

ONE REPORT



2024

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The One Report 2023 (Form 56-1 One Report) is based on information disclosed on the Company's website, which is part of Form 56-1 One Report and the Board of Directors is responsible for the accuracy and completeness of the referenced information, as well as bringing the information to appear in this 56-1 One Report form.

Vision, Mission and Corporate Values

The company has reviewed its vision, mission and strategy every year in order to determine the future business direction and to ensure that Will be able to drive the growth of the company to meet the goals. The Board of Directors requires the management to report the results of strategic implementation to the Board of Directors' meeting quarterly.

Vision

To be a leading Thai fashion and lifestyle retailer and create sustainable values for stakeholders.

Mission

- Maximize customers' satisfaction
- Be a happy workplace where employees are proud of the organization.
- Trusted for long-term returns from investors. and shareholders

Corporate Values

M : Motivation

Motivated to work to create the best work for customers.

C : Commitment

Adhere to the promises to customers and partners according to the principles of honest business operations

W : Willingness

Conduct business with intention in every part of work to deliver the best products and services

A : Appreciation

Appreciate and respect the work of fellow employees, be respectful and considerate to each other. both within the department and across the organization

Y : Yes-minded

Think positive about everything you encounter. ready to solve problems in every situation and believe that every problem has a solution



Message from the Chairman

Dear Shareholders and Stakeholders,

The year 2024 marks a significant milestone for Mc Group Public Company Limited ("The Company"), as we celebrate our 49th year in business and our 11th year as a listed company on the Stock Exchange of Thailand. Despite facing external challenges such as economic uncertainties, intense competition, and the impacts of the Russia-Ukraine war and conflicts in the Middle East, which have affected product and energy costs, our company has managed to maintain its market leadership and the loyalty of Thai consumers. This success is attributed to our experience, expertise, and team capabilities, combined with meticulous business planning, strong financial standing, and ongoing development.

In the fiscal year 2024, although Thailand's economic recovery was slower than anticipated, the government's economic stimulus measures, along with our business strategies, operational efficiency improvements, effective cost management, collaborations with business partners, and continuous marketing activities, have led to impressive results. The company achieved total revenue of 4,107 million baht and a net profit of 713 million baht, the highest in the past seven years. Additionally, we maintained a dividend payout ratio higher than our policy, reflecting our financial stability and commitment to delivering strong returns to our shareholders.

The Board of Directors places great emphasis on sustainable business practices within the framework of good corporate governance, considering the impact on all stakeholders throughout the business value chain. This commitment has resulted in several recognitions in 2024, including:

1. Obtaining a "AA" rating in the SET ESG Ratings from the Stock Exchange of Thailand.
2. Achieving a second consecutive renewal of membership in the Thai Private Sector Collective Action Coalition Against Corruption (CAC).
3. Being rated "Excellent" in corporate governance (5-star CG Scoring) for the fifth consecutive year by the Thai Institute of Directors Association.

These awards and recognitions underscore our dedication to economic strength, environmental responsibility, and social commitment for sustainable and stable growth.

On behalf of the Board of Directors of Mc Group Public Company Limited, I would like to express my sincere gratitude to our shareholders, business partners, and customers for their continued support. I also extend my thanks to our executives and employees for their dedication in driving the company forward in line with our mission and strategic plans. Rest assured that the company will continue to operate with integrity and good governance principles, striving for sustainable and secure growth in the future.



Kaisri Nuengsigkapien
Chairman of the Board



Message from the Chief Executive Officer

Dear Shareholders and Stakeholders,

The year 2024 marks another proud year for Mc Group Public Company Limited (“the Company” or “Mc Jeans”), where we have achieved steady growth despite various challenges, including economic conditions and global conflicts. This success has been made possible by the collective efforts of our employees, management, business partners, and all stakeholders, driving the Company to meet its goals with continuous increases in both revenue and net profit. In the fiscal year 2024, the Company achieved a total revenue of 4,107 million Baht, representing a growth rate of 10.5%, and a net profit of 713 million Baht, the highest profit recorded by the Company in the past seven years.

The cornerstone of Mc Jeans’ growth over the past 49 years has been the quality of our products and attention to detail in every step from consumer-centric design to world-class manufacturing processes at accessible prices. These strengths stem from our accumulated experience, continuous development, and commitment to producing high-quality products that adapt to customer needs across generations. This is embodied in our strategy “MY MC MY WAY: Live Life to the Max” and the concept of “Body Positivity,” which embraces diverse body types and empowers everyone to express their best selves through Mc Jeans’ wide range of products, enabling them to live life without limits.

This year, the Company has continued to expand its POS and distribution channels, both offline and online, including the opening of four flagship stores at Central Westgate, Future Park Rangsit, Mega Bangna, and Fashion Island. These flagship stores are designed to differ from regular branches, offering a wider variety of products to better meet customer demand.

In marketing side, the Company continues to utilize “Ananda Everingham” as our brand ambassador, along with leveraging influencer strategies and collaborations with partners to expand our customer base. Additionally, we have initiated new marketing activities, such as music marketing and sports marketing, by sponsoring the Asanee-Wasan concert and supporting the Bangkok FC football team for the first time.

The Company has also focused on enhancing operational efficiency by improving our online shopping systems and modernizing our physical stores for a better shopping experience. Moreover, we have strengthened our employees’ skills through the “Mc Academy” training system, developed to manage knowledge within the organization effectively.

Regarding sustainability, the Company believes that fostering an awareness of ESG among our people is crucial for achieving true sustainability. We have therefore initiated waste separation projects in our offices and launched the “No Bag Campaign,” where customers receive extra membership points when they forgo shopping bags. Additionally, the Company remains committed to launching environmentally friendly products, continuing the success of using eco-friendly materials in our popular “Mc3109” jeans, in collaboration with our business partner “YKK,” and expanding this initiative to new jeans models this year.

The Company’s success in 2024 reflects our commitment to sustainable growth under good corporate governance, considering the interests of all stakeholders. This has led to the Company receiving various awards and certifications, such as ISO/IEC 27001:2022, the highest standard for information security, making us the first in Thailand’s fashion and lifestyle retail sector to achieve this. Furthermore, our inclusion in the “SET ESG Index” and the “FTSE SET Shariah Index (FSTSH)” highlights our status as a leading publicly listed company operating sustainably and recognized internationally.

The continuous success of the Company would not be possible without the support and trust from all sectors. On behalf of the management, I would like to extend my sincere gratitude to our shareholders, board members, management, business partners, employees, and customers for their unwavering trust and support, which continues to inspire us to grow into a leading company with sustainable success.

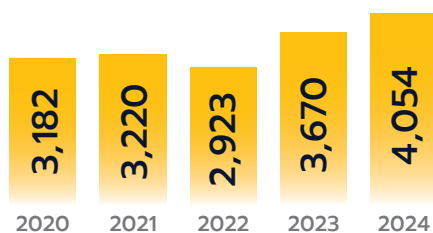


James Richard Amatavivadhana
Chief Executive Officer

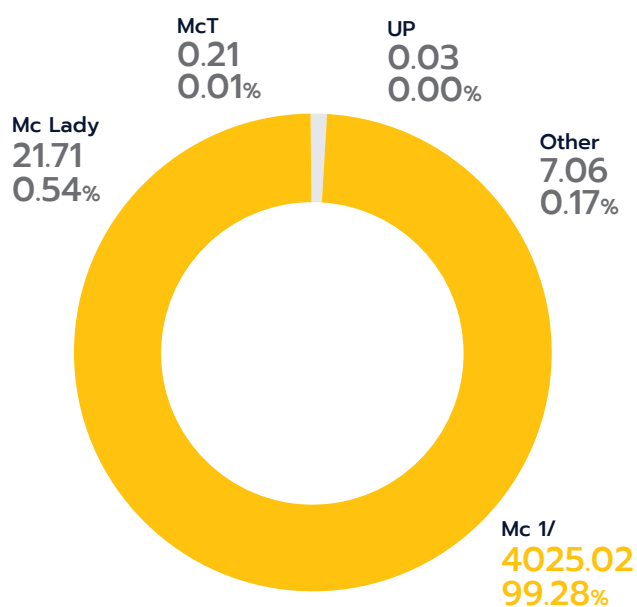
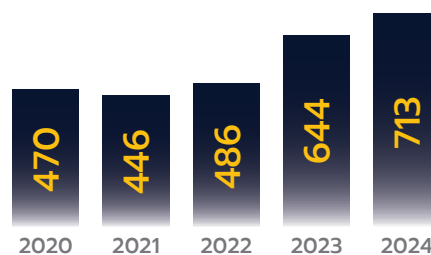
Financial highlight

Summary of Financial Information (in THB millions)	Consolidated Financial Statements		
	2022 (Jul 21 - Jun 22)	2023 (Jul 22 - Jun 23)	2024 (Jul 23 - Jun 24)
Statements of Comprehensive Income			
Revenue from sale of goods	2,923	3,670	4,054
Total income	2,947	3,692	4,107
Earnings before interest net, taxes, depreciation and amortization (EBITDA)	991	1,203	1,344
Net profit (loss)	486	644	713
Statements of Financial Position			
Total assets	5,062	5,371	5,569
Total liabilities	1,387	1,650	1,828
Total equity	3,675	3,721	3,741
Profitability (%)			
Gross profit margin	64.7	64.8	64.1
EBITDA margin	33.6	32.5	32.7
Net profit margin	16.5	17.4	17.3
Return on total assets	11.9	15.7	17.1
Return on total equity	13.4	17.4	19.1
Debt to Equity Ratios (Times)			
Total debt to equity ratio	0.4	0.4	0.5
Per Share Information (THB)			
Book value per share	4.6	4.7	4.7
Earnings per share	0.61	0.81	0.90
Dividends per share	0.60	0.81	0.90

Revenue From Sales of Goods
(in THB millions)

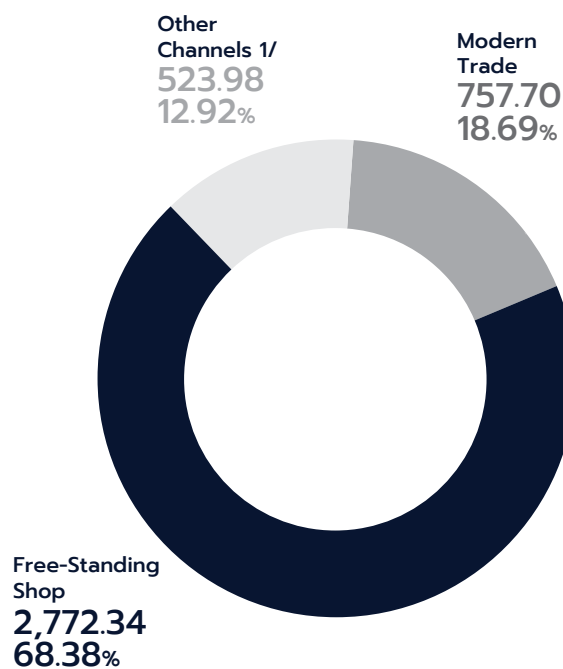


Net Profit
(in THB millions)



2024 (Jul 2023-Jun 2024)
Revenue Structure - By Brands
(in THB millions)

Remark : 1/Other revenues are mainly from sales of accessories to outsource manufacturers



2024 (Jul 2023-Jun 2024)
Revenue Structure - By Channels
(in THB millions)

Remark : 1/ Revenue from other channels are revenues generated from sales agents, exhibition booths and retail/wholesales stores and online channel

BOARD OF DIRECTORS



Mrs. Kaisri
Nuengsigkapien



Ms. Sunee
Seripanu



Mr. Kris
Chanthanotok



Mr. Lucksananoi
Punkrasamee



Mrs. Usara
Yongpiyakul



Mr. Virach
Seripanu



Mr. Siwat
Chawareewong



Mr. Niran
Pravithana

PART 1

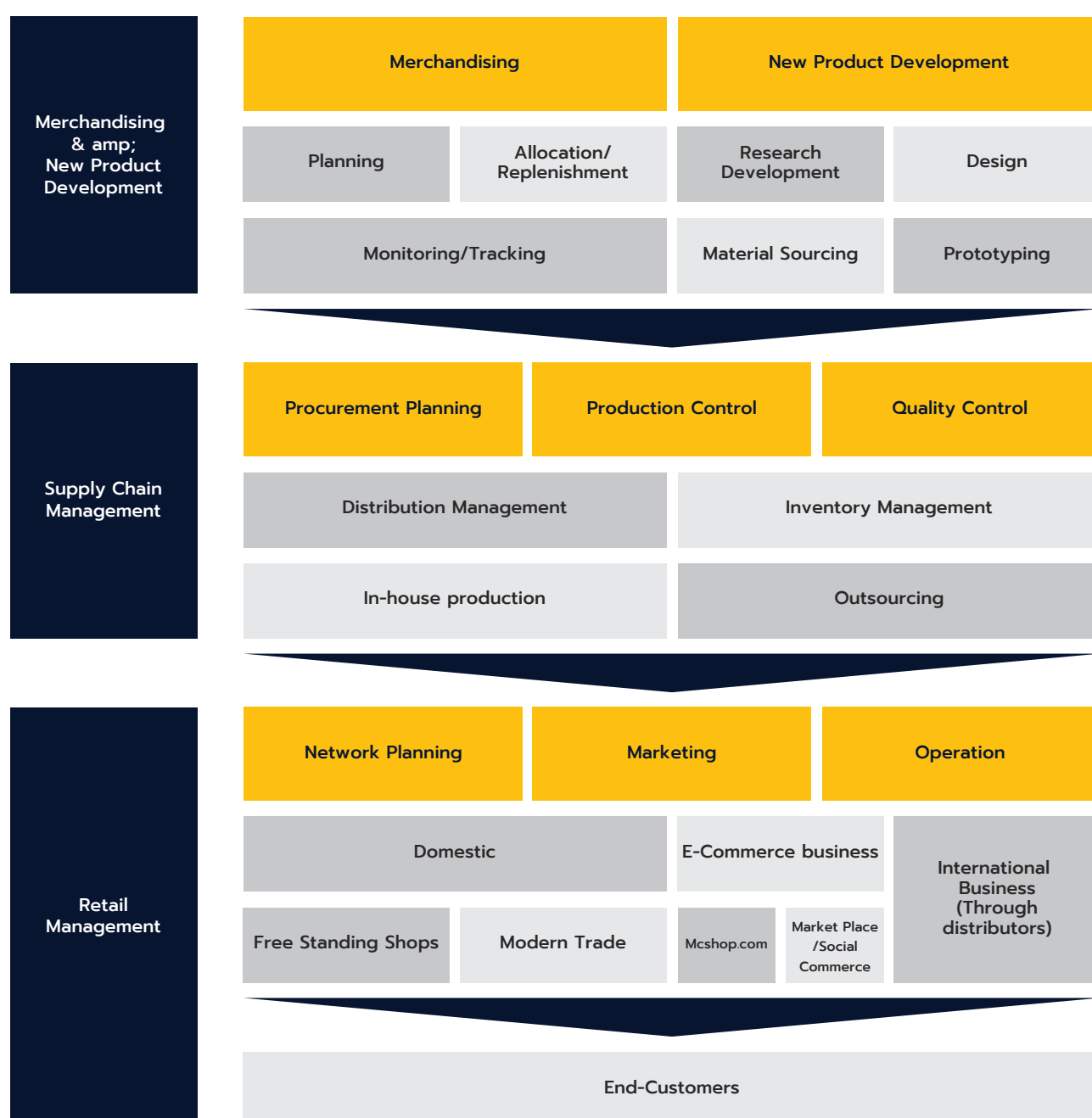
Business Operation and Operating Results

1. Structure and Operation of the Group

1.1 Policy and Business Overview

Nature of business operation

The Company operates the retail business of apparel and lifestyle products as a manufacturer, supplier, and distributor of high-quality, modern products at reasonable prices. Today, the Company has a wide range of products covering both apparel and everyday life from head to toe, including clothing, accessories, hats, bags, and shoes, etc., to meet the needs of customers of all groups and occasions under the Company's main trade-mark, "Mc". The Company has two main distribution channels: 1) offline channels through storefront branches and distribution points, most of which are located in leading shopping centers and department stores; and 2) online channels through the Group's website, mcshop.com, and various online trading platforms (Marketplace). The Company's business model focuses on brand management, sales and marketing management, product design and procurement, warehouse management, and distribution as follows:



1) Merchandising Plan and New Product Development

The merchandising plan and new product development are the key factors in the Company's business operation process. The Company focuses on analyzing and studying consumer behaviors from the Company's internal database, global fashion and lifestyle product design database, and trending product market survey data. The Company analyzes sales data from the past and considers various important factors that affect the industry's growth trends to prepare sales targets and use them as information to determine the purchase budget, including the development, design, procurement of new products, and strategic planning in sourcing raw materials. In addition, the Company has exchanged information and cooperated with business partners in developing raw materials together to obtain quality products at a competitive cost.

2) Supply Chain Management

Since the Company focuses on quality and delivery time to customers accurately and timely, the Company plans and sets working standards throughout the supply chain, starting from design, procurement, production, product quality control, delivery of products from the Company's manufacturing facilities and from external contractors to the warehouse, as well as inventory management and product distribution to consumers, to ensure that every operational step can meet the needs of customers in terms of quality, quantity, and timing, as well as being able to manage the Company's costs well.

3) Retail Network Management

3.1) Offline Business Administration

The Company manages its retail channels to reach consumers thoroughly through storefront branches and distribution points in leading shopping centers and department stores, including mobile vehicles, which can directly reach consumers, and Mc Outlet located in gas stations. The Company will primarily focus on opening its own retail stores. The Company has a team responsible for planning the network expansion systematically and establishing criteria for consideration that can be effectively measured. Moreover, the Company has an overseas retail network through its partners, which are product distributors with expertise in marketing in each country.

3.2) Online Business & E-commerce

In addition to the above offline distribution channels, the Company also manages its online business, or e-commerce, by focusing on using technology and online marketing strategies to reach the modern consumer group. The main tools are the Company's website, mcshop.com, and various e-marketplaces and social media channels, such as Lazada, Shopee, and Tiktok.

1.1.1 Competitive strategy

The Company establishes a business plan to drive its business growth according to the specified goals, including the growth of revenue and the ability to maintain profits steadily and sustainably through the following strategies:

1) Good brand image and market leadership in the jeans business

The company has over 49 years of experience in the distribution of jeans and is the leader in Thailand's jeans market. We are the only Thai-owned company that competes on equal footing with international jean brands, thanks to our deep understanding of the Thai customer's body shape and the unique differences in physique. The company prioritizes developing and creating the best products, maintaining high product quality at reasonable prices, and consistently delivering excellent service. With a long-standing reputation, the company's products have earned the continued trust and confidence of its customers.

2) Product strategy

The Company focuses on designing and offering high-quality products at reasonable prices. The Company develops products to be various and modern, with innovations to meet the needs of consumers of all ages and lifestyles. In addition, the Company continues to invest to enhance competitiveness and

long-term sustainability. The Company focuses on creating value-added products for the Company's brands to be more widely known. Nowadays, the Company has a wide range of head-to-toe apparel products, regardless of upper-body, lower-body, hats, shoes, bags, etc.

Furthermore, with its long business experience, the Company has collected data on product purchase data and studied in-depth market information on customer purchasing behaviors, including a designer team and merchandiser team that understand lifestyles, tastes, and trends. This enables the Company to offer products that meet the rapidly changing needs of customers and increase competitiveness with competitors in the industry to increase market share.

3) Distribution Channel Strategy

3.1) The Company has a wide and comprehensive offline distribution channels.

The company has an extensive offline sales network covering the entire country through its own retail stores (Free-standing Shops), sales points in modern trade outlets (sales points in nationwide and local department stores), mobile units, and Mc Outlets located at petrol stations, with a total of over 500 Point of Sales (POS) currently in operation. This enables the company to enhance its reach to various customer segments. In fiscal year 2024, the company has opened four flagship stores at Central Westgate, Future Park Rangsit, Mega Bangna, and Fashion Island. These stores are designed to stand out from regular branches by offering a wider variety of products and sufficient stock to meet customer demand, which has been very well received. The company also plans to continue expanding its sales channels, carefully considering factors such as location, the potential of shopping centers, population density, target customer groups, and purchasing power at each new sales point.

