adequacy of the internal control system, including acknowledging internal audit results of subsidiaries and following up on improvement

The Audit Committee considered giving more advice and approved the internal audit plan for the fiscal year ended 31 December 2021, reviewed and assessed the adequacy of the internal control system, including considering the observations detected and reported by the auditor and the internal audit function. The Audit Committee is of the opinion that the internal control system and internal audit of the Company are sufficient and effective as well as complying with applicable laws, regulations, and requirements of relevant regulatory agencies.

3. Consider the related party transactions of the Company and subsidiaries with associated companies and connected persons and report opinions on related party transactions to the Board of Directors

The Audit Committee has considered the budgeting policy for the related party transactions of the Company, and subsidiaries with associates and connected persons for the fiscal year ended December 31, 2021. In addition, related party transactions have been considered, and reported opinions on related party transactions to the Board of Directors quarterly. The Audit Committee is of the opinion that the Company's related party transactions and its subsidiaries are reasonable for the highest benefit of the Company according to the regulations of the Stock Exchange of Thailand regarding related party transactions.

4. Oversee and supervise risk management

The Audit Committee oversees the risk management of the Risk Management Sub-Committee to ensure that the Company's business has proper risk management, and there is also an opportunity to reach the set goals. The Audit Committee made recommendations and observations on the preparation of a risk management plan for restaurant businesses affected by the coronavirus disease 2019 epidemic to prepare for various impacts. In case the government has the measures to control the epidemic such as social distancing, lockdowns, immigration restrictions, the Company will be able to handle Business Continuity Management. Thus, the company should have appropriate strategies, processes, and resources that can drive and be ready to cope.

5. Consider the nomination and remuneration of the Company and subsidiaries' auditor

The Audit Committee has considered and appointed Grant Thornton Company Limited as the Company's auditors and subsidiaries and determined the remuneration for the quarterly review of financial statements, and the audit of the consolidated financial statements for the fiscal year ended December 31, 2021. The Annual General Meeting of Shareholders for the year 2021 on 8 April 2021 has approved the determination of the auditor's remuneration for the Company and subsidiaries amounting to 5,685,000 Baht. The auditors are listed as follows:

Mr. Somkid Tiatragul	Certified Public Accountant License No. 2785 or
Ms. Kanyanat Sriratchatchaval	Certified Public Accountant License No. 6549 or
Mr. Narin Churamongkol	Certified Public Accountant License No. 8593 or
Ms. Saranya Akharamahaphanit	Certified Public Accountant License No. 9919 or
Ms. Amornjid Baolorpet	Certified Public Accountant License No. 10853

6. Consider the Annual Report of the Audit Committee

The Audit Committee considered the report of the Audit Committee for the year ended 31 December 2021.

7. Consider the Anti-Corruption Policy of the Company and Subsidiaries

The Audit Committee is aware of good corporate governance, commitment to transparent operations, and against all forms of fraud and corruption. The Audit Committee has considered and approved the anti-corruption policy and has an opinion that the Company's anti-corruption policy is comprehensive and adequate.

Meetings and Meeting Attendance of the Audit Committee

For the fiscal year ended December 31, 2021, the Nomination and Remuneration Committee held 4 meetings. Details of meeting attendance are as follows:

Name - Surname	Position	Meeting Attendance	Note
Mr. Veerayooth Bodharamik	Chairman of the Audit Committee	4/4	Resigned on 24 December 2021
Ms. Yaowaroj Klinboon	Member of the Audit Committee	4/4	
Mr. Jenvit Jivakulchainan	Member of the Audit Committee	4/4	



(Ms. Yaowaroj Klinboon)

Member of the Audit Committee



(Mr. Jenvit Jivakulchainan)

Member of the Audit Committee

Report of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of Wow Factor Public Company Limited consists of 3 independent directors who are qualified and independent as follows:

1. Ms. Yaowaroj Klinboon Chairman of the Nomination and Remuneration Committee
2. Mr. Veerayooth Bodharamik Member of the Nomination and Remuneration Committee
3. Mr. Jenvit Jivakulchainan Member of Nomination and Remuneration Committee

Ms. Yaowaroj Klinboon, the Company's director, is knowledgeable and experienced and is impartial in the nomination and selection of persons who deserve to be nominated to be the Company's directors, having a sense of independence according to good corporate governance principles.

The Nomination and Remuneration Committee has performed its duties by the scope of powers and duties stipulated in the Nomination and Remuneration Committee Charter and has performed independently. In the fiscal year ending 31 December 2021, the Nomination and Remuneration Committee performed various duties as summarized below:

1. Consider and certify the Nomination and Remuneration Committee meeting minutes to the Board of Directors.
2. Consider and express the opinions on the determination of the remuneration of all committees to the Board of Directors to submit to the 2022 Annual General Meeting of Shareholders for consideration.
3. Propose candidates for the directorship of the Company's director/ Member of the Nomination and Remuneration Committee/ Member of the Audit Committee to replace the resigned directors.
4. Propose the appointment of the Audit Committee members who complete their terms.
5. Propose the appointment of sub-committees who expire from the term of office.
6. Consider the report of the Nomination and Remuneration Committee for the year 2021

The Nomination and Remuneration Committee has fulfilled its duties and responsibilities. The determination of remuneration has been considered carefully under the criteria, and also referred to the remuneration offered by other companies in the industry and businesses of similar size, In addition, the consideration has also focused on the consistent and appropriateness of operating results, economic circumstances, obligations, performance, and assigned responsibilities to build trust to all stakeholders to ensure that the Company's remuneration has been set appropriately and fairly.

Meetings and Meeting Attendance of the Nomination and Remuneration Committee

For the fiscal year ended December 31, 2021, the Nomination and Remuneration Committee held 1 meeting. Details of meeting attendance are as follows:

Name - Surname	Position	Meeting Attendance	Note
Ms. Yaowaroj Klinboon	Chairman of the Nomination and Remuneration Committee	1/1	
Mr. Veerayooth Bodharamik	Member of the Nomination and Remuneration Committee	1/1	resigned on 27 January 2022
Mr. Jenvit Jivakulchainan	Member of the Nomination and Remuneration Committee	1/1	



(Ms. Yaowaroj Klinboon)

Chairman of the Nomination and Remuneration Committee



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