3.2) Expansion of online distribution channels to reach new customers

In addition to the network of free-standing shops and points of purchase in Clause 3.1, the Company also provides distribution channels to support changes in the purchasing behaviors of certain customers who are buying products through online channels, and to enhance access to new customers. Such distribution channels include (1) online channels through the website, mcshop.com, developed by the Company's subsidiary, Look Balance Co., Ltd., to provide customers with a simple and convenient online shopping experience by selling clothing, apparel and lifestyle products of the Group, and specializing in online channels to attract original and target customers to recognize and experiment with various products of the Group; and (2) online market places, regardless of Shopee, Lazada and Tiktok.

The Company gives importance to various forms of marketing through online channels, such as Facebook and Instagram, with good feedback from customers. Moreover, the Company's products are recognized and reviewed by popular Youtubers, influencers, and Key Opinion Leader (KOL). This helps attract customers of all genders and ages.

3.3) Connection of offline and online distribution channels

The Company continuously develops the system of the website: mcshop.com, to provide customers with a good experience in online shopping with a focus on connecting offline and online distribution channels, allowing customers to order products online and deliver the products to their preferred offline branches, as well as changing or returning products at offline stores as they are convenient to customers. It also helps increase traffic back to offline stores. Additionally, the company has developed an Online-to-Offline (O2O) sales system to fully meet customer needs. Customers can order products that are not available in-store and have them delivered directly to their homes through online channels. This strategy expands sales opportunities and helps boost overall revenue. Also, the Company analyzes historical sales data and online trading trends to modify the method of product selection and offers to suit each channel. In the meantime, the Company gives importance to omni-channel marketing through social media channels to create brand awareness, provide a good customer experience, and increase customer engagement.

3.4) Expansion of distribution channels to foreign countries

The Company aims to expand its new customer base in the AEC and countries with the potential for business expansion by considering the right forms of investments in the rhythm and partners, either directly by the Company or in the form of a joint ventures with business partners or the appointment of dealers in compliance with the business guidelines and investment risks in those countries. However, since the outbreak of COVID-19 has occurred in recent years, the Company plans to return to focusing mainly on expanding its distribution channels in the country. However, the Company plans to return to focusing on expanding its distribution channels overseas from the fiscal year 2024 onwards.

4) Cost Management and Profitability

The Company has long experience in doing business with a full range of operations, namely product design raw material procurement, production, sales, and distribution of products. Thus, the Company has knowledge and understanding of the business structure and can manage costs. Also, the Company has good relationships with suppliers to maintain the standard and quality of the product at competitive costs.

Apart from the cost management capability, the “Mc” brand is consistently popular and acceptable by customers, resulting in the Company being able to set appropriate product prices and keep profit margins at a targeted level.

5) Good impression and good customer experience

To ensure that customers receive the same standards of service, the Company regularly provides training for sales staff in each free-standing shop and point of sale, including on-the-job training to provide employees with the knowledge and skills needed for sales services, including product detailed information, sales skills, and communication skills, so that sales staff can offer products to customers efficiently.

The Company commits to providing the best services to customers, and creating a new shopping experience through a variety of excellent quality products, including the atmosphere of zoning for product categories to facilitate the purchase. Moreover, the Company also offers a service for cutting jeans, which can be immediately accepted from trained craftsmen. In the case of returns for products purchased online, customers can return or change sizes at the Mc Jeans shop, or make an online order and come to the Mc Jeans shop to pick up the product at any free-standing shop, etc.

6) Emphasis on Managerial Optimization

The Company places importance on internal management in all sectors of its business operations, from procurement of raw materials, production line management, finished product management planning, product delivery to stores nationwide, including shop and point of sales management by process improvement, along with the use of information systems to increase the efficiency of entire management systems, from the selection of raw materials, improvement of production efficiency of the Company’s factory, production control of manufacturers selected by the Company for production, suitable and fast product development, as well as more efficient storage and distribution.

7) Marketing strategy

In addition to public relations media and promotions at the point of sale, the Company has other proactive marketing plans to create awareness through marketing activities and reach more customers on social media, including Facebook, Instagram, Tiktok, as well as the Company’s brand ambassadors. Recently, the Company launched the Brand Ambassador, “Ananda Everingham” to represent the brand concepts “My Mc My Way, Life...” to communicate with customers and launch new collections. The Company believes that “Ananda” is a person with Mc Jeans DNA, whether his personality, lifestyle, or concept of lifestyle, who can clearly enhance the image of Mc Jeans.

1.1.2 Significant Changes and Developments Company History

1975

- The first “Mc” brand jeans are introduced.

1980

- Established “P.K. Garment (Import-Export) Co., Ltd.” to produce denim apparel under the “Mc” brand.

2000

- Launched the “Mc Lady” and “Bison” brands to diversify product offerings and better meet consumer needs.

2008

- Began an aggressive branch expansion plan by opening the first free-standing store at Tesco Lotus, Salaya.

2012

- Restructured the business to support future growth by founding “Mc Group Co., Ltd.” with a registered capital of 300 million Baht to operate retail clothing and lifestyle products.
- Established “Winner Man Co., Ltd.” to manage sales staff.
- Founded “Mc Jeans Manufacturing Co., Ltd.” to accommodate increased production capacity for ready-to-wear apparel.
- Set up distribution agents for the group in Myanmar and Laos.

2013

- Established “MC INTER LIMITED” registered in the Hong Kong Special Administrative Region of the People’s Republic of China to support future business and investments abroad.
- Founded “Wow Me Co., Ltd.” to distribute products and services online.
- Created “Look Balance Co., Ltd.” to invest in new lifestyle product businesses.
- Converted to a public company, “Mc Group Public Company Limited,” with an increased registered capital of 400 million Baht.
- Listed on the Stock Exchange of Thailand and started trading securities under the symbol “MC.”
- Launched the “Mc Pink” brand, expanding into women’s fashion.

- Introduced the “Mc Mini” brand to target children aged 6-12.
- Rolled out the “The Blue Brothers” brand to enter the premium market.
- Debuted the “mc mc” brand, focusing on value-for-money products for all ages.
- Launched the “Mc Me” product under the “Mc” brand to target women aged 40 and above.
- Acquired a 51% stake in “Time Deco Corporation Co., Ltd.,” a leading importer and distributor of renowned global watch brands such as Diesel, DKNY, and Emporio Armani.

2014

- Established a distribution agent for the group in Vietnam.
- Officially launched “The Blue Brothers Denim Store.”
- Introduced “Mc Mini Girls” under the “Mc Mini” brand, expanding the customer base from boys aged 6-12 to girls in the same age group.
- Launched “Mc Plus” under the “Mc” brand to target plus-size customers.

2015

- Relocated the warehouse and distribution center from Factory 1 to a leased warehouse of WHA Corporation Public Company Limited on Romklao Road.
- Introduced the “Mc” lightweight luggage under the “Mc” brand, a lifestyle product for travelers.
- Opened a new sales channel at PTT gas stations using the “mc outlet” brand to reach local customers and travelers.
- Established “Mc Jeanious Co., Ltd.” and signed a joint venture agreement with Petchkasem Holding Co., Ltd., a textile expert, with a 51:49 investment ratio in Top T 2015 Co., Ltd. to sell upper clothing under the “Mc T” brand.
- Set up a distribution agent for the group in Cambodia.
- Renamed and revamped the website from www.wowme.co.th to www.mcshop.com.

2016

- Launched Mc Jeans Official Line to enhance communication and update customers.
- Ranked in ESG100, which recognizes listed companies for outstanding environmental, social, and governance (ESG) practices within the service industry, as ranked by the Thai Development Institute.
- Launched www.mcshop.com Official Line to promote exclusive offers and new products through the online channel.
- Received the “Premium Products of Thailand - The Pride of Thais” award in the Apparel and Accessories category at the Thailand Industry Expo 2016, organized by the Ministry of Industry, to honor products or services of excellent quality that have gained international recognition and to celebrate innovators and brand-building efforts that enhance the credibility of Thai products.
- Reorganized management and business plans for Time Deco Corporation Ltd.
- Introduced the “U-P” brand, expanding into activewear with a focus on functional use, under the slogan “Unlimited Performance.”
- Began offering new lifestyle products, “Skincare Products,” under the “M&C” brand.

2017

- Mc Group Public Company Limited signed a joint venture agreement with Mr. Viriyah Phungsunthorn, a skincare product development expert, with a 55:45 investment ratio in Aromatic Active Co., Ltd. to sell skincare and other fragrance products under the “M&C” brand, and to act as the distributor for the “Nature Touch” brand, supporting the lifestyle product business.
- Time Deco Corporation Ltd. moved its office to be located with Mc Group Public Company Limited for efficient management.
- Established a distribution agent for the group in Iran.
- Updated the www.mcshop.com website with a new design featuring highlights and interesting features, including an attractive Blog page, to provide customers with an easy and convenient online shopping experience.

- Joined the Collective Action Coalition Against Corruption (CAC) in Thailand, reflecting a commitment to transparent governance and sustainable growth.
- Received the Outstanding Company Performance Awards at the SET Awards 2017.
- Listed on the SET100 and SETHD indices for the first half of 2018.
- Started testing the Customer Relationship Management (CRM) system to enroll members in the “MC Club” program for exclusive benefits throughout the year.

2018

- Collaborated with Warrix, the licensed producer and distributor of the Thai national football team jerseys.
- Expanded distribution channels for the skincare brands “M&C” and “Nature Touch” through counters in the Hello Beauty zone at Robinson department stores under the name “Aromatique Active.”
- Collaborated with The Walt Disney Thailand to launch a Sport Fashion collection featuring 11 official Marvel superheroes.
- Installed the Customer Relationship Management (CRM) system nationwide in all retail stores, allowing members of “MC Club” to accumulate points for exclusive privileges.
- Restructured shareholding in subsidiaries, selling shares of Aromatique Active Co., Ltd. to subsidiary Look Balance Co., Ltd. to streamline future business expansion in new ventures.
- Added a Ship to Shop service on mcshop.com, integrating online and offline channels to offer seamless after-sales service at Mc Jeans retail stores.

2019

- The company received approval for a stock buyback program, completed in February 2019.
- Look Balance Co., Ltd., a subsidiary, acquired 45% of the shares in McMillan (Thailand) Co., Ltd., a company offering comprehensive warehouse management services for online and other businesses, from Mr. Thomas Foo Choong How.
- Launched a refreshed “U-P” brand in the Activewear segment, focusing on functionality (Sport functional) and fashion with designs that embody “Fun, Cool, Energy, and Minimal.”

July

- Appointed Mrs. Chananyarak Phetcharat, a director of the company, as CEO, effective October 1, 2019.

August

- Launched the special Mc X Moo collection, a collaboration with Moo Polpat Asavaprapha from the MOO brand, combining American vintage and workwear styles for a modern, versatile look suitable for both work and casual wear. The company also introduced Tono Pakin Kumwilaisuk as its new brand ambassador and launched the Mc Biker Collection, a blend of fashion and function designed for both motorcycling and everyday wear.

September

- Look Balance Co., Ltd., a 99.98%-owned subsidiary, sold its entire 51% stake in Time Deco Corporation Ltd. (TDC), an importer and distributor of luxury watches, to Mr. Wararit Plengwanich and Mr. Panu Narongchaikul, totaling 1,041,002 shares at 28.8184 THB per share, amounting to 30 million THB. The proceeds were used to enhance business efficiency and/or to reserve funds for future investments in ventures aligned with the company's core business or areas of expertise that could generate continuous profits.

2020

March

- The company began producing fabric masks and protective hats to alleviate the shortage of medical masks during the COVID-19 pandemic, selling them online. Additionally, the company provided COVID-19 insurance policies to all 2,500 employees and implemented a work-from-home policy.

2021

January

- The company collaborated with an international partner to create a marketing campaign named Legend on Legend with the concept "Mc Jeans, Everyday is a match day." The campaign featured the Mc Jeans logo in English Premier League football games and included world football legends like Michael Owen and Dimitar Berbatov.

March

- The company signed a partnership agreement with Heedspace Sdn Bhd from Malaysia, an experienced and specialized brand-building partner in Malaysia. This collaboration marks a significant step in the company's policy to expand its customer base internationally.
- The company partnered with Thailand Post (PTT) to expand its customer base, reaching new customers in secondary cities and local communities. This partnership also included additional services such as EMS domestic delivery, comprehensive warehousing services at PTT, and nationwide delivery. The company also began selling products through PTT's online channels.

June

- The company appointed James Richard Amatvivath as Acting CEO, effective from June 1, 2021.
- The company launched the Earth Friendly campaign, introducing new collections that focus on environmental care and innovation. The collections included Mc Save the World, which uses the Dry Dye technology for waterless dyeing, a first in Thailand, and Mc X Toni, a collaboration with Tony Rakkaen. This collection features trendy fashion made from recycled plastic and hemp fabric, offering both comfort and environmental consciousness.





August

- The company received the Consumer Choice award at the Shopee Brand Conference 2021 in the fashion apparel category. The Shopee Brand Conference awards are held annually to recognize excellence in brand operations across various sectors, as acknowledged by shoppers on the Shopee platform.

December

- Received the Certificate of Continuous Recognition as a member of the Collective Action Coalition Against Corruption (CAC) for ongoing commitment to anti-corruption practices.
- Awarded Sustainability Disclosure Acknowledgement for the year 2021 from the Thai Institute of Directors (IOD).

2022

March

- Launched the campaign “Unlimited Happiness in Every Lifestyle with Mc Jeans.” The campaign emphasizes that regardless of body shape or lifestyle, Mc Jeans can meet every need, reinforcing its position as the number one jeans brand in Thailand.



May

- The company began construction of the Mc Fulfillment Center on Sukapiban 2 Road, Soi 11, to accommodate future business growth and enhance warehouse management efficiency.

June

- Signed an MOU with the Faculty of Decorative Arts, Silpakorn University, supporting the provision of materials and equipment such as denim fabric, threads, leather labels, buttons, rivets, zippers, etc., to promote and develop education in design and fashion. This partnership aims to foster knowledge and practical skills in design, creativity, and apparel techniques for faculty members, staff, and students at Silpakorn University.

July

- Launched the FIND MY FIT campaign, building on the previous “MY MC MY WAY: Life... Full on Mc” campaign. This new campaign continues the “Body Positivity” concept, celebrating diverse body shapes and allowing everyone to find their best look. It highlights various styles of jeans, including Mc SELVEDGE, Mc ME, Mc PLUS, Mc MOVE, Mc COOL, and wide-leg and tapeline jeans.
- Received the Best Operational Performance award at the Shopee Brand Conference 2022. This award reflects the company’s leadership in the fashion retail and lifestyle sector, showcasing its dedication to providing the best online shopping experience for Thai consumers.



August

- The company donated fabric masks to doctors, staff, and personnel at Sirindhorn Hospital. Dr. Amphon Kiatpanapikul, Director of Sirindhorn Hospital, accepted the donation on behalf of the hospital.

November

- The company received the Outstanding Organization Award for being a “Model Organization in Thai Capital Market Supporting People with Disabilities” for 2022. The award was presented by the Securities and Exchange Commission (SEC), Ministry of Labor, Thai Listed Companies Association, and the Thai Disability Council.

December

- The company launched the Mc Rabbit Collection to welcome the Year of the Rabbit in 2023, using the “rabbit” character as a means of engaging with customers during the New Year celebrations.
- The company received the Sustainability Disclosure Acknowledgement for 2022 from the Thai Institute of Development.

2023

January

- The company introduced the Mc Graffiti Play Collection, themed “Be Yourself and Go Play.” This collection emphasizes freedom in fashion with the MY MC MY WAY concept, featuring graffiti art.

February

- The company signed an academic MOU with Rajamangala University of Technology Thanyaburi, supporting the provision of materials and equipment to enhance education for faculty, staff, and students at the university.



March

- The company launched the Mc Resort 2023 Collection under the theme “So Summer,” offering vibrant, summer-themed looks inspired by nature, with fun colors and prints for the season.
- The company signed an academic MOU with Rajamangala University of Technology Phra Nakhon, supporting the provision of materials and equipment to enhance education for faculty, staff, and students at the university.

June

- The company introduced Ananda Everingham as the brand ambassador for Mc Jeans, representing the brand’s core concept “My Mc My Way - Live Life to the Fullest.” Along with this, the company also launched Mc3109 (The Original Straight), Mc Jeans’ best-selling model, featuring 5 new colors.



- The company began testing the warehouse management of Mc Fulfillment Center on Sukhaphiban 2 Road, Soi 11, and officially commenced operations on July 1, 2023.





August

- The company launched a special collection, "Mc Sustainability 2023 Collection," made from recycled fibers under the concept "FROM NATURE TO FUTURE." Mc Jeans became part of the effort to reduce environmental pollution through technology that transforms unused denim fabric into yarn, which is then recycled for efficient reuse while maintaining the same quality as regular yarn.
- The company launched the "Mc Over" Collection in collaboration with "Kai Hua Ror," executing a collaboration strategy, "Mc x Kai Hua Ror." This partnership aims to deliver a fun experience through the soft power of fashion, lifestyle, and Thai cartoons.



September

- The company launched the "Mc Biker 2023" Collection under the concept "The Original Retro," capturing the charm of biker lifestyle journeys. Designed to suit modern times while maintaining a unique style, this collection is part of the "My Mc My Journey" campaign, with the slogan "Any trip... go full throttle with Mc." It features a wide range of popular items tailored for adventurous young travelers.
- The company organized the "MC GROUP BUSINESS PARTNERS CONNECT" seminar on September 21, 2023, at the Renaissance Bangkok Ratchaprasong Hotel, Royal Maneeya Ballroom. Over 50 business partners participated in the event, reinforcing the company's strategy that emphasizes the importance of partnerships in business operations to build strength, enhance capabilities, expand new opportunities, and foster sustainable growth together.





November

- The company launched the exclusive collection “Mc Selvedge Dragon”, featuring the iconic imperial dragon “KINGDOM OF DRAGON”, symbolizing good fortune, greatness, success, and wealth. This collection celebrates the company’s 49th anniversary and brings forth luck in welcoming the Year of the Dragon 2024.
- The company launched the “Mc Journey Collection”, inspired by travel, encouraging imagination through fun road trips in camper style. With natural tones that are easy to mix and match, the collection is suited for every travel lifestyle. Under the concept “My Mc My Journey”, it embodies the idea “Any trip... go full Mc”.



December

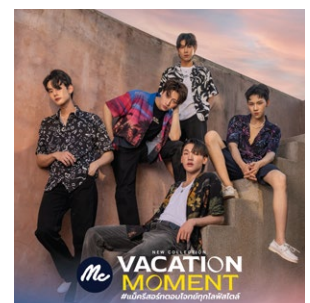
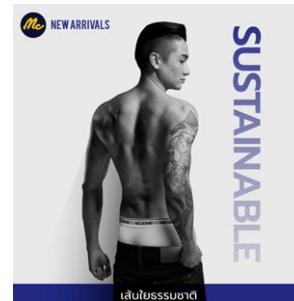
- The company launched the Mc PLAY, Year of Dragon Collection to welcome the Year of the Dragon, featuring vibrant dragon-themed designs. Inspired by the dragon dance tradition during the Chinese New Year festival, the collection symbolizes good luck, happiness, and joy.



2024

February

- The company launched a new product, “Mc UNDERWEAR”, its first line of men’s underwear. Made from a blend of cotton and modal fibers, it offers a soft, lightweight feel, excellent breathability, moisture absorption, and environmental friendliness.



March

- The company launched the “Mc Resort 2024” collection, featuring resort shirts with distinctive patterns. Made from 100% rayon, the collection embodies the “Vacation Moment” concept, celebrating every moment of summer with a variety of colors and prints inspired by nature.

April

- The company, in collaboration with the Tourism Authority of Thailand (TAT), launched the “เที่ยวพิน In ภาคกลาง” campaign to promote tourism in the central region. The campaign features a collection of T-shirts titled “นักท่องเที่ยวแห่งประเทศไทย” (Tourist of Thailand), designed with unique patterns representing each province. The company supported the initiative by providing 17,000 T-shirts to tourists participating in the program, aiming to encourage tourism and boost travel within the central region.



May

- The company has launched the “Mc Blue and White Collection”, featuring the classic and unique style of the Mc Jeans brand. This collection includes shades of blue, indigo blue, white, and dusty blue, with rubber print designs that add dimension and make the graphics stand out. It blends vintage-style design with Mc Jeans’ distinctive approach.



- The company has launched the Mc Academy project, an online Learning Management System (LMS) within the organization. This project aims to enhance and efficiently manage knowledge from various internal sources to develop employees’ professional knowledge and skills.

Awards of Pride for the Fiscal Year 2024



- The company received an “AA” rating in the SET ESG Ratings for 2023 from the Stock Exchange of Thailand (SET).



- The company received the Corporate Governance Report (CGR) evaluation at “Excellent” level for the fifth consecutive year from the Thai Institute of Directors Association (IOD).



- The company received renewal certification for its membership in the Thai Private Sector Collective Action Against Corruption (CAC) for the second consecutive time.
- The company received an “Excellent” rating for its Annual General Meeting (AGM) management quality in the “AGM Checklist 2023” by the Thai Investors Association.

- It was the first in Thailand’s fashion and lifestyle retail industry to receive ISO/IEC 27001:2022 certification, representing the highest standard for information security.



- The company was honored with the Master Entrepreneur Award for retail business at the Asia Pacific Enterprise Awards (APEA) 2023, recognizing it as a leader with outstanding management capabilities. This award is given to successful businesses and executives across the region.



- The company received the Sustainability Disclosure Acknowledgement for the year 2023 from the Thai Institute of Development.

1.1.3 Report on the use of capital increase

As MC Group Public Company Limited (the “Company”) offered the initial public offering (“IPO”) of 200 million shares during 26-28 June 2013 at the offering price of 15 THB per share, totaling a net amount of 2,923 million THB. The use of proceeds received from the capital increase was reported as of 30 June 2024 as follows:

(Unit : Million THB)

Objectives	Amount received	Unused Balance as of 31/12/2023	Amount spent during 01/01/2024-30/06/2024	Unused Balance as of 30/06/2024
1. Invest in expanding MC Group’s distribution channels	500	0	0	0
2. Invest in research and development, design center, and productivity enhancement	200	0	0	0
3. Invest in information technology system	385	0	0	0
4. Invest in a new distribution center	100	0	0	0
5. Repay long-term loans from banks	750	0	0	0
6. Use as working capital and use to expand future businesses	988	0	0	0
Total	2,923	0	0	0

1.1.4 Obligations committed by the Company in the Registration Statement for Securities Offering

MC Group filed the Registration Statement for Securities Offering and prospectus to the Securities and Exchange Commission (SEC) on 25 March 2013, with the effect on 24 June 2013. The Company has completely complied with the rules of the SEC Office in filing such documents, so there are no obligations or conditions for applying for permission to the SEC Office.

1.2 Nature of Business

1.2.1 Revenue Structure

Revenue Structure of MC GROUP and its subsidiaries according to financial statement for the year 2022 – Y2024 (July 2021 to June 2024) are as follow:

1. Revenues Structure by Product

Consolidated Financial Statements	FY 2022 (1 Jul 2021 – 30 Jun 2022)		FY 2023 (1 Jul 2022 – 30 Jun 2023)		FY 2024 (1 Jul 2023 – 30 Jun 2024)	
	Thousand THB	%	Thousand THB	%	Thousand THB	%
Revenues from ready-to-wear clothing, related apparels and other lifestyle products						
1. Brand “Mc” ^{1/}	2,861,711.74	97.9	3,598,710.41	98.1	4,025,016.74	99.3
2. Brand “Mc Lady”	30,136.28	1.0	50,578.12	1.4	21,709.42	0.5
3. Brand “McT”	4,754.85	0.2	2,339.83	0.1	213.06	0.0
4. Brand “UP”	8,764.67	0.3	7,298.02	0.2	28.86	0.0
5. Other brands	17,467.73	0.6	10,726.53	0.3	7,057.34	0.2
Total Sales Revenues	2,922,835.27	100.0	3,669,652.92	100.0	4,054,025.41	100.0

Remark : 1/ Other revenues are mainly from sales of accessories to outsource manufacturers

2. Revenues Structure by Distribution Channel

Consolidated Financial Statements	FY 2022 (1 Jul 2021 – 30 Jun 2022)		FY 2023 (1 Jul 2022 – 30 Jun 2023)		FY 2024 (1 Jul 2023 – 30 Jun 2024)	
	Thousand THB	%	Thousand THB	%	Thousand THB	%
1. Modern trade	682,319.57	23.3	798,355.59	21.8	757,701.30	18.7
2. Free standing shop	1,791,529.11	61.3	2,415,098.19	65.8	2,772,341.97	68.4
3. Other channels ^{1/}	448,986.58	15.4	456,199.14	12.4	523,982.15	12.9
Total Sales Revenues	2,922,835.27	100.0	3,669,652.92	100.0	4,054,025.41	100.0

Remark : 1/ Revenue from other channels are revenues generated from sales agents, exhibition booths and retail/wholesales stores and online channel

1.2.2 Information on products and services

(1) Nature of products and services

The Company is a manufacturer, procurer, and distributor of apparel and lifestyle products under “Mc” trademark. “Mc” brand is highly renowned as one of the top choices in Thailand’s retail fashion business, particularly its denim products. Mc is outstanding in term of careful material selection, quality tailoring, thorough attention to every production stage, a deep understanding of Thai people’s diversity and shape, and reasonable pricing.

With an understanding of body positivity and a desire to change the idea that only good-looking people wear jeans nicely, the Company’s products are therefore developed under the philosophy of “MY Mc MY WAY, Live Life Unrestricted” to meet the needs of customers in every lifestyle to be able to live a limitless life. Each customer can create the best image in their own way with products from Mc Jeans.

The Company focuses on developing a variety of products, covering apparel and everyday life products from head to toe, so that the needs of customers of all groups and occasions can be met. The Company’s products can be divided into three major groups, as follows:

1. Denim Products

The denim product line has been a key contributor to the brand’s reputation. It accounted for 34.4% of the company’s total sales revenue in the fiscal year 2024. The primary items in this category include jeans, jackets, shirts, and denim shorts.



The core product of the denim category is jeans, which are designed to fit all body types and lifestyles. There are various models and styles to choose from, catering to all sizes and body shapes. Customers can mix and match in a style that suits them. For men's jeans, there are five main cuts, ranked by the width of the leg opening from narrow to wide: 1) TAPELINE 2) SLIM 3) STRAIGHT 4) REGULAR and 5) LOOSE. For women's jeans, there are four main cuts, ranked by the width of the leg opening from narrow to wide: 1) SKINNY 2) SLIM 3) STRAIGHT and 4) WIDE LEG. The popular models from Mc Jeans are as follows:

1) Mc 3109 The Original Straight (Mc 3109) is Mc Jeans' best-selling and most popular model. It features a slim straight cut and comes in five shades. Its classic design is crafted with care to produce jeans of exceptional quality and unique style that suit every lifestyle. Furthermore, Mc 3109 was the first model to incorporate sustainable materials (Sustainable Material) in the production of buttons and rivets, using technology and metal coloring techniques developed by YKK, a famous zipper brand from Japan, called Acro Plating. This method reduces pollution and harmful chemicals, lowers waste discharge into the environment, and minimizes the use of chemicals, water, energy, and electricity. The Natulon Zipper, made from recycled materials such as plastic bottles or fabric scraps, maintains the same quality as traditional zippers while contributing to environmental conservation.

2) Mc SELVEDGE is a line of jeans made from selvedge fabric. Selvedge, derived from the term "self-edge," refers to the edge of the fabric itself. Red selvedge jeans use red selvedge fabric woven by a narrow loom, which requires more meticulous production than regular fabric. Each production run yields only a limited amount of red selvedge fabric, making red selvedge jeans more expensive than typical jeans. Due to the more intricate manufacturing process, selvedge jeans have become a symbol of high-quality denim, representing the uniqueness of premium jeans, durability, and long lifespan. This quality ensures beautiful fade patterns unique to each wearer over time.



3) Mc ME is a line of jeans for women designed to accentuate the figure, making it look slim and firm. These jeans are highly flexible with excellent recovery, thanks to a unique fabric that differs from that used in standard denim production. Mc ME jeans provide great comfort, hold their shape well, and are suitable for any occasion.

4) Mc PLUS is a line of jeans designed to accommodate individuals with a larger body frame, offering a comfortable fit and enhanced mobility for everyday life. Mc PLUS jeans come in both straight leg (Straight) for a relaxed fit and slim leg (Slim) for a more fitted look, with a wide range of sizes available to ensure the perfect fit for every occasion.



2. Non-Denim Products

The non-denim clothing product group is another key segment for the company, accounting for 49.7% of the total revenue from product sales in the fiscal year 2024. Popular items in this group include T-shirts, shirts, resort shirts, polo shirts, hoodies, and bomber jackets, among others.



3. Accessories Products

This product group accounted for 15.9% of the total revenue from product sales in the fiscal year 2024, with the main products being Mc Sneakers & Slip On, which are highly popular sneakers. Additionally, there are other products such as hats, backpacks, crossbody bags, and luggage.





Customer Relationship Management (CRM) System

The company believes that its success is significantly attributed to customers who trust and favor the brand and its products. Therefore, the company has established a special program for members under the name "Mc CLUB" with the following objectives:

1. To create a new and enjoyable shopping experience for customers.

2. To gain insights into customer purchasing behavior, which can be used to further develop products or conduct various Direct Marketing activities.

3. To offer various benefits to customers, such as the Mc Point rewards system and special pricing on products.

Additionally, the CRM system's data is beneficial for future customer interactions, as the company can analyze purchasing behavior over time. This allows for more effective sales planning, marketing strategies, and product selection, better aligning with customer needs. As of the end of June 2024, the company has over 1.7 million member accounts.

(2) Marketing and Competition

Target Customer Segments

The company's top 10 major clients are large modern trade retail chains, contributing to 23.3%, 21.8%, and 18.7% of total sales in 2022 (July 2021 to June 2022), 2023 (July 2022 to June 2023), and 2024 (July 2023 to June 2024), respectively.

When segmenting end customers, the company's sales from provincial customers account for 68%, 71%, and 70% of total sales in 2022 (July 2021 to June 2022), 2023 (July 2022 to June 2023), and 2024 (July 2023 to June 2024), respectively.

Distribution Channels

The company has a diverse range of distribution channels, covering both domestic and international markets. As of June 30, 2024, there are 582 points of sale across various channels, detailed as follows:

1. **Free-Standing Shops:** This is the primary distribution channel for the company. Most of these retail shops are located in leading shopping malls and department stores. The company believes this strategy enhances its ability to reach target customers and drive long-term revenue and profit growth. Therefore, the company prioritizes selecting prime locations for its stores to expand its customer base and increase accessibility to its products.



2. **Modern Trade:** This includes sales points or counters in both chain stores and local department stores in provinces, as well as superstores with branches distributed nationwide. Examples include Central Department Store, Robinson Department Store, The Mall Department Store, Big C Supercenter, V-Square Nakhon Sawan, and Diana Hatyai, among others.

3. **Mc OUTLET:** These are retail stores located at PTT gas stations. They have been developed into lifestyle community malls, effectively serving both local residents and travelers. Mc OUTLET has been well-received by customers due to its diverse product range, convenient store layout, and suitability for quick shopping. The store's products and promotions align well with customers' lifestyles. The company plans to continue expanding Mc OUTLET locations.



4. **Online Distribution Channels:** The company has developed the platform mcshop.com as an online sales channel, focusing on clothing, fashion accessories, and products under the company's brand. The goal is to provide an additional purchasing option for both current and new customers, as well as to expand distribution channels through various marketplaces such as Lazada and Shopee. This aims to enhance customer convenience when buying the company's products. During the fiscal year 2024, the distribution channel through TikTok has been highly successful and has significant potential for future growth.

5. **Mobile Car:** This refers to mobile sales vehicles operating in Bangkok, its surrounding areas, and provinces. These vehicles help reach local customers and various provinces more effectively. They also serve as a market testing tool before opening new store locations.



6. **Other Domestic Sales Channels:** This includes offering special promotions on products outside regular sales areas and setting up booths at trade shows, provincial events, or various festivals.

7. **Direct Sales Channels:** This involves expanding distribution through advertising media, television, and catalogs to reach consumers more effectively. Examples include wholesale and corporate sales.

Table Showing the Number of Distribution Channels by Type for the “Mc” Group for 2022, 2023, and 2024 (July 1, 2021 - June 30, 2024)

Clothing and Accessories under the “Mc” Group

UStores by Distribution Channels	Year 2022 (July 1, 2021 – June 30, 2022)		Year 2023 (July 1, 2022 – June 30, 2023)		Year 2024 (July 1, 2023 – June 30, 2024)	
	Number	%	Number	%	Number	%
Free-standing Shop	350	69.6	403	72.6	434	74.5
Modern Trade	138	27.4	137	24.7	133	22.9
Mobile Unit	6	1.2	6	1.1	6	1.0
Total domestic stores	494	98.2	546	98.4	573	98.5
International stores	9	1.8	9	1.6	9	1.5
Total	503	100.0	555	100.0	582	100.0

Table showing the number of distribution channels categorized by geography of the Group in 2022, 2023, and 2024 (July 1, 2021 - June 30, 2024)

Clothing and Accessories under the “Mc” Group

Stores by Geography	Year 2022 (July 1, 2021 – June 30, 2022)		Year 2023 (July 1, 2022 – June 30, 2023)		Year 2024 (July 1, 2023 – June 30, 2024)	
	Number	%	Number	%	Number	%
Upcountry	386	76.7	427	76.9	454	78.0
● Own Retail Stores	283	56.3	325	58.6	355	61.0
● Modern Trade	103	20.5	102	18.4	99	17.0
Bangkok and vicinity	102	20.3	113	20.4	113	19.4
● Own Retail Stores	67	13.3	78	14.1	79	13.6
● Modern Trade	35	7.0	35	6.3	34	5.8
Mobile Unit	6	1.2	6	1.1	6	1.0
Total domestic stores	494	98.2	546	98.4	573	98.5
International stores	9	1.8	9	1.6	9	1.5
Total	503	100.0	555	100.0	582	100.0

Pricing Policy

The company has a policy to set price levels that are appropriate for consumers, considering factors such as product cost, product type, and the predetermined gross profit margin. Additionally, the company takes into account market demand, competition, and the purchasing power of its target customers.

The company regularly conducts promotional activities and marketing campaigns. It studies target customer behavior to tailor activities, formats, and marketing and communication channels according to different times of the year, ensuring alignment with the purchasing behavior of its target customers. These efforts aim to boost sales and adapt to various situations. A variety of marketing and communication channels are used, including: (1) Traditional advertising media, such as billboards, signs, and promotional events. (2) Digital and social media advertising, including Facebook, Instagram, TikTok, Line, and the company’s website. These online platforms present product information and promotions to drive customer traffic to stores and sales points. (3) In-store marketing at physical retail outlets and sales points. (4) Brand ambassadors.

Apparel and lifestyle product retailing business in Thailand

The economic situation, the retail industry, as well as domestic consumption, continue to recover continuously in 2024, but the growth rate is not as expected. The consumer confidence index in June 2024 continuously adjusted downward from the end of 2023 to the level of 52.3. However, the positive factors from the government's economic stimulus measures, such as the project to adjust electricity prices, reduce diesel prices, the increase in tourists, as well as the Easy e-Receipt measure and the tax deduction measure for the year 2024, are positive factors and help support domestic consumption to expand.

As for the retail outlook in 2024, Kasikorn Research Center has analyzed that the overall value of the retail business in 2024 is still expected to grow but at a slower pace, at around 3.0% compared to the previous year. Even though the overall retail market is still growing, there are still factors to be cautious about, such as increased competition from imported goods, especially goods from China entering the Thai market, product prices, and household debt that are still at a high level. This makes consumer purchasing power fragile, and the rising interest rates increase financial costs, especially for those with high borrowing levels.

In the E-commerce sector, there is still continuous growth in 2024, and there is also a trend of intense competition to accelerate the development of services to meet customer needs. However, consumer behaviour has changed to online shopping more due to convenience, especially among Marketplace Retailers that offer a wide variety of products from multiple sellers. This allows consumers to compare prices and services of each store.

For the group of clothing, fashion, and apparel, recovery is expected to be gradual due to consumer caution in spending on goods. Even though the return to normal conditions will help sales recover, because this group of goods is not as essential as other groups, it may not recover as fully as other essential goods. In terms of comparing the key retail trends that will play a role and affect the competition of the retail business, it is the Seamless Shopping Experience, which requires operators to pay more attention to sales channels and understand their target audience. Products should be available in all channels that consumers want to increase the opportunity to generate sales. Creating Engagement with consumers through online channels and social media, which are popular channels for communicating with consumers, operators must choose the appropriate platform to communicate with customers and generate sales effectively. In addition, focusing on sustainability is an issue that has received increasing attention in recent times, covering environmental, social, and corporate governance issues. Many Thai retailers have set ESG targets, especially in terms of the environment and reducing greenhouse gas emissions, and consumers are also becoming more aware of this. However, consumers are still facing factors that are obstacles to buying sustainable products, such as price factors that consumers see sustainable products may be too high, or consumers may have little information about sustainability, or lack confidence in what retailers provide. This creates obstacles in supporting sustainability in retail.

In terms of the competitive situation in the ready-made clothing market in 2024, there is still a trend of quite intense competition. Operators are continuously doing promotions, discounts, and giveaways. However, the company has a high level of competitiveness, being the market leader in jeans products and having a high market share. The main factors are from high-quality products at reasonable prices, as well as the reputation of the "Mc" brand and the company's long-standing reputation. This makes the company's products trusted by customers.

(3) Procurement of products

The Company focuses on the production and supply of quality, modern, and a wide range of products to meet the needs of customers thoroughly. The Company also establishes guidelines for apparel product procurement and distribution, which are divided into two categories as follows:

1) Inhouse - The Company has its own ready-made garment factory located on On Nut Road. The main products manufactured by the Company are jeans, both basic and fashion types, which are designed and require sophisticated techniques, including innovative fabrics that make the products look better and have a higher quality. Moreover, the Company's factory also can produce other types of apparel products, such as shorts and t-shirts.

2) Outsource - The Company has a policy to hire outsourcing contractors for other types of products, such as T-shirts, shirts, polo shirts, jackets, and accessories such as suitcases, shoulder bags, shoes, hats, etc., including outsourcing contractors to manufacture jeans and t-shirts, in the event that the production capacity of the Company's factory is insufficient.

The Company has a policy to procure more products from overseas contractors to reduce its dependence on domestic production sources. In the fiscal year 2024, the Company had a procurement ratio from overseas manufacturers of about 24% of the total value of the products.

(4) Assets for Business Operations

1) Core Fixed Assets of the Company

As of June 30, 2024, the Company and its subsidiaries owned core fixed assets for utilizing in their business operations, details are as follows:

Type of Assets	Proprietary Type	Net Book Value (Thousand THB) As of June 30, 2024	Obligations
Land and land improvements: Location of head office and factory On Nut Road, Prawet District, Bangkok Total area 7 rai 51 square wah	Owner	19,089	-None-
Land and land improvements: Location of Mc Fulfilment Center Sukhaphiban 2 Road, Soi 11 Intersection 2-3 Prawet District, Bangkok Total area 9 rai 1 ngan 170 square wah	Owner	138,185	-None-
Land at Sukhaphiban 2 Road Soi 15, Prawet District, Bangkok Total area 5 rai 2 ngan 67 square wah	Owner	110,000	-None-
Buildings and buildings improvement	Owner	294,002	-None-
Machinery and factory equipment	Owner	2,934	-None-
Fixtures and office equipment	Owner	2,284	-None-
Vehicle	Owner	94,517	-None-
Assets under construction and installation	Owner	23,182	-None-
Net book value		688,156	

2) Intangible Assets

As of June 30, 2024, the Company and its subsidiaries owned intangible assets for utilizing in their business operations, details are as follows:

Type	Proprietary Type	Net Book Value (Thousand THB) As of June 30, 2024
Computer Programs	Owner	96,633
Net book value	96,633	

1. Trademarks used in business operations

The Company and its subsidiaries have registered trademarks used in conducting businesses both domestically and internationally, such as the trademarks “Mc”, “Mc Lady”, and other brands. The Company and its subsidiaries shall renew the trademark when it is due. In case that the Company designs new products or develops new brands, the Company may apply for registration of such trademarks as deem appropriate.

2. Lease Agreements

1) Shop Rental Agreements

MC Group Plc. has lease agreements for retail stores, commercial buildings, and PTT gas stations both in Bangkok and other provinces in Thailand for distribution of the company's products. Most of the contracts' period are about 1 - 3 years.

2) Land lease agreements for parking spaces and restaurant

As of June 30 2024, the Company has land lease agreement for use as parking area and/or as a location for a restaurant. The rent is set on a monthly basis at 50,176 Baht per month. The rental fees can be increased every three calendar years at a rate of not more than 12% of the rental fee under the previous contract. The key terms can be summarized as follows:

Agreement	Summary of Agreement
Land lease agreement <u>Counterparties</u> Mr. Narong Tiyanich (“Lessor”) MC Group Public Company Limited (“Tenant”)	<ol style="list-style-type: none">1. The land is located at 27 Sukhaphiban 2 Road, Prawet, Prawet, Bangkok, with a leased area of approximately 441 square wah.2. The rental period is 3 years, starting on December 1, 2022 and ending on November 30, 2025. The tenant has the right to lease the land for another 2 times for a period of 3 years each, the tenant must notify the lessor in writing before the expiration of each lease term.3. If the parties wish to cancel the lease agreement, the parties must agree to terminate the rental contract jointly in writing.

3) Land lease agreement for billboards

As of June 30, 2024, the Company and its subsidiaries have land lease agreements for the construction of billboards in upcountry with individuals who have no conflict of interest, most of the contracts have term of 2 - 3 years.

4) Rental Agreement

- Design Center building rental agreement

As of June 30, 2024, the Company had a contract for renting space for Design Center building and service contract for Design Center building where monthly rental and service fees are set at 397,679.88 Baht. Service fee will be increased every year according to the inflation rate estimated by the Bank of Thailand, the key points can be summarized as follows:

Agreement	Summary of Agreement
Design Center Building Rental Agreement <u>Counterparties</u> SS Challenge Co., Ltd. ("Lessor") MC Group Public Company Limited ("Tenant")	<ol style="list-style-type: none">1. The design center building is located at 2 Soi Sukhaphiban 2 Soi 5, Prawet, Bangkok and No. 9 Soi Sukhaphiban 2, Soi 7, Prawet, Bangkok, with a rental area of approximately 3,000 square meters.2. The lease term is 10 years from the date the tenant receives the design center building on October 1, 2014. The tenant has the right to extend the lease of the design center building for a period of 10 years (the contract ends on September 30, 2024), where the lessee must notify the lessor in writing at least 30 days in advance before the end of the lease period.3. The tenant has the right to terminate the lease agreement unilaterally without paying the lease termination fee in advance.
Design Center Building Service Agreement <u>Counterparties</u> SS Challenge Co., Ltd. ("Service Provider") MC Group Public Company Limited ("Customer")	<ol style="list-style-type: none">1. The contract term is 10 years, with the beginning and ending periods of this Design Center building service agreement equal to the beginning and ending periods of the Design Center building rental agreement2. The Design Center building service contract will expire upon the expiration of the Design Center building rental agreement.

- Car parking area for Design Center building rental agreement

As of June 30, 2024, the Company had a contract for renting space for a car parking area with monthly rental fee of 50,000 Baht. The key points can be summarized as follows:

Agreement	Summary of Agreement
Car parking area rental agreement of design center building <u>Counterparties</u> SS Challenge Co., Ltd. ("Lessor") MC Group Public Company Limited ("Tenant")	<ol style="list-style-type: none">1. The parking area of the Design Center building is located at Prawet District, Bangkok, with a rental area of approximately 412 square wah.2. The lease term is 9 years, beginning on October 1, 2015 and ending on September 30, 2024. The tenant has the right to lease the parking for period of 10 years, The tenant must notify the landlord in writing at least 30 days prior to the expiration of the rental period.3. The tenant has the right to terminate the lease agreement unilaterally without paying the lease termination fee in advance.

● Workshop building rental agreement

As of June 30, 2024, the Company had a contract for renting space for Workshop building and service contract for Workshop building where monthly rental and service fees are set at 91,277.04 Baht. Service fee will be increased every year according to the inflation rate estimated by the Bank of Thailand, the key points can be summarized as follows:

Agreement	Summary of Agreement
Workshop Building Rental Agreement <u>Counterparties</u> SS Challenge Co., Ltd. ("Lessor") MC Group Public Company Limited ("Tenant")	<ol style="list-style-type: none"> 1. Workshop building located at 1/1 Soi Sukhaphiban 2 Soi 5, Prawet, Bangkok, with approximately 539 square meters. 2. The lease term is 10 years, starting on October 1, 2015 and ending on September 30, 2025, the tenant have the right to lease the workshop building for a period of 10 years. The tenant must notify the landlord in writing at least 30 days prior to the expiration of the rental period. 3. The tenant has the right to terminate the lease agreement unilaterally without paying the lease termination fee in advance.
Workshop Building Rental Agreement <u>Counterparties</u> SS Challenge Co., Ltd. ("Service Provider") MC Group Public Company Limited ("Customer")	<ol style="list-style-type: none"> 1. The contract term is 10 years, with the beginning and ending periods of this workshop building services agreement equal to the beginning and ending periods of the workshop building lease agreement. 2. The workshop building services agreement will expire upon the expiration of the workshop building lease agreement.

● Mc Studio building rental agreement

As of June 30, 2024, the Company had a contract for renting space for Mc Studio building and service contract for Mc Studio building where monthly rental and service fees are set at 443,048.55 Baht. The rent and service fees will be adjusted every three calendar years, with an increase not exceeding 5% of the rent and service fees as per the previous contract. The key details are as follows:

Agreement	Summary of Agreement
Mc Studio Building Service Agreement <u>Counterparties</u> SS Challenge Co., Ltd. ("Lessor") MC Group Public Company Limited ("Tenant")	<ol style="list-style-type: none"> 1. Mc Studio Building is located at 4 Soi Sukhaphiban 2, Soi 7, Prawet, Bangkok, with a rental area of approximately 2,976.72 square meters. 2. The lease term is 3 years, starting on January 1, 2023 and ending on December 31, 2025, the tenant has the right to continue to lease the Mc Studio building for 3 years. The tenant must notify the landlord in writing at least 30 days prior to the expiration of the rental period. 3. The tenant has the right to terminate the lease agreement unilaterally without paying the lease termination fee in advance.
Mc Studio Building Service Agreement <u>Counterparties</u> SS Challenge Co., Ltd. ("Service Provider") MC Group Public Company Limited ("Customer")	<ol style="list-style-type: none"> 1. The contract term is 3 years, with the beginning and ending periods of this Mc Studio Building Service Agreement equal to the beginning and ending periods of Mc Studio Building Lease Agreement. 2. Mc Studio Building Service Agreement will expire upon the expiration of the Design Center Building Lease Agreement.

3. Key Commercial Contracts

The company has trade agreements with several large modern trade retailers to sell its products through both credit sales and consignment. These agreements include both annual renewals and open-ended terms, with some allowing either party to terminate the agreement under certain conditions. However, in the past, the company has successfully renewed its annual agreements consistently and has never had any contracts terminated by its partners.

4. Property Insurance

The company has property and business interruption insurance for one factory, a design center, a warehouse and distribution center, a workshop, a studio, retail stores, booths, mobile units in the form of buses, and other sales outlets nationwide. The insured assets include the factory buildings, utility systems, machinery, all types of stock, and all other business-related assets. Business interruption insurance covers any disruptions or impacts on the company's operations resulting from insured property damage, which can lead to loss of gross profits due to reduced sales or increased operational expenses. Additionally, the company holds liability insurance for third parties to cover legal responsibilities arising from its business activities. Both the company and its subsidiaries are insured with a total insurance coverage of approximately 5,120 million baht. และบริษัทย่อยเป็นผู้เอาประกันภัย โดยมีจำนวนทุนประกันภัยรวมทั้งสิ้นประมาณ 5,120 ล้านบาท

5. Investment in Subsidiaries and Joint Ventures

● Subsidiaries:

The company has investments in subsidiaries as reported in its standalone financial statements, valued at cost. As of June 30, 2024, the net investment value amounted to 48.96 million baht (comprising an investment value of 249.96 million baht and an investment allowance of 201.00 million baht). No additional reserves were set for subsidiary investments in this fiscal year. The investment in subsidiaries represents 0.88% of the company's total assets on a standalone basis. The company's investment policy through subsidiaries focuses on businesses that can meet customer needs by offering more diverse products and services. The details are as follows:

Subsidiaries	Paid up capital (Million THB)	% Shareholding	Net investment value (Million THB)
Direct Investment in Subsidiaries			
● McJeans Manufacturing Co., Ltd.	1.00	99.97	1.00
● Winnerman Co., Ltd.	1.00	99.97	1.00
● WoWme Co., Ltd.	19.00	99.99	19.00
● Look Balance Co., Ltd.	213.00	99.98	212.957
● Mc Jeanious Co., Ltd.	16.00	99.99	16.00
Total direct investments			249.957
Less Provision for investment in subsidiaries			200.999
Net direct investments			48.958

- **Joint Ventures**

As of June 30, 2024, Mc Jeaneous Co., Ltd., a subsidiary of the company, has investments in Top T 2015 Co., Ltd., an associate company, and Look Balance Co., Ltd., a subsidiary of the company, has investments in McMillion (Thailand) Co., Ltd. The details are as follows:

Joint Ventures	Paid up capital (Million THB)	% Shareholding	Net investment value (Million THB)
● TOP T 2015 Co., Ltd.	1.88	51.00	0.96
● McMillion (Thailand) Co., Ltd.	5.00	45.00	11.25
Total investment in joint venture			12.21

Note : On June 27, 2024, the Extraordinary General Meeting of Shareholders No. 1/2024 of McMillian (Thailand) Co., Ltd. passed a resolution approving the dissolution of the company. McMillian (Thailand) Co., Ltd. registered its dissolution with the Department of Business Development, Ministry of Commerce, on June 28, 2024. Further details can be found in Note 11 of the financial statement notes.

Policy of investment in subsidiaries

The Company has a policy to invest in businesses that are related to the Group's business by focusing on long-term investments and considering fundamental factors and business growth potential that can generate good returns on investment. However, the Company has a policy to invest in a proportion that is large enough to be able to participate in the management and formulate guidelines of the said business. They may consider investing in various forms that are appropriate, such as full or partial investments or joint ventures.

Disclosure of assets appraisal

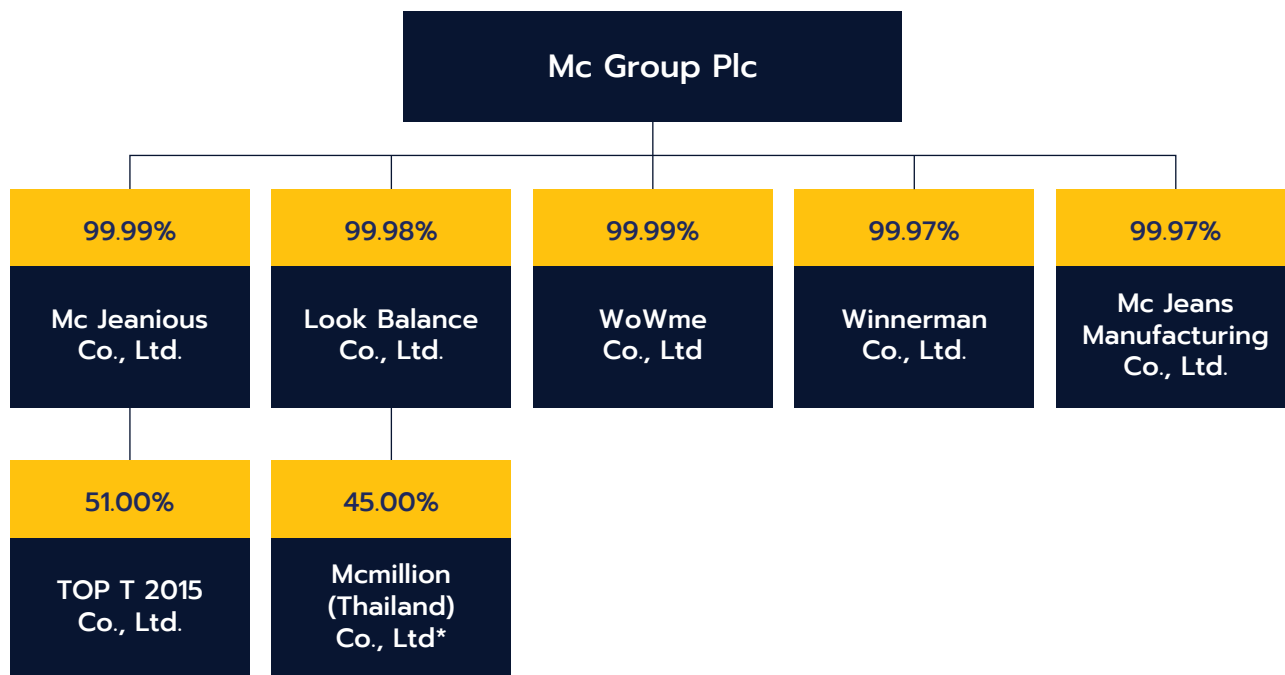
-None-

(5) Work that has not been delivered

-None-

1.3 Shareholding Structure of the Group of Companies

1.3.1 Shareholding Structure of the Group of Companies



Note : *McMillion (Thailand) Co., Ltd. filed for dissolution with the Department of Business Development on June 28, 2024, and registered the cessation of business operations with the Revenue Department on July 9, 2024. The company is currently in the process of completing the liquidation.

Details of the company and subsidiaries

Company	Paid-up capital (Baht)	Type of business	% Holding	Location
Mc Group Plc	396,000,000	Manages sales and distribution of ready-to-wear clothing and apparel.	-	448,450 On Nut Road, Prawet, Prawet, Bangkok
Winnerman Co., Ltd.	1,000,000	Provides services and manages PCs and warehouse employees	99.97%	448,450 On Nut Road, Prawet, Prawet, Bangkok
Mc Jeans Manufacturing Co., Ltd.	1,000,000	Manufactures ready-to-wear apparel	99.97%	448,450 On Nut Road, Prawet, Prawet, Bangkok
WoWme Co., Ltd	19,000,000	Invests in other businesses	99.99%	448,450 On Nut Road, Prawet, Prawet, Bangkok
Look Balance Co., Ltd.	213,000,000	Distributes products and services through online/internet channel	99.98%	448,450 On Nut Road, Prawet, Prawet, Bangkok
Mc Jeanious Co., Ltd.	16,000,000	Invests in other businesses	99.99%	448,450 On Nut Road, Prawet, Prawet, Bangkok
TOP T 2015 Co., Ltd.	1,875,000	Trade and Product Management	51.00%	2 Soi Sukhaphiban 2 Soi 5, Prawet, Prawet, Bangkok
Mcmillion (Thailand) Co., Ltd	5,000,000	Provides inventory management service for online and other businesses	45.00%	12/5 Soi Sukhaphiban 2 Soi 11 Yak2-3, Prawet, Prawet, Bangkok

1.3.2 Persons with conflicts hold shares in subsidiaries or associates more than 10%

-None-

1.3.3 Relationship with the business group of major shareholders

-None-

1.3.4 Shareholders

List of major shareholders

Name list of top 10 major shareholders as of June 30,2024 are as follows:

No.	Name of shareholders	No. of shares	%
1.	Ms. Sunee Seripanu	364,566,520	46.03%
2.	Mr. Piranart Chokwatana	23,499,900	2.97%
3.	Thai NVDR Company Limited	21,292,496	2.69%
4.	Bualuang Basic Dividend LTF	17,346,400	2.19%
5.	Bualuang Long-Term Equity Fund	17,029,100	2.15%
6.	People Garment Public Company Limited	16,375,000	2.07%
7.	Mr. Virach Seripanu	15,000,000	1.89%
8.	Mrs. Paopilas Hemvachiravarakorn	10,000,000	1.26%
9.	Mrs. Pratana Mongkolkul	9,910,700	1.25%
10.	Bualuang Siriphol Corporate Governance RMF	9,386,500	1.19%

The major shareholders who influence the company's policy, management, or operational direction are Ms. Sunee Seripanu and Mr. Virach Seripanu, who collectively hold 47.92% of the company's shares.

Foreign Shareholding Limit

The company has set a foreign shareholding limit at 49% of paid-up capital. As of June 30, 2024, foreign shareholders hold 4.13% of the company's paid-up capital.

Type of Shareholders	Number of Shares	%
Thai shareholders	759,294,344	95.87
Foreign shareholders	32,705,656	4.13
Total	9,386,500	1.19%

Agreements among major shareholders

-None-

Other securities issuance

-None-

14 Dividend Policy

The company has a policy of paying dividends at no less than 50% of the net profit remaining after deductions for all legal and company-required reserves. The payout is based on the net profit from the company's consolidated financial statements. However, the dividend payment will depend on future investment plans, necessities, and other considerations. Once the Board of Directors approves the annual dividend payment, it must be submitted for approval at the shareholders' meeting. For interim dividends, the Board of Directors is authorized to approve the payment, with a report to be made to the shareholders at the next meeting.

Over the past three years, the company has paid dividends as follows:

Type of dividend	Approval date	Dividend payment date	Dividend payout ratio (Baht/share)	Number of Shares	Total Amount (Baht)
Year 2022					
Interim Dividend	10 February 2022	10 March 2022	0.32 Baht/share	792,000,000	253,440,000
Annual Dividend 2022	25 August 2022	25 November 2022	0.28 Baht/share	792,000,000	221,760,000
Year 2023					
Interim Dividend	9 February 2023	9 March 2023	0.45 Baht/share	792,000,000	356,400,000
Annual Dividend 2023	24 August 2023	24 November 2023	0.36 Baht/share	792,000,000	285,120,000
Year 2024					
Interim Dividend	13 February 2024	12 March 2024	0.50 Baht/share	792,000,000	396,000,000
Annual Dividend 2024	25 August 2024	22 November 2024	0.40 Baht/share	792,000,000	316,800,000

For the dividend policy of subsidiaries, dividends will be considered based on the net profit after income tax deductions for each year. However, dividend payments will also depend on investment plans and other relevant factors. Subsidiaries may also distribute interim dividends to shareholders from time to time.

2. Risk Management

2.1 Risk Management Policy and Plan

The Company has established a risk management policy, which covers the establishment of a consistent framework for the Company's risk management process to be implemented throughout the organization and ensures that the responsibilities for risk control are appropriately identified.

The Company's risk management process is linked to policies, strategic plans, and business goals by analyzing and evaluating risk factors affecting the organization in terms of the likelihood and severity of impact to create enterprise risk management (ERM) in five main areas: strategic risk, operational risk, financial risk, regulatory risk, and social, environmental, and corporate governance (ESG) risk, which may affect performance, employees, customers, partners, corporate reputation, society, and the environment. This also includes consideration of emerging risks and risks that will seriously damage or disrupt the business. In this regard, the Company sets up a risk management plan, defines risk indicators, and sets up a risk management working group, which reports directly to the Risk Management and Sustainable Development Committee. The working group consists of executives and representatives from various departments to follow up and report the results to the Risk Management and Sustainable Development Committee as required.

Besides, the risk management policy requires all departments to be responsible for risk assessment, defining key risk indicators (KRIs), and identifying risk prevention and mitigation guidelines or possible losses. This also includes regular monitoring and evaluation of risk management, along with preparing reports on risks according to the operational framework and risk management procedures. Moreover, every unit is involved in the decision-making, strategic planning, plans, and operations of the Company. The Company will review its risk management policy at least every year. In the meantime, a full risk management policy has to be disclosed on the Company's website.

2.2 Risk factors for the Company's business operations

Risk factors that may significantly affect the Company's business, financial position, operating results, business opportunities, and the Company's guidelines for prevention and management of risks can be summarized as follows:

1. Strategic risk

1.1. Risk from intense competition

Factors affecting the competition in the apparel and lifestyle product distribution business include the entry of new competitors both domestically and internationally with new products and brands, competitive prices, sales promotion, advertising, public relations, competition in increasing distribution channels to reach consumers more easily, and the use of media and online channels to reach consumers.

However, the Company has a policy to maintain its strength in reaching consumers through continuously increasing distribution channels across the country. With its own retail stores, sales points in modern trade, the use of mobile units, and online channels via www.mcshop.com to focus on creating broad brand awareness of the Company, seamless connections between offline and online stores, and increased competitiveness.

Furthermore, with a long-time experience in the production and procurement of products, the Company gains expertise in quality control and production costs, whether it is produced in its own factory or outsourced to other manufacturers. This enables the Company to effectively compete with various competitors because the products are well recognized for their quality and price.

1.2. Risk from changes in consumer behavior

The Company's products are in the fashion and lifestyle product groups, which may be affected by changes in consumer tastes and lifestyles. The Company maintains good collaborations between marketing, sales, and design departments to continuously explore changes in consumer behaviors, as well as studying and monitoring fashion trends, both domestically and internationally, for presenting new products to keep up with the needs of consumers at all times.

The Company has implemented CRM (Customer Relationship Management) to build relationships with customers and manage membership benefits. This provides faster access to consumer insights into changing behaviors.

1.3. Risks from the Company's growth strategy

The Company's business plans and strategies focus on increasing product diversity and strength, as well as innovation and new brands to meet the needs of consumers of all groups, ages, and lifestyles, an increase in distribution channels to reach customers in all areas nationwide, a reduction in production costs, and an expansion of supply base to other sources with lower costs.

The Board of Directors and the Company's management prioritize the implementation of the above business plans and strategies by recruiting personnel with experience, knowledge, and the ability to take responsibility for effective monitoring and measurement. This is in line with the implementation of an ERP-Enterprise Resource Planning in order to comply with the planned strategy.

1.4. Risk from economic fluctuations

The company faces strategic risks due to economic fluctuations. These fluctuations may lead to a decrease in consumer spending, particularly on non-essential items such as fashion, resulting in lower sales. Furthermore, economic downturns can severely impact revenue, causing overproduction, increased operational costs, and excessive inventory levels.

To mitigate these risks, the company closely monitors economic trends such as GDP growth, inflation rates, and consumer confidence indices. Additionally, the company conducts regular sales data analysis to adjust expenses in line with sales performance, ensuring financial stability even during periods of reduced revenue.

Moreover, the company manages its inventory by adjusting purchase budgets based on sales forecasts and economic conditions to align inventory levels with changing demand. The company also negotiates flexible terms with suppliers to enable adjustments in order quantities as needed.

2. Operational Risks

2.1. Risk of relying on few major customers

The Company has 10 major customers. The first customer is a modern trade store, which is a customer who has long relationships and continuous purchase orders. Nonetheless, the Company perceives a risk of relying on large customers and limited bargaining power. Thus, there is a policy to reduce such risk by maintaining good relationships with such customers and promoting more sales of the Company's brands through its free-standing shops by focusing on opening a retailer that sells its own branded products, reducing the level of dependence on large customers in the future.

2.2. Inventory Management Risks

Since the Company has to produce a variety of products in large quantities, combined with unstable demand for such products, the Company may have more or less inventory compared to market demand and may be unable to develop and distribute products in a timely manner.

To effectively meet the needs of consumers, the Company has set up a working group with the objective of planning and controlling the level of inventory to be appropriate, starting from product design, raw material ordering, production, storage, and fast delivery of products to every point of sale. Besides, the Company has established a standard of production time and new product development to set the standard for operating according to the specified time and less operational time. However, the Company increases its distribution channels to sell more products, such as by organizing some events in areas that reach more customers, and to reduce the inventory to the criteria specified by the Company.

2.3. Risk of renewing the store lease contract

The Company distributes the products through its own distribution channels, such as stores with lease contracts. Most of them have a lease contract for a period of about 3 years. Therefore, the Company has a risk of not receiving lease renewals or of increasing rental rates and service fees.

However, some lease contracts give the Company the right to renew the contract after expiration with a rental rate adjustment. Since the past period, the Company has strictly complied with the lease contract, and it has never been terminated by the lessor. In addition, the Company's stores also help attract customers for services at the shopping centers, which can be beneficial between the shopping center operators and the Company. Therefore, the Company believes that it will receive good support for contract renewal from the lessor in the future.

2.4. Risks from fluctuations in raw material prices

In the Company's business operations, cotton is considered a key component of the primary raw materials. Cotton prices can fluctuate based on global market conditions, which may impact the cost of raw materials and the Company's procurement costs. To mitigate this risk, the Company has implemented measures to reduce the impact, such as closely monitoring raw material price trends, maintaining communication with suppliers for timely updates, and placing orders for raw materials in advance to meet production demands. Additionally, the Company has undertaken cost-reduction initiatives in production and adjusted promotional strategies to align with changing costs in order to minimize the effects of raw material price fluctuations.

2.5. Risk of over-reliance on any particular raw material manufacturer

The Company's business operations are exposed to the risk of overreliance on a major supplier for its raw materials. This can negatively impact the company's operations if unexpected events occur, such as disruptions in the supplier's production, changes in policies, or sudden price increases. Such disruptions may hinder the company's ability to procure raw materials in the required quantity and quality within the specified timeframe, leading to product shortages and affecting sales.

To mitigate this risk, the Company maintains close relationships with its suppliers and has contingency plans for sourcing raw materials from alternative sources. The Company is actively developing new products with other domestic and international suppliers to increase its options for raw material procurement and reduce its dependence on a single supplier.

2.6. Risk of Product Quality and Timely Delivery

The company faces operational risks stemming from potential quality control lapses and delays in product delivery. These issues may arise from inadequate supplier audits and insufficient quality control processes, resulting in substandard products and delayed shipments. Such occurrences can lead to lost sales and damage to the company's reputation.

To mitigate these risks, the company has established a mandatory supplier audit process for all domestic and international suppliers. This comprehensive audit includes assessments of production capabilities, performance history, and adherence to industry standards. Additionally, the company has revised its quality control manuals to ensure detailed and product-specific procedures align with company requirements.

3. Risk on Regulations

3.1. Risk of compliance with personal data protection laws

For business operations, the Company needs to collect, use, and disclose the personal information of stakeholders, such as customers, employees, and business partners, both domestically and internationally. Thus, the Company is concerned about compliance with relevant personal data protection laws, for example, the Personal Data Protection Act (PDPA). If the Company is unable to fully comply with the personal information protection laws, it may demand fines or monetary reparations for the victims, which may affect the Company's profitability. The Company is aware of this risk and appoints a working group and representatives from each department for gap analysis while setting policies and procedures related to personal data in accordance with the law. Representatives from each department are responsible for ensuring that the working process is in accordance with the established guidelines. The Company also provides training for employees at all levels, including new employees, to enhance their knowledge and understanding of each working process. relevant laws and practices.

3.2. Risk of infringement of the Company's intellectual property rights

The Company found that there are counterfeit products or imitations of the Company's trademarks by posting sales on Facebook pages or E-Marketplaces such as Shopee, Lazada, etc. Currently, the nature of intellectual property infringement has changed from using the "Fake (100% similar)" to "imitation (similar but not 100%)". The imitation prosecution requires a greater burden of proof, for example, the proof for the public's misunderstanding of imitations belonging to the Company, and there must be an expert witness from the Department of Intellectual Property to confirm that it is similar to the trademark of the Company in business operations. The Company has measures to report criminal cases against intellectual property infringers to DSI in order to focus on suppressing manufacturers and large merchants, as well as to report criminal prosecutions against intellectual property infringers to the police to suppress small merchants. Also, the Company has filed complaints against Facebook and E-Marketplace to close any pages that sell counterfeit products and join in the signing of an MOU on the protection of intellectual property through the Internet with the Department of Intellectual Property and platform providers such as Lazada, Shopee, etc.

4. Financial Risks

4.1 Risk of late payment receivables

In business operations, the Company may encounter financial risk when the debtor is unable to make the due payment. This may affect the Company's liquidity of working capital. The Company thus sets some measures to assign its officers to taking care of each debtor by interacting and building good relationships between the Company and the debtors to know the feasibility and ability to pay debts, which makes the prospect of the debtor who may have problems paying debts and set measures to take care of the joint solution for outstanding debtors. In this regard, the Company's management team conducts an assessment of the debt repayment period and the financial status of each debtor, then considers that the allowance for doubtful accounts is sufficient and appropriate.

5. Social, Environmental, Corporate Governance Risk (ESG Related Risk)

5.1 Climate change risks

Climate change is an issue that is beginning to affect everyone and becomes increasingly active both globally and nationally. Climate change can bring a variety of risks in many dimensions, both current and emerging risks. The Company has assessed the impacts caused by climate change in the following areas:

5.1.1 Risk of main raw material shortages in the future due to climate change

The clothing industry relies heavily on cotton fibers in the production chain. However, cotton is a plant sensitive to climate change, while the increasing temperatures lead to the need for more water in cultivation. The effects of global warming may cause the risk of a cotton fiber shortage in the future. According to a non-profit group, "Forum for the Future", it is predicted that by 2040, half of the world's cotton-growing regions will face "high or very high" climate risks from droughts, floods, and wildfires, which could shorten cotton production and impact business operations. Thus, it is necessary to find alternative raw materials, and it will cost the Company to find substitutes to reduce its dependence on cotton in the future.

5.1.2 Operational risks from climate change

The Company is at risk for its business operations to be affected by various disasters and environmental imbalances, such as an increase in global temperature or a higher sea level, which may cause a higher level of severity and flooding problems, and then affect the Company's merchandising at the point of sale. The factory may not be able to produce its products, or the warehouse may be unable to receive or deliver goods. Moreover, such problems may affect the income of customers in some areas. The Company may be unable to open stores in flood-prone areas, which negatively affects sales. The Company has taken the risk of flooding as one of the factors in choosing the location for opening new stores while preparing a crisis management plan for its factories, warehouses, and points of sale.

5.1.3 Risk of legal changes from climate change

The Company has a risk for its business operations due to adapting to a low-carbon society, such as the Carbon Tax Law, which is now enforced in other countries. Despite having no effect on the Company at present, Thailand may enact the carbon tax law in the future. Then, the Company may have more operating costs when complying with any new laws related to greenhouse gas emissions. Additionally, being a listed company on the Stock Exchange of Thailand with more attention from both domestic and foreign investors on climate change, the Company is obliged to disclose the information, and there are more costs, such as the cost of auditing the disclosure of information from third parties and the cost of preventing and managing such risks.

5.1.4 Risk of social change from climate change

The Company has a risk to customers behaviors due to the alertness of greenhouse gas emissions, which may affect the changing demand for products and services. The Company may have more expenses related to the development of products and services to meet the needs of consumers who are interested in environmentally friendly products, including more investment to reduce dependence on energy that causes greenhouse gas emissions.

The management of risks caused by climate change

1) Improve products and services to meet the needs of customers who demand more environmentally friendly products. There are products that use fibers to replace cotton, such as hemp fibers and fabric fibers made from recycled fabrics, including the use of materials such as zippers, buttons, and rivets made from recycled materials under low-energy processes with fewer chemicals and water, as well as the limited use of natural resources, etc.

2) Apply the concept of the Circular Economy by promoting the most efficient use of resources from production, consumption, and waste management through reduction, reuse, and recycling processes.

3) Improve and promote employees' awareness of more effective energy and resource consumption.

4) Take environmentally friendly technologies into consideration for future investment projects to manage greenhouse gas emissions according to the Company's strategy. The Company has initiated the installation of solar cells to generate electricity at the head office and new warehouses, including the project to change machinery and electrical equipment to reduce energy consumption at the factories and the head office.

5.2 Risk from Human Rights Violation

In business operations, it is inevitable for the Company to involve different individuals, such as customers, suppliers, employees, shareholders, investors, communities, etc. Human rights issues are sensitive and can be linked to other issues, which may have an impact on business operations. In some cases, it may affect the reputation and image of the Company, lead to legal actions, cause the Company to pay fines or expenses for compensation and remedy, and affect the Company's sales. For example, if employees are dissatisfied with the Company's operations, there may be a strike, or when customers are dissatisfied with the Company, this may cause them to decide not to use services, resulting in a decrease in sales, etc.

The Company has considered business processes throughout the value chain to ensure that there will be no impact or human rights violations on trading partners, business alliances, employees, and all groups of stakeholders. The Company has established a human rights policy that reflects the organization's commitment to conducting business on the basis of respect for human rights. The Company's directors, executives, and employees at all levels are required to treat all stakeholders with equality, as well as complying with international human rights principles, while creating a safe working environment for a good quality of life among employees, including having channels for opinions and suggestions from employees and all groups of stakeholders.

The Company had no violations of human rights in the past fiscal year of 2024.

5.3 Cyber Security Risk

Technology currently plays an important role in business operations. The Company is therefore at risk of cyberattack, which may affect its operations, financial status, or reputation. To reduce such risks, the Company has taken some management measures, as follows:

- For system security, the Company has developed and modernized computer systems, both hardware and software, including network systems to protect against new forms of attacks, while migrating SAP programs to the cloud, and adding and installing cyber security equipment such as web application firewalls, anti-virus, anti-malware, patch updates, offsite data backups, and penetration testing regularly.
- For personnel, the Company provides knowledge on cybersecurity through training and communication, such as education via email and newsletter, to raise awareness within the organization.
- Additionally, in the fiscal year 2024, the company obtained ISO 27001 certification for its Information Security Management System, which will significantly enhance the company's ability to manage the security of its information assets.

Risk of Corruption

The Company upholds ethics and integrity as fundamental principles in conducting business and will not turn a blind eye to any actions that might lead to corruption and collusion. Even if such actions are beneficial to the Company, including instances of corruption, requesting, or offering contracts to gain unwarranted benefits, overlapping interests involving money, assets, or other benefits that are not appropriate for government or private individuals, whether directly or indirectly, to induce or neglect the performance of duties. For example, forcing assets, tampering with reports, seeking, or demanding valuable items from business-related parties, etc.

In this regard, the Company has implemented preventive measures that can help reduce the risk of corruption within the organization. This includes establishing policies to combat collusion and regulations regarding giving or receiving financial support, gifts, rewards, and charitable donations. The policy of refraining from accepting gifts is also in place, and these policies are communicated to stakeholders of the Company. Risk assessment for corruption is conducted, along with the appropriate design and implementation of internal control frameworks to mitigate risks. Moreover, efforts are made to foster awareness and values that oppose corruption among the Company's personnel. Additionally, the Company has joined a network and received certification from the Thai private sector's collective action against corruption (Collective Action Coalition Against Corruption or CAC) and promotes partners to participate in the CAC network as well.

Emerging Risks

The Company is aware of emerging risk factors that may have significant impacts on business operations in the future. The Company has therefore analyzed potential risk issues, including the impact on the business and the operation of each risk factor. It has set measures to reduce risks and continuously monitor any emerging risks, both in the medium and long term, to reduce the impact of emerging risk factors and help the Company achieve its goals according to the strategy and direction as defined. However, emerging risks have been discussed and described as risk characteristics as well as supporting measures in the previous topic, as follows:

- For the risk of main raw material shortage in the future due to climate change, which is the risk that future cotton yields and prices will be affected by climate change. (See details in Risk Statement Section 5.1.1)
- For the risk of legal changes from climate change, which is the risk impact of future legislation related to climate change. (See details in Risk Statement section 5.1.3)
- For the risk of social change from climate change, which is the risk that consumers' purchasing behaviors will change due to climate change awareness. (See details in Risk Statement section 5.1.4)

Promotion of Risk Culture

The Company prioritizes raising consciousness and awareness about the importance of risk management among executives and employees at all levels. Therefore, it encourages the creation of a risk culture throughout the organization. To be able to effectively apply the risk management system to business operations, the Company laid the foundation for systematic risk management through the actions of sub-committees and risk working groups to be able to identify risks or business opportunities in time for the occurrence of the event. The details are as follows:

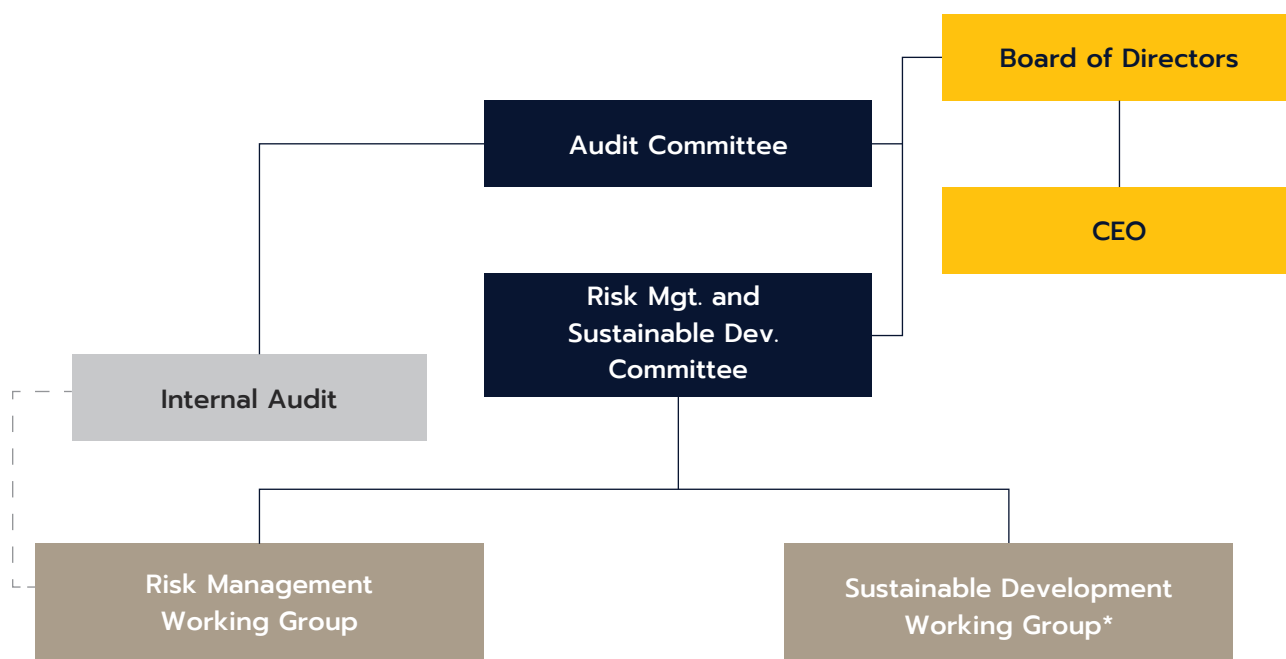
- Review the risk management policy annually, including the communication of up-to-date contents of the risk assessment and management manual to all levels of executives and employees in different departments throughout the organization so that the management and employees are aware of the determination of risk appetite and the possibility of risk occurrence, the impact of risks, the importance of risk management, and participate in shared risk responsibility, including incorporating risk management policies as part of their operations, using a guideline for making decisions, and setting plans.
- Require integrated risk considerations, along with formulating strategic and business plans, including a process of transferring risk appetite to the lines or departments that oversee the organization's important projects.
- Encourage the integration and coordination between departments by assigning a risk champion from each department to represent the department in coordinating and monitoring the implementation of risk management plans.
- Provide training and lectures by qualified speakers for employees to understand the process of risk analysis and be aware of potential risks. In January 2023, the Company invited experts to educate directors and executives on sustainable development, ESG trends, and global warming. The speakers illustrated the examples of risks and adaptations of various companies both domestically and internationally to understand the risks and new risk management approaches for emerging risks in the future.

3. Driving Business for Sustainability

In driving the business towards sustainability, the company emphasizes balanced growth across three dimensions: economic, social, and environmental. Additionally, the company is committed to supporting the United Nations' Sustainable Development Goals (SDGs) by aligning its strategies and performance with these objectives. This is done through the principles of ESG (Environmental, Social, and Governance), focusing on issues that are relevant to the company's business and its stakeholders. The goal is to create long-term value and sustainable returns.

Sustainability Governance Structure

The Board of Directors has assigned the Risk Management and Sustainable Development Committee to oversee risk management across the organization. This committee is also responsible for overseeing corporate governance and sustainable development in accordance with the company's strategies and policies, with a strong focus on sustainability issues. Additionally, a Risk Management working group has been established to manage the company's risks, including analysing and monitoring various risks to ensure compliance with established policies. The company has also formed a Sustainable Development and Anti-Corruption working group, responsible for supervising, promoting, and delegating responsibilities to relevant departments to execute work plans, monitor progress, and provide guidance to efficiently achieve sustainability goals. This taskforce is composed of executives and representatives from various departments, serving as a channel to communicate the company's policies, practices, and strategies throughout the organization.



3.1 Sustainability Management Policy and Objectives

The Company is committed to operating and creating sustainable growth for the business under good corporate governance throughout the value chain, considering the impact on stakeholders, society, and the environment. The Company firmly believes that conducting business based on sustainability is a crucial foundation to promote the organization's steady growth. Additionally, the Company aims to operate with a positive transformational approach towards communities, the environment, and the economy, in order to ensure that operations align appropriately and provide benefits to all levels of stakeholders. This intention will help guide operations towards sustainability, both at the Company level and within the group of companies, with the following objectives:

1. Uphold business operations with fairness, importance of human rights, and respect for human dignity. Treat customers, partners, competitors, and employees equally and fairly. Be responsible towards consumers, prioritize employee health and safety, foster environmental consciousness, and encourage employees to care for the environment while contributing to community and social development for an improved quality of life.
2. Focus on ensuring that the board of directors, management, employees, and all levels of staff support, promote, and practice operations in line with sustainable development policies, fostering a culture that emphasizes balanced benefits in economic, social, and environmental aspects.
3. Cultivate awareness and responsibility for sustainable development guidelines that ensure economic growth in harmony with environmental and stakeholder benefits, thus reinforcing continuous responsible operation within the value chain.

The Risk Management and Sustainable Development Committee has established sustainable development policies as a guideline for managing corporate governance and the sustainability of the Company in a unified direction. This guideline is provided to the directors, management, and employees at all levels for implementation, driving operations towards a culture that values balanced benefits in economic, social, and environmental aspects. The key principles include:

1. Defining sustainable strategies and risk management to maintain the Company's stability and sustainability.
2. Conducting business with ethics, adhering to moral principles, laws, good corporate governance, and business ethics.
3. Opposing corruption in all forms, operating the business with honesty, integrity, correctness, and without prejudice.
4. Respecting human rights, treating all parties fairly and equitably, and avoiding involvement in any actions that violate human rights.
5. Treating labor fairly, ensuring workplace safety, determining fair wages, providing benefits, developing knowledge and skills, transparently and justly assessing work performance, and refraining from employing child labor and illegal labor.
6. Operating the business responsible towards consumers, producing quality and standardized products that meet consumer needs.
7. Maintaining and caring for the environment, sourcing raw materials, and developing environmentally friendly product designs, using resources efficiently, and managing environmental quality, along with improving and upgrading environmental management systems.
8. Collaborating with communities and society through the Company's operations and partnering with government agencies, associations, business partners, civil society, and other stakeholders to develop and promote communities and society.
9. Developing business and social innovations to create added value and the Company's long-term growth.

Sustainability Strategy

In 2024, the company has developed a sustainability strategy based on the 3P framework ("Profit," "People," and "Planet"), aiming to foster strong internal growth and extend its positive impact on society and the environment. This approach aligns with the company's core strategies and serves as a framework for all departments to coordinate their actions, considering both the positive and negative impacts on the environment (Environment: E), society and human rights (Social: S), and corporate governance and economics (Economic/ Governance: G).

The 3P sustainability strategy is grounded in good corporate governance, under the commitment "Embrace Performance, Empower Sustainability: Fashioning a Better World." This reflects the company's dedication to enhancing business performance while promoting sustainability and creating a better world. The goal is to improve the well-being of consumers and society while maintaining a balanced return for the company and all stakeholders. Moreover, the company has established specific indicators for each dimension to measure progress and ensure that its ESG efforts are aligned with global Sustainable Development Goals (SDGs). Goals (SDGs)

ESG STRATEGY



























Driving Sustainable Development and Implementation of the Company's Strategy are responsible by the Risk Management and Sustainable Development Committee. Additionally, the Company has appointed a working group to operate in accordance with the Company's sustainability policy.




























The Company has a policy of conducting business with all stakeholders ethically, transparently, and fairly. The Company competes fairly with competitors under the framework of international competition rules, adheres to laws related to fair trade practices, opposes trade restraints or the misuse of market power, and refrains from giving/receiving bribes or other benefits and distorting competition mechanisms. The Company doesn't violate or disclose competitors' trade secrets through unethical means and avoids damaging competitors' reputation with false accusations.

Through times, the Company has operated businesses with governance, being transparent and trustworthy. It focuses on building a sustainable, stable business to maximize shareholder value and provide consistent dividends to shareholders. The Company aims to establish good relationships with partners, engage in ethical procurement/sourcing, not engage in anti-competitive practices, or trade restrictions, and operate according to fair competition frameworks. It adheres to agreements, the Company's ethics, and promises to customers meticulously, considering shared benefits. The Company practices agreements made in mutual consent, has a policy of delivering products in line with quality and on schedule, and opposes the infringement of intellectual property or any other legally protected items. It consistently examines copyrighted products' usage, like computer software or trademarks owned by others.

Sustainability Development Goals

The company is committed to driving its business in alignment with the United Nations' Sustainable Development Goals (SDGs). Each year, the company assesses the connection between its 3P strategy and its operational activities with the SDGs to ensure consistent alignment. The key sustainability development goals are as follows:

3Ps	Target		Conformity to SDGs
PROFIT (Economics and Governance)	Strong Financial Performance	Ensuring business survival, growth, and sustainability.	  
		Expanding the market to strengthen the organization, adapting to change, and seeking opportunities for business growth.	 
		Managing risks, planning business strategies, and conducting business sustainably.	
	Product's Quality and Services	Upholding business ethics, delivering quality work, and being a brand trusted and respected by customers, partners, and stakeholders.	  
			  
	Customer Relationship Management	Ensuring customer satisfaction by accurately and promptly meeting their needs.	 
		Building trust and treating stakeholders with good corporate governance and transparency, with no complaints related to non-transparent operations.	  
	Vender Development	Adapting to digital transformation, developing innovations that address stakeholders' needs to enhance competitiveness and create business opportunities.	  
		Managing the supply chain responsibly and sustainably, while developing the capabilities of partners throughout the supply chain under good governance.	 
			 

3Ps	Target		Conformity to SDGs
PEOPLE (Social)	People's Health and Well-being	Improving the working environment, enhancing safety in work processes, and becoming an organization with high standards of quality and workplace safety.	   
	Human Resources Management	Promoting learning and developing the capabilities of employees, stakeholders, and vulnerable groups through training programs provided by the company.	     
		Ensuring fair employment practices in accordance with the law, fostering strong employee engagement, maintaining employee satisfaction, and achieving low turnover rates.	  
		Respecting human rights at all levels, cultivating a strong organizational culture, and being recognized as a leader in human rights respect.	  
PLANET (Environment)	Community Development	Promote activities to improve quality of life and develop communities and society in collaboration with stakeholders and various organizations.	        
	Energy Management	Encourage the efficient use of energy and resources, reducing unnecessary energy consumption and ensuring effective energy management.	    
	Waste Management	Develop processes to minimize environmental impact, such as waste management.	     
	Green House Gas Emission	Enhance business operations to reduce the impact on the environment and climate change, with the goal of achieving Zero Carbon in the future.	  
			  

3.2 Managing the Impact on Stakeholders in the Business Value Chain

The company recognizes that understanding the needs of stakeholders is crucial for its business. In particular, if the company's sustainable development can address specific issues relevant to each stakeholder group, it will enable the company to respond accurately to their needs. This, in turn, will lead the business toward a true path of sustainability.

3.2.1 Supply Chain Management



The company operates a business process that begins with product design and procurement, extending through to the delivery of goods and after-sales services to customers. The company places importance on stakeholders in every stage of this process, ensuring that value is created for both the organization and its products without issues, and that the needs of stakeholders across the supply chain are met. The company's business value chain and core operational processes are interconnected as follows:

	1 Design	2 Procurement	3 Production	4 Logistics and Distribution	5 Sales and Marketing	6 After Sales Services
Stakeholders	<ul style="list-style-type: none"> ● Employees ● Customers ● Partners ● Community 	<ul style="list-style-type: none"> ● Employees ● Partner/Supplier ● Customers ● Debter ● Community 	<ul style="list-style-type: none"> ● Employees ● Partners ● Customers ● Government agencies ● Community 	<ul style="list-style-type: none"> ● Employees ● Partners/Transport agent ● Customers ● Community 	<ul style="list-style-type: none"> ● Employees ● Customers ● Partners ● Community ● Competitors 	<ul style="list-style-type: none"> ● Employees ● Customers ● Partners ● Community ● Competitors ● Shareholders
Main Activities	<ul style="list-style-type: none"> ● Study and analyze consumer and market demands. ● Design products that align with consumer needs and current trends. ● Plan budgets effectively. ● Plan raw material usage with consideration for environmental impact. 	<ul style="list-style-type: none"> ● Source standardized, environmentally friendly materials. ● Select business partners fairly. ● Maintain relationships with existing partners. ● Respect human rights. ● Adhere to the company's business code of conduct. 	<ul style="list-style-type: none"> ● Prioritize every process, from selecting appropriate raw materials, tailoring, quality control, to packaging. ● Place strong emphasis on safety and health. ● Ensure product copyright registration. 	<ul style="list-style-type: none"> ● Develop warehouse management and delivery systems to ensure fast and timely shipment. ● Optimize packaging size to reduce resource usage. ● Prioritize safety and health standards. ● Select logistics companies that meet quality standards, offer competitive costs, and ensure timely and damage-free deliveries. 	<ul style="list-style-type: none"> ● Create advertising and promotion materials. ● Develop promotions to attract customer. ● Collaborate with various platforms to expand marketing and sales channels. ● Enhance sales system to improve efficiency and boost sales. 	<ul style="list-style-type: none"> ● Develop strategies to meet customer needs. ● Manage customer relationships effectively. ● Facilitate easy product exchanges or returns for customers. ● Regularly monitor customer feedback.
Supporting Activities	All activities that support the company's operations, such as research and development, talent acquisition, information and technology, accounting and finance, and general management.					

3.2.2 Stakeholder Analysis in the Business Value Chain

The company is committed to taking care of its stakeholders, both internal and external, within the business value chain, based on the principles of respecting human rights and fair treatment of labour. The company engages stakeholders through various channels to understand their needs, expectations, and concerns. These inputs are analyzed to identify stakeholder expectations and needs, allowing the company to respond appropriately.

Stakeholder Prioritization and Evaluation

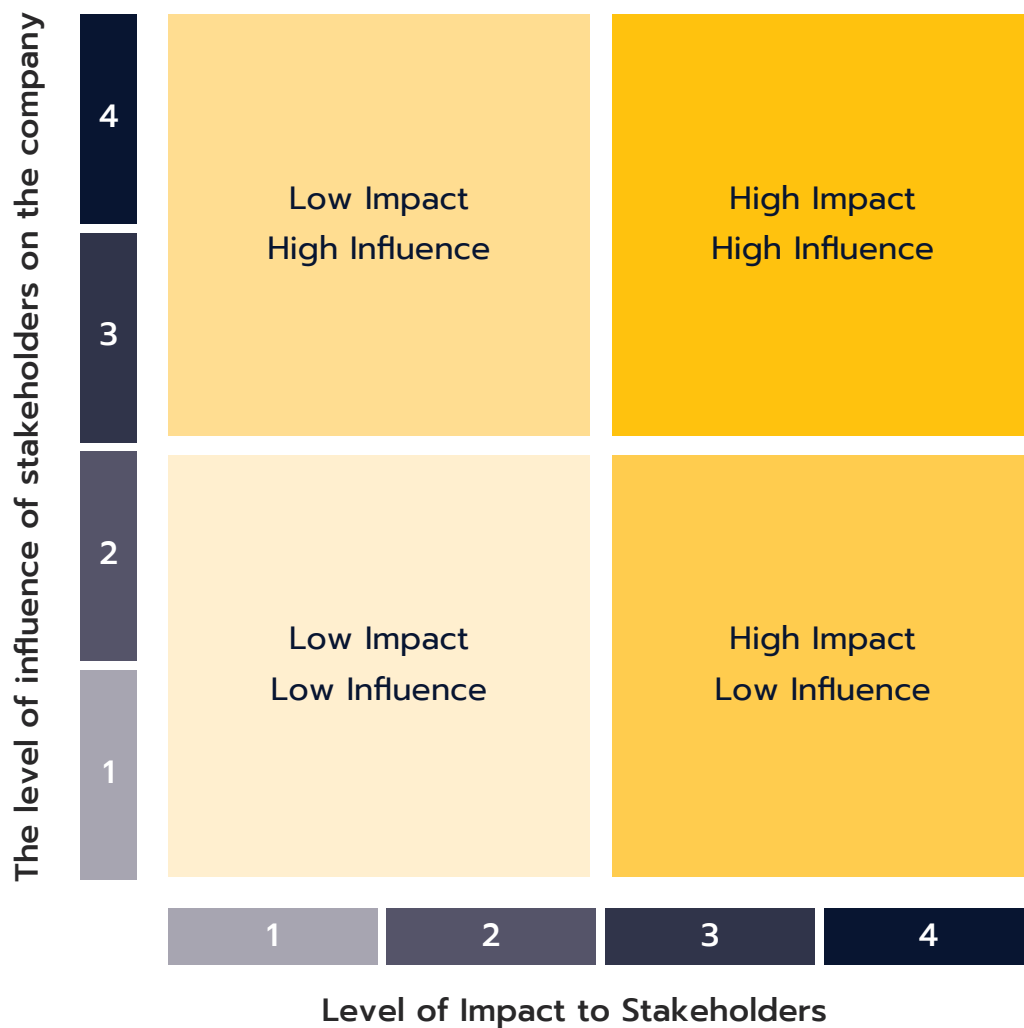
To ensure effective management, communication, collaboration, and sustainable operations, the company categorizes stakeholders into eight main groups: 1) Customers, 2) Partners, 3) Employees, 4) Shareholders and Investors, 5) Creditors, 6) Government and Regulatory Agencies, 7) Communities and Society, and 8) Competitors.

The prioritization of stakeholders is a key step in identifying those with whom the company should engage and determining appropriate measures for timely and relevant stakeholder interaction. The prioritization process is based on the following factors:

1. **Influence:** The level of influence stakeholders have over the company's operations, particularly their ability to make or influence decisions in specific areas of the company.

2. **Interest:** The level of interest stakeholders have in the company's operations.

The influence and interest of each stakeholder group are assessed and ranked across four levels. These rankings are then positioned within the stakeholder matrix to guide the company's engagement strategies.



Analysis and Engagement with Stakeholders in the Business Value Chain

Ordered by Stakeholder Importance

Stake holder Group	Communication/ Relationship Channels	Expectations and Needs	Actions to Meet Expectations
Customer	<ul style="list-style-type: none"> • Customer satisfaction surveys • CRM system • Feedback channels via Line OA and store staff • Company's complaint handling channels • Meetings on various occasions • Consent requests for data usage • Data protection processes 	<ul style="list-style-type: none"> • Produce high-quality products and services that meet standards • Reasonable pricing • Diverse product selection • Promote socially and environmentally responsible products • Timely delivery of products • Product availability and service readiness • Protect customer data and privacy 	<ul style="list-style-type: none"> • Provide customer service with politeness and attention, treating every customer equally without discrimination. • Maintain the security of personal data and customer privacy. • Offer accurate and sufficient information without exaggeration. • Deliver products and services that meet company standards. • Ensure product safety and quality control. • Inspect and guarantee product quality. • Update storefronts to be modern and well-organized for ease of shopping. • Develop new products, services, and service channels that meet customer needs. • Train employees to provide excellent customer service. • Gather customer feedback and answer inquiries through various communication channels. • Develop systems to fully meet customer needs, allowing orders of unavailable items to be placed online with home delivery or in-store pickup.
Employee	<ul style="list-style-type: none"> • Communication through HR department with employees. • Real-time communication via electronic media and online systems regularly. • Providing opportunities for employees to participate in establishing various working groups. • Offering complete information to employees. • Activities to build organizational commitment. • Surveying organizational commitment levels. • Departmental meetings. • Direct complaints to management/HR department. • Company's complaint channels. 	<ul style="list-style-type: none"> • Provide fair compensation. • Treat employees according to human rights principles. • Develop knowledge and career advancement opportunities. • Maintain a work-life balance. • Ensure a good and safe working environment. • Promote job satisfaction. 	<ul style="list-style-type: none"> • Establish company policies, regulations, and human resource procedures in compliance with relevant laws. • Revise salary structures to ensure fair compensation and competitive benefits in the labor market. • Review human rights policies and conduct comprehensive human rights audits. • Organize annual training and review of ethics and anti-corruption policies. • Foster good work behavior and promote diversity and equality among employees. • Encourage career advancement within the organization and provide appropriate compensation and benefits. • Implement an employee orientation program for new hires. • Conduct employee engagement surveys and performance evaluations. • Improve the working environment. • Implement safety and occupational health systems. • Organize employee participation activities to build engagement and morale. • Provide secure channels for feedback and complaints.

Stake holder Group	Communication/ Relationship Channels	Expectations and Needs	Actions to Meet Expectations
Partner	<ul style="list-style-type: none"> ● Conduct visits, meetings, and site evaluations of partner operations. ● Gather feedback through the company's complaint channels. ● Provide training for partners. ● Hold business meetings between the company and its partners. ● Implement data protection processes. 	<ul style="list-style-type: none"> ● Conduct business fairly and without discrimination. ● Foster mutual business growth. ● Ensure transparent procurement practices and fair compensation. ● Maintain good relationships and future collaboration opportunities. ● Prevent data leakage. 	<ul style="list-style-type: none"> ● Develop a sustainable procurement framework. ● Do not solicit, accept, or pay any illicit benefits to partners. ● In cases of unethical information, disclose details to partners and resolve issues fairly and promptly. ● Adhere strictly to agreed-upon terms and conditions. ● Address and resolve issues in a timely manner. ● Follow the partner's business practices and ethical standards. ● Treat all partners equally, without discrimination. ● Disclose policies and practices regarding payment terms to partners. ● Share knowledge and technology for mutual development. ● Conduct annual site visits to meet, gather feedback, and evaluate partners. ● Seek opportunities to innovate and improve products. ● Hold business meetings with partners to present business perspectives, understand issues, and plan collaborative operations.
Community and Society	<ul style="list-style-type: none"> ● Conducting site visits to meet with the community. ● Gathering feedback through the company's complaint channels. ● Publishing information on the company's website. ● Engaging in community and social projects or activities. 	<ul style="list-style-type: none"> ● Maintaining effective communication channels. ● Respecting the fundamental rights of the community. ● Enhancing the quality of life and promoting income generation for the community. ● Ensuring safety in living conditions and housing. ● Addressing environmental impacts that affect the community and society. ● Developing and implementing community and social development plans collaboratively. 	<ul style="list-style-type: none"> ● Communicate through various company communication channels. ● Conduct field visits to assess the impacts and needs of the community and gather feedback at least once a year. ● Organize activities or projects to develop and support community engagement. ● Develop projects to improve the quality of life and promote income generation for the community based on the needs of stakeholders. ● Comply with environmental policies, regulations, and relevant environmental laws. ● Conduct business with a constant awareness of impacts on the community, society, and the environment.
Shareholder / Investor	<ul style="list-style-type: none"> ● Annual General Shareholders' Meeting ● Analyst Meetings ● Activities to meet shareholders and investors ● Through Investor Relations or the Company Secretary ● Gather feedback through the company's complaint channels 	<ul style="list-style-type: none"> ● Treat all shareholders equally ● Maintain good corporate governance ● Provide timely, accurate, and comprehensive information for investment decisions ● Ensure transparency in business operations ● Achieve continuous business performance and growth ● Invest in research and development to enhance competitiveness 	<ul style="list-style-type: none"> ● Prepare annual reports to provide information ● Build trust with shareholders/investors ● Achieve strong performance and pay dividends consistently ● Disclose company information transparently and in a timely manner ● Commit to sustainable development, including addressing climate change and human rights issues ● Develop and update good corporate governance policies ● Operate with transparency and obtain certification as a member of the Thai Private Sector Collective Action Coalition Against Corruption (CAC)

Stake holder Group	Communication/ Relationship Channels	Expectations and Needs	Actions to Meet Expectations
	<ul style="list-style-type: none"> ● Disclose information through the Stock Exchange of Thailand and other channels, including the company's website 	<ul style="list-style-type: none"> ● Manage opportunities and risks effectively ● Deliver good investment returns 	<ul style="list-style-type: none"> ● Handle complaints through the Whistleblower system ● Comply with loan repayment terms, guarantee conditions, capital management, and address any defaults on payments
Debtor	<ul style="list-style-type: none"> ● Receive feedback through the company's complaint channels ● Disclose information through the Stock Exchange of Thailand and other channels, including the company's website 	<ul style="list-style-type: none"> ● Adhere to conditions of contract ● Maintain good corporate governance ● Avoid defaulting on payments 	<ul style="list-style-type: none"> ● Comply with loan repayment conditions, guarantee conditions, capital management, and cases of default on payments
Government Agencies	<ul style="list-style-type: none"> ● Case-specific meetings ● Meetings on various occasions ● Reporting results to government agencies ● Joining networks with government sectors ● Receiving feedback through the company's complaint channels 	<ul style="list-style-type: none"> ● Planning and organizing joint activities to promote the company's work and social contributions ● Conducting business strictly according to legal standards and regulations ● Transparency in information disclosure 	<ul style="list-style-type: none"> ● Comply with relevant laws ● Disclose information transparently and verifiably ● Consult and communicate with government officials to build understanding ● Conduct activities to foster engagement with government agencies
Competitor	<ul style="list-style-type: none"> ● Meet on various occasions ● Address complaints about such actions through the Whistleblower system 	<ul style="list-style-type: none"> ● Fair competition 	<ul style="list-style-type: none"> ● Not seek competitors' confidential information through inappropriate methods ● Not support any actions that violate business ethics

Identifying Key Sustainability Issues

Due to increasing concerns among the company's stakeholders about sustainability perspectives, it is essential for the company to understand relevant issues that reflect the impact on the organization in environmental, social, and economic dimensions. This allows for defining the scope of critical issues truly relevant to the business.

The company has assessed significant sustainability issues through a 4-step process, as shown below. These steps are adapted from the Global Reporting Initiative (GRI) standards.

Steps to Identify Key Issues

The company has assessed significant sustainability issues through a 4-step process as follows:

1. Analysis of Key Issues

Select governance and sustainability issues that are material to the business and its supply chain, aligning with the company's context. This includes addressing economic, social, and environmental sustainability issues and responding to the United Nations Sustainable Development Goals (SDGs).

2. Assessment of Issues Based on Stakeholder Impact

Evaluate and prioritize issues based on their impact on stakeholders and their expectations. This involves activities such as gathering feedback, handling complaints, and conducting satisfaction surveys.

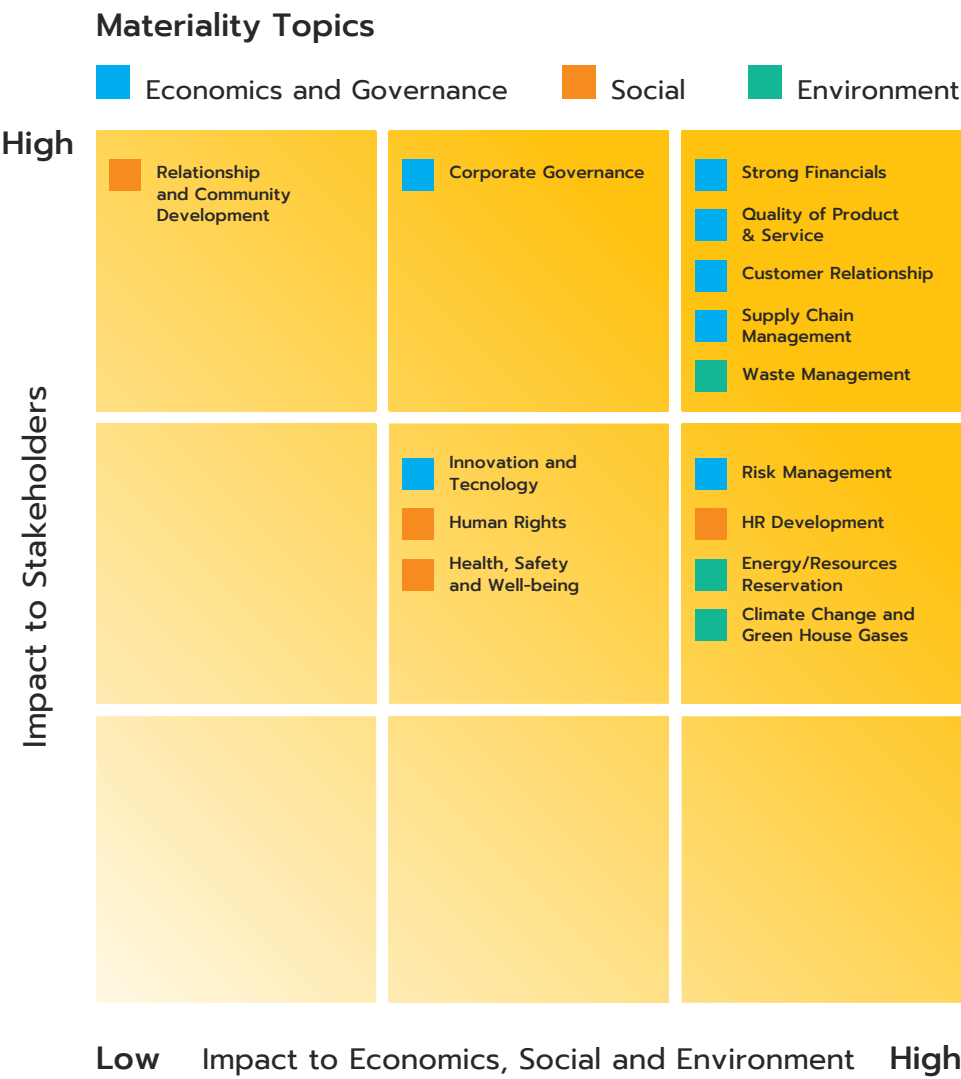
3. Assessment of Importance Level

Rank governance and sustainability issues based on two factors: opportunities and impacts on the organization, and the level of interest and impact on stakeholders. This assessment is reviewed and approved by the Risk and Sustainability Committee.

4. Review and Continuous Improvement

The company regularly gathers feedback and suggestions from all stakeholder groups, both internally and externally, every year. This feedback is used to develop and improve the content of the sustainability report for the following year.

Materiality Analysis



For the 2024 sustainability assessment, the company has reviewed the issues to ensure they are clearly aligned with the company’s context. It was found that the company has significant issues impacting the economy, society, environment, and stakeholders at a very high level, including:

- Product and service quality
- Customer relationship management
- Strong and stable financial performance
- Supply chain management
- Waste management

3.3 Sustainability Management in Economic and Governance Dimension

3.3.1 Economic and Governance Policies and Practices

The company is committed to conducting business ethically with a focus on responsibility towards all stakeholders for mutual and sustainable benefits. The company has established a framework for sustainability that encompasses economic, social, and environmental aspects, adhering to good corporate governance principles aligned with national and international practices, according to the Corporate Governance Code for listed companies, 2017 (CG Code).

The company views adherence to corporate governance principles and business ethics as a responsibility of the board of directors and all employees. It is crucial to promote employee understanding and compliance with the company's governance manual and business ethics rigorously. This includes integrating these principles into training programs for directors and new employees to ensure that everyone can act in accordance with governance principles, corporate governance, and business ethics of the organization.

3.3.2 Key Sustainability Issues in Economic and Governance Dimension

● Strong Financial Performance

A stable and strong financial performance is a critical issue for the company and its stakeholders because it directly impacts the organization's survival, growth, and sustainability. Details can be found in the "Management Discussion and Analysis (MD&A)" section of the annual report or in the reports regularly filed with the Stock Exchange of Thailand.

Goals

1. The company aims to achieve revenue exceeding 4,500 million Baht in 2025 and maintain a revenue growth rate of 10% over the next three years.

Strategies

1. Expand the market by continuously increasing new sales points and distribution channels, both offline and online.
2. Design products that are diverse and can meet consumer needs.
3. Incorporate technology to develop work processes and create new innovations.
4. Promote and develop employees' knowledge and skills to increase their potential and work efficiency.
5. Build awareness about ESG (Environmental, Social, and Governance) as an important factor that will drive true sustainability.
6. Promote marketing through advertising and public relations.
7. Organize promotions to generate interest.

● Product and Service Quality

Product and service quality is a critical issue that the company highly prioritizes, as it significantly impacts customer satisfaction. Customers, as key stakeholders, directly influence the company's sales, which are its primary source of revenue. Therefore, the company is dedicated to improving the quality of its products and services to meet customer needs effectively, with a focus on hygiene and safety.

Global situations such as technological changes, pandemics, and air pollution caused by agricultural industry practices have heightened awareness of environmental issues. This has led to public pressure on governments to promote a low-carbon economy and address increasingly severe climate change. As a result, consumer behavior has shifted, with rising demand for products and services that not only provide convenience but also align with environmental sustainability. Consumers now seek eco-friendly products that cater to their lifestyles while supporting responsible consumption. The company responds to this demand by offering ECO products and developing diverse service models and seamless, omni-channel distribution to meet the evolving needs and lifestyles of consumers.

Goals

1. Increase the proportion of eco-friendly products to 10% of all products sold by 2026, and 30% by 2030.

Strategies

1. Develop products and services that meet consumer needs.
2. Expand access to new products and services.
3. Establish standards for eco-friendly products and services.
4. Enhance the quality of raw materials and service standards.

Environmental-Friendly Products Initiatives

The company has collaborated with its partners to carefully select raw materials for producing eco-friendly products, while supporting the conservation of natural resources, ensuring safety, and maintaining standards amidst climate change. The company also promotes responsible consumption to its customers. Recently, the company has procured and distributed the following eco-friendly products (ECO Products):

1. **Eco-Friendly Jeans** : The company has partnered with YKK, one of its key suppliers, to develop and use eco-friendly materials for jeans, including zippers, buttons, and rivets for new collections. The materials were first introduced in the “3109 Series,” which is the company’s best-selling line of jeans, in April 2023. The company plans to gradually adopt these materials for new and repeat production in the 2024 fiscal year and aims to use eco-friendly materials in all its jeans in the future.

The special features of the zippers, buttons, and rivets in the new jeans are produced using YKK’s “AcroPlating” technology, which significantly reduces waste and environmental impact. This process cuts chemical use by 59%, water consumption by 66%, electricity use by 69%, hazardous waste emissions by 92%, and greenhouse gas emissions by 96% compared to traditional production methods.

Additionally, the zipper tape is made from YKK’s “Natulon Zipper,” which employs recycling principles. The Natulon zipper tape is made from 100% recycled materials, such as plastic bottles and used clothing, which are crushed and woven into new zipper tape. This differs from the traditional production method that uses virgin polyester to create zipper tape.



2. **Mc Earth Friendly Collection** : The company has introduced a clothing collection featuring Recycle Innovation, where leftover denim scraps from jeans production are spun back into yarn and woven into fabric. This collection, designed under the concept “Nature to Future,” is carefully crafted with graphic details and eco-friendly color tones. It includes a range of products such as T-shirts, shirts, sweaters, and hoodies, all reflecting the company’s commitment to environmental sustainability.



3. **The Filagen T-shirt** : this collection incorporates an innovative fabric made from fish scales, a natural waste product, spun into yarn and woven into fabric. This technology helps retain skin moisture effectively due to the fish scales being rich in collagen peptides. The Filagen T-shirt offers a soft, comfortable feel and benefits skin health by keeping it hydrated, reducing irritation, and providing excellent breathability, which helps prevent odors. Additionally, it features protection against UVA and UVB rays and is environmentally friendly, naturally biodegradable, and sustainable.



Proportion of Eco-friendly Products

	Fiscal year 2022 (Jul 21 – Jun 22)	Fiscal year 2023 (Jul 22 – Jun 23)	Fiscal year 2024 (Jul 23 – Jun 24)
Number of Eco-friendly Products (Pieces)	40,358	63,090	171,132
Number of Sold Products (M. Pieces)	4.9	5.5	6.3
% Eco-friendly Products	0.82	1.14	2.72

● Customer Relationship Management

Customer relationship management is a key issue that the company focuses on to build long-term relationships or bond with customers, fostering loyalty and support for the company's brand. Customer satisfaction is the top priority, along with the commitment to act responsibly toward customers and consumers, ensuring confidence and trust in the company's products and operations.

Goals

1. Evaluate customer satisfaction at a level not lower than 90%.

Strategies for Building Customer Relationships and Responsibility to Consumers

1. Build relationships with customers starting from creating confidence in the company's products, and develop sales staff to provide recommendations tailored to the body type and specific needs of each customer for different occasions. The company has established training courses for sales staff, enabling them to better understand the products and offer more effective advice.

2. Establish a Customer Relationship Management (CRM) department to communicate and build long-term relationships with customers, as well as receive feedback, suggestions, and issues related to products or services for resolution, showing responsibility to consumers. The company also conducts periodic customer satisfaction surveys.

3. Provide communication channels for customers to express opinions and provide feedback to the company through the customer service team, acting as a platform to receive comments, suggestions, and any problems regarding products and services. This feedback is then forwarded to the relevant departments for continuous improvement and development of products and services.

Responsibility to Consumers

The company has a policy that emphasizes creating value and growing alongside customers, aiming to be trusted by them. This is a key factor in the company's business success. The company is committed to treating customers with sincerity and politeness, always seeking ways to meet their needs more effectively. These principles are established as the company's policy and practices as follows:

1. Manufacture, design, and deliver products that are quality-certified and meet standards, in accordance with customer agreements, at a fair price without excessive profit.

2. Provide accurate, sufficient, and timely information and recommendations to customers regarding products and services, such as attaching correct care labels on products or ensuring that advertisements align with the product's actual attributes.

3. Strictly adhere to all customer terms and conditions. In cases where any conditions cannot be met, promptly inform the customer to collaboratively seek a solution.

4. Treat customers with politeness and ensure that they trust the company.

5. Implement a secure system for storing customer data, with measures to protect customer confidentiality, not sharing information without consent, and not using customer data for personal or unauthorized third-party gain.

6. Offer product warranties under appropriate terms and conditions and comply with the Consumer Protection Act.

7. Establish systems or processes that allow customers to file complaints regarding the quality, quantity, or safety of products and services, including responsiveness in delivery, ensuring quick resolution for customer satisfaction.

8. Initiate support for customers' corporate social responsibility (CSR) efforts.

9. Focus on developing environmentally friendly products, packaging, and shipping processes.

10. Create channels to continuously provide information on products and product development to customers.

The projects that the company has implemented to manage customer relationships are as follows:

1. Customer Relationship Management (CRM) System

The company has implemented a Customer Relationship Management (CRM) system to enroll customers as members under the name "MC CLUB." The goal is to create a new and enjoyable shopping experience for customers and better understand them, allowing the company to enhance product development and conduct various direct marketing activities. Additionally, the CRM system offers customers benefits such as the MC Point rewards program and the opportunity to purchase products at special prices.

Customers can join MC CLUB for free via two channels: at any Mc Jeans store or the website <http://mcclub.mcshop.com>.

MC CLUB members accumulate points from purchases made both in-store at Mc Jeans (via POS system) and online at mcshop.com, with points calculated and combined. For in-store purchases, customers must buy as MC CLUB members, and for online purchases, they need to log in with the same account used for in-store shopping.

2. Ship to Shop Service – Collect at a Nearby Mc Jeans Store

With the rise of technology and changing consumer behaviors, especially the increase in online shopping, the company has adapted its strategic plan to keep pace with the changing environment. The company developed an Omni-Channel system to seamlessly integrate both online and offline shopping options, providing customers with a smooth shopping experience. Customers can choose home delivery or order online and pick up products at a Mc Jeans store. To further connect online and offline shopping, the company offers a "Ship to Shop" service, where customers purchasing from mcshop.com can collect their orders at a nearby Mc Jeans store. Customers can inspect their products upon collection and receive after-sales services, such as changing sizes or hemming jeans, directly at the store.

3. Customer Service

The company has enhanced its customer service by offering communication through the LINE application. Customers can add the company as a friend on LINE, send messages or photos, inquire about product details, and place orders directly with staff. Alternatively, they can order via Facebook Mc Jeans or call the Call Center. Customers can choose from a variety of payment options, including online payments via credit card or bank transfer.

4. Customer Satisfaction Survey

The company conducts customer satisfaction surveys on its products and services, with quantitative targets set to improve satisfaction. Data collected from the surveys are analyzed to continuously enhance products, services, and business processes. In the fiscal year 2024, the company aims for customer satisfaction of no less than 90%. From customer surveys, the company achieved an average satisfaction score of 93%.

● Innovation and Technology Development

The company is committed to the development of good corporate governance and responsible innovation that continually addresses social, environmental, and stakeholder concerns. This commitment aims to create a company of value to society, balancing both business performance and responsibility towards stakeholders, including society, communities, and the environment. The company complies with all legal requirements and regulations to protect and fairly ensure the rights of stakeholders. Furthermore, the company encourages stakeholder participation in promoting long-term business wealth, stability, and sustainability.

To meet the changing needs of consumers and maintain efficient cost control, it is necessary for the company to foster business innovations that drive growth and differentiation. However, promoting sustainability through innovation should not only propel the business forward but also contribute to creating value for society and/or the environment.

1. Product Innovation in Environmentally Friendly Goods Details were previously provided under the heading “Environmentally Friendly Product Initiatives.”

2. Process Innovation

Process Innovation : Process innovation refers to improving or modifying existing production or service processes to achieve greater efficiency. This reduces time, minimizes waste, and cuts costs, benefiting both the company’s economic performance and social impact. Specifically, it improves the quality of work life for employees and conserves resources.

Recognizing the importance of such innovation, the company has established a Business Process Improvement unit responsible for managing and enhancing business processes. This includes the application of technology to increase efficiency, ensuring faster and more accurate operations. These improvements not only benefit customers but also reduce repetitive work for employees, as well as energy and resource consumption.

Innovation project in process improvement

Project Name E-Form and Automated E-Workflow

Description The project began with issues faced by the Construction department regarding the reporting of damaged or non-functional equipment and the request for repair or replacement services at branches. Previously, this process was manual, requiring problem reports to be sent via email and paper documents to be printed centrally for approval, following a sequential process. The goal was to make the process more accurate, efficient, and quicker.

Therefore, the Business Process Improvement unit initiated the development of an Automated E-Workflow system, collaborating with the company's IT department programmers. The main objective was to reduce steps and time required, enabling faster reporting and approval processes. This system allows document approval and processing from any location, saving employee time, reducing paper use, and cutting costs.

Commencement Since each department has different requirements, the project was divided into several phases, with implementation dates as follows:

Phase 1 : May 4, 2022 (Reporting damaged equipment for the Construction department)

Phase 2 : August 31, 2023 (Management of part-time employees for Point of Sales)

Phase 3 : October 2, 2023

(Disbursement of materials and equipment for Point of Sales)

Phase 4 : January 1, 2024 (Issuance of Easy E-Receipts for customers)

Phase 5 : May 4, 2024 (Management and control of fixed assets at Point of Sales)

Results For the fiscal year 2024 (July 1, 2023 to June 30, 2024), a total of 21,114 requests were made through the Automated E-Workflow system.

Benefits to the Company

- Helped reduce processing time by approximately 40-60%.
- Improved internal processes to be faster and more accurate, enhancing customer experience and contributing to higher satisfaction and sales.
- Data is stored in a database and can be used for analysis and improvement of both retail and departmental operations in the future.

Benefits to social and environment

- Reduced paperwork steps, decreasing workload and saving time, which improves employees' quality of life.
- Saved approximately 36,601 sheets of paper in the fiscal year 2024. Additionally, helped save ink used for printing, reducing chemical use and resource consumption.

E-Form Construction Project Evaluation

Project Assessment



Quick & Easy 3-Step Process

Effortless Repair Work Notifications in Minutes

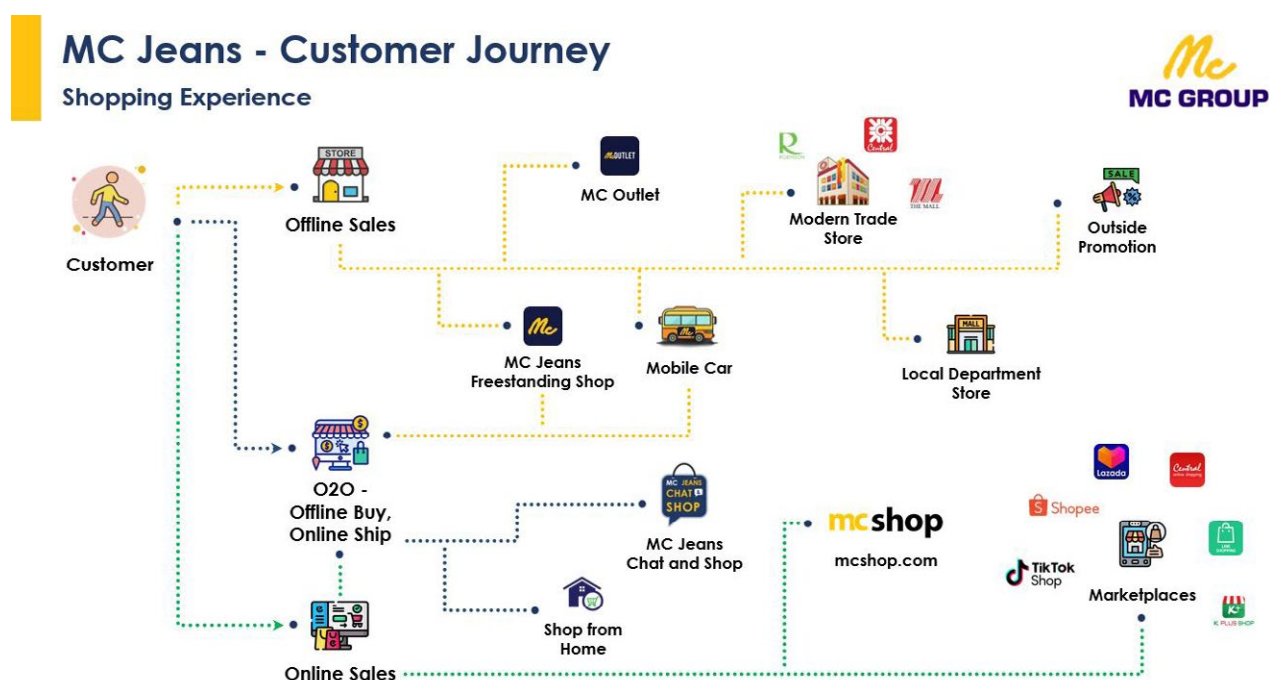
New Request Submission:

- **Enter Repair Details:** Input all necessary repair information into the designated fields.
- **Attach Photos:** Upload a clear picture of the repair site or issue for better understanding.

Request Progress Monitoring:

- **Monitor & Follow-Up:** Keep track of your repair notifications and stay updated on their progress.

Project Name	Online-to-Offline (O2O) Sales Channel Development Project
Description	To create a seamless shopping experience for customers and address the issue of customers visiting physical stores but finding out that desired products are out of stock or unavailable in the required size leading to missed sales opportunities the company has developed an O2O sales channel system. This system uses technology to allow customers to order products not available in-store, with options for home delivery or pickup at the store, depending on the customer's preference and convenience.
Commencement	8 January 2024
Results	In the fiscal year 2024, from the start of operations on January 8, 2024, to June 30, 2024, there were 1,108 orders placed through the O2O channel, generating a revenue of 956,050 Baht.
Benefits to the Company	<ul style="list-style-type: none"> ● Allowing customers to purchase products anytime and anywhere, and receive them according to their needs promptly, enhances customer satisfaction and builds long-term relationships. ● Stimulates sales, reduces lost sales opportunities, and increases company revenue. ● Increases customer engagement and satisfaction. ● Provides a competitive advantage for the business.
Benefits to social and environment	<ul style="list-style-type: none"> ● Allowing customers to choose between receiving products at the store or at home helps reduce unnecessary transportation of goods to branches, thereby decreasing greenhouse gas emissions and pollution from transportation. ● This system enables the company to meet customer needs more accurately, reducing inventory levels, allowing for better production planning, and minimizing overproduction, which helps reduce waste and resource usage in production.



● Supply Chain Management

The company manages its supply chain and is committed to working with partners while considering sustainability factors and maintaining long-term relationships to reduce risks that could impact the business. To demonstrate transparency and fairness in procurement processes, the company has established a Code of Conduct for Suppliers as a strategy and practice for overseeing procurement, maintaining business competitiveness and operational standards with business partners, and promoting compliance among suppliers to enhance the efficiency of delivering high-quality goods and services.

Procurement and Treatment of Partners

The company has a procurement policy, process, and criteria for selecting partners that are fair, transparent, and verifiable. It strictly adheres to business ethics concerning partners and competitors to prevent monopolies, unfair competition, and corruption. The company places significant importance on transactions with partners that are socially and environmentally responsible, such as fair employment practices, prohibition of child labor or forced labor, human rights violations, and environmental stewardship. The company also promotes understanding and responsibility among partners regarding social responsibility by implementing a vendor assessment model that covers both social and environmental aspects for key vendors.

Additionally, the company has established a Business Partner Code of Conduct to encourage sustainable business practices aligned with the company's operational ethos. This code also provides an opportunity for both the company and its partners to contribute to social and environmental development, fostering mutual growth and sustainability. The full version of the Business Partner Code of Conduct is available on the company's website.

Practices:

1. Select partners fairly and transparently, considering economic, social, environmental, and governance factors for both new and existing partners.
2. Conduct procurement systematically, with rigorous controls, monitoring, and traceability to maximize benefits throughout the process.
3. Encourage partners to operate in accordance with the company's "Business Partner Code of Conduct."
4. Support community and social development activities with partners as opportunities and appropriateness arise.
5. Promote and support environmentally friendly products.
6. Encourage collaborative innovation with partners to achieve mutual, sustainable business growth.

Vendor Classification

The company has established criteria for categorizing vendors to assist in analysis, strategy formulation, and risk assessment, aiming to enhance procurement efficiency. For Critical Tier 1 Suppliers—key suppliers who produce or directly provide services to the company—the criteria are as follows

1. Vendors with high transaction volumes.
2. Vendors associated with hard-to-replace products and those in critical categories, such as raw materials with limited suppliers or finished goods essential to the company's business operations.

Currently, the company has 23 Critical Tier 1 vendors, accounting for 81% of the total vendor value for the fiscal year 2024.

Vendor Selection and Evaluation Process

● Current Approved Vendor List

The company mandates an annual evaluation of current vendors, focusing on quality and timely delivery. For vendors supplying critical raw materials and finished goods, self-assessments are required annually using a questionnaire covering production capacity, standards, quality control, and social, environmental, and legal compliance factors.

- New Vendor

In selecting new vendors, the company screens vendors using qualification criteria to ensure desired attributes. This includes sustainability aspects such as corporate governance, economic factors (e.g., product and service quality, timely delivery, operational experience, and product warranty), and environmental dimensions (e.g., legal compliance, environmental impact mitigation measures). Social responsibility factors, such as human rights, labor practices, safety, and legal adherence, are also considered. The company communicates the Business Code of Conduct to all vendors to guide their practices.

Vendor Performance and Risk Assessment

The company conducts annual evaluations and risk assessments of vendors, covering both quality and timely delivery. The procurement department is required to perform on-site ESG audits, including document reviews and field inspections with the quality control department, for all new vendors supplying raw materials and finished goods, as well as for existing vendors with identified risks related to compliance.

The assessments ensure that vendors meet the established standards in production capacity, quality, safety, and compliance with legal, regulatory, and ethical business criteria, including social, environmental, and governance (ESG) aspects.

For the fiscal year 2024, the company had 10 vendors scheduled for on-site evaluations. Six vendors were successfully evaluated.

Additionally, vendors supplying raw materials and finished goods are required to conduct self-assessments at least once every two years, evaluating aspects such as environmental and safety conditions, production processes, and human rights and environmental issues.

In the fiscal year 2024, the company's on-site ESG audits and self-assessments revealed no environmental, social, or governance risks arising from the vendors.

Credit Terms Policy and Duration for Trade Credit

The duration of trade credit is determined based on the type of vendor, considering factors such as the length of business relationship, type of product, and product quality. The company has established the following credit terms:

- Vendors or suppliers for raw materials used in production: Credit terms range from 30 to 120 days.
- Vendors or suppliers for finished goods: Credit terms range from 30 to 90 days.

For the fiscal year 2024 (July 1, 2023 – June 30, 2024), the company provided trade credit for raw materials with an average duration of 82.6 days and for finished goods with an average duration of 47.7 days.

Promoting the Capability and Sustainability of Business Operations with Partners

The company emphasizes the importance of educating, developing, and elevating the capabilities of its partners to meet standards while also promoting social responsibility. This includes ensuring that partners respect human rights, treat their labor fairly, and are socially and environmentally responsible. The company communicates and holds regular meetings with partners, conducts annual evaluations, provides guidance, helps solve problems, and works on improving quality and delivery to meet the company's needs. Additionally, the company monitors and assesses partners to foster sustainable business collaboration.

In 2024, the company held regular meetings with partners to share information and co-develop products. The technical team visited partners' factories to provide training and advice on production and to improve the quality of the production line. This initiative aims to enhance and elevate partners to meet the required standards. Furthermore, the company promoted awareness among partners about joining anti-corruption networks.

For sustainable business development with partners, the company has implemented the following measures:

1. The company has revised its quality inspection approach. Previously, final inspections were conducted, with in-line inspections only for new partners or new product types. Now, quality inspections during production are conducted for every production batch. The company's QA team visits to inspect, advise, and improve the production line, resulting in higher-quality products delivered on time. Additionally, partners benefit from knowledge transfer on process improvements and reduced product waste.



2. The company has collaborated with YKK, a key partner, to develop and utilize materials for assembling jeans, including zippers, buttons, and rivets, for new jeans collections. These materials have been incorporated into the "3109 Series" jeans, which is the company's top-selling jeans line, starting production in April 2023. The use of these materials has been progressively extended to other jeans models currently and will be used in future productions. The special feature of the zippers, buttons, and rivets used in the new jeans includes a coloring process called "AcroPlating," a YKK technology that reduces waste discharge. This environmentally friendly process reduces chemical use, water, and electricity consumption, as well as decreases harmful emissions and greenhouse gas emissions compared to traditional production methods.

3. The company has developed a joint product and raw material demand plan with its partners. Partners benefit from the ability to plan purchases and production in advance, while the company can negotiate raw material prices and ensure timely delivery.

4. In addition to regular communication and meetings with partners, the company held the "MC GROUP BUSINESS PARTNERS CONNECT" seminar on September 21, 2023. Over 50 key partners attended the event to discuss the company's operational direction. This event provided a platform for senior executives to meet, exchange ideas, offer guidance, address issues, improve quality and delivery, and explore new opportunities for mutual sustainable growth with partners.



● Risk Management

For specific business risks, the company has established a risk management policy to be implemented across the organization, focusing on Enterprise Risk Management (ERM) in five main areas: strategic risk, operational risk, financial risk, regulatory risk, and social, environmental, and governance (ESG) risk, including emerging risks.

To this end, the company has formed a Risk Management Committee that reports directly to the Risk and Sustainability Committee. This committee includes executives and representatives from various departments to monitor and report results to the Risk and Sustainability Committee. Details of the risk management policy, risk management plan, and risk factors affecting the company's operations are disclosed under the section "Risk Management."

● Corporate Governance

Good corporate governance principles and business ethics are fundamental to ensuring fairness and enhancing organizational effectiveness, which are crucial for the company's success and sustainable growth.

The company has established written policies for good corporate governance and business ethics to guide the board, executives, and employees. These policies aim to build an effective management system, enhance value, and promote sustainable growth. Details of the corporate governance policies, governance structure, and important information related to corporate governance are disclosed in Section 2, "Corporate Governance."

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policies and Practices

The company is committed to developing its business while balancing economic, social, and environmental considerations. It adheres fully to relevant laws and regulations and is dedicated to advancing and enhancing the quality of life in society and communities alongside its stable growth and social acceptance. This commitment is grounded in ethics and principles of good corporate governance.

3.4.2 Key Sustainability Issues in Social Dimension

Key Social Performance Results

Key Results	FY 2022	FY 2023	FY 2024
Total accident rate (persons)	7	5	5
Accident rate resulting in work stoppage (persons)	2	4	4
Employee children's scholarship program	307,000 Baht	255,000 Baht	308,000 Baht
Employee turnover rate	28.8%	28.8%	25.1%
Social contributions	3,578,716 Baht	7,948,380 Baht	2,877,702 Baht
Research/education support program	10,227,612 Baht	9,511,673 Baht	14,518,121 Baht
Employment of persons with disabilities	22 Persons	22 Persons	22 Persons

● Human Resources Development

○ Development of employee potential and promotion of advancement

The company is committed to the continuous development of personnel by enhancing knowledge, skills, and competencies to improve operational efficiency and effectiveness. This includes various learning methods such as internal and external training and self-learning through E-Learning systems. Courses are updated to meet current business needs and changes.

The company manages employee potential development based on job requirements, separating operations into two main groups: executives and staff. The approaches for potential and skill development are as follows:

1) Executive Group (from department director level and above)

The company manages executive development as future leaders to support organizational growth. Executives undergo strength assessments to analyze strengths and weaknesses for further development. They must create an Individual Development Plan (IDP) identifying areas for improvement and courses needed to enhance organizational capabilities.

2) Staff Group (below the department director level or equivalent)

The company promotes the management and development of staff potential to support future business expansion. Training formats include workshops, job rotation according to career paths to develop skills and expertise from new roles, etc.

The sales staff is crucial as they interact directly with customers and drive sales for the organization. The company focuses on equipping this group with essential skills through programs such as “Mc Learning” and “5 Selling Steps” to ensure they possess the knowledge and skills necessary to achieve business goals and objectives. This aims to elevate employee capabilities to match leading companies and align with business growth and needs, enhancing competitive ability both now and in the future.

To improve operational efficiency and effectiveness, district managers overseeing branches and sales points are designated as trainers for sales staff, enhancing their knowledge and techniques. Additionally, sales staff receive training in online sales to support the growing online market, strengthening the sales channels.

The company also recognizes the importance of enhancing social media skills among sales staff, focusing on “Facebook Fan Page” and “Tiktok” to enable them to create their own media and use it as a communication channel with customers and for direct product promotion. Furthermore, the company coordinates with various training providers to offer courses and topics of interest to employees seeking additional training, ensuring they acquire the necessary knowledge and skills to meet company goals.

As of the end of June 2024, the group has supported employees in attending 17 different training programs, totaling 9,062 hours. This averages 4.2 training hours per employee (compared to the target of 4.0 hours per employee per year).

Key Training in 2024

Sales Staff Training Program

Training Program	"MC Learning"	"5 Selling Steps"
Objectives	<ul style="list-style-type: none"> ● To have a good attitude towards sales. ● Provide basic knowledge about the product. able to explain to customers ● Improve service and sales skills. ● Able to use POS software to serve customers and follow the Company's sales process. 	<ul style="list-style-type: none"> ● To upgrade employees to become sales consultants. ● Change sales behavior. It focuses on building a brand. ● To understand the process of generating sales from start to finish.
Contents	<ul style="list-style-type: none"> ● Product knowledge ● Service standards and sales techniques ● Operation procedures in the branch. 	<ul style="list-style-type: none"> ● 5 steps to becoming a new generation salesman. ● Presents that are pleasing to the eye, inviting purchasers to increase sales. closing the sale
Period	1 day	1 day
Benefits to Employees	<ul style="list-style-type: none"> ● Increase knowledge and skills. To employees in the product, sales techniques, including providing services to customers. ● Make it easier for employees to close sales. Able to achieve target sales and earn higher commissions which will lead to a better quality of life for employees ● Increase career advancement opportunities for employees. 	
Benefits to the Company	<ul style="list-style-type: none"> ● Enhance revenue and profit for the Company. ● Make sales staff able to provide impressive service to customers. Enhance a good image for the store. The brand and the Company itself 	



Mc Academy Project

In May 2024, the company launched the Mc Academy project, an internal online Learning Management System (LMS). This project was developed to effectively manage and enhance knowledge from various organizational sources by consolidating work manuals, data files, video media, and useful clips, along with assessments to measure knowledge levels before and after learning.

Mc Academy is designed for use by employees across all departments and levels, aiming to develop professional knowledge, skills, and enhance employee potential. The system is accessible at any time, promoting continuous learning, reducing classroom training time, and minimizing travel for employees based in different provinces. Additionally, employees can review knowledge as needed, making skill and knowledge development more accessible and convenient.



o Development and Maintenance of Employee Well-being

The company believes that employees are the primary drivers of business success. Therefore, it prioritizes the development of employee potential and focuses on their health and well-being. Recognizing that continuous development of work skills helps the company achieve its organizational goals, the company also understands that good health and appropriate basic benefits for employees not only benefit the individuals but also positively impact the organization and the country as a whole.

Fair Treatment of Labor

The company values its employees, viewing them as a valuable resource crucial to organizational growth. Therefore, fair treatment is essential in areas such as employment, compensation, benefits, skill development, and quality of life and safety. The company has established an EHS (Environment, Health, Safety) committee as a central unit responsible for monitoring safety, environmental, and occupational health aspects across all company operations. This committee provides guidance and addresses issues such as chemical management in production processes and integrated waste disposal.

Recruitment and Employment

The company has established a non-discriminatory employment policy, providing equal opportunities to women, persons with disabilities, and other disadvantaged groups as appropriate for each position, without employing child labor or individuals in violation of the law. When a position becomes vacant, the company first considers internal recruitment, evaluating qualifications, potential, and job expertise to provide growth opportunities and develop employee potential and knowledge. Only after internal candidates are considered will the company recruit and select external candidates with the appropriate qualifications, knowledge, skills, experience, and alignment with organizational values.

The company strictly adheres to labor laws and promotes the quality of life for persons with disabilities. This includes supporting indirect employment and career development for persons with disabilities, such as wheelchair basketball athletes from the Wheelchair Basketball Association, as well as athletes in other sports like athletics, badminton, tennis, archery, and swimming. In 2024, the company met its legal requirement for hiring persons with disabilities by employing two directly and supporting the hiring of persons with disabilities through a quota system, providing 20 positions to Vulcan Coalition Co., Ltd., an AI company that creates job opportunities for persons with disabilities, thus supporting and generating income for this group.

Promotion of Employee Diversity in the Organization

The company promotes gender equality among employees at all levels by evaluating potential, knowledge, and job performance transparently and without gender bias. The company recognizes the value of diversity and leverages these differences as strengths for the organization. Data on the number of employees, categorized by gender and job type, is collected to analyze and assess the balance between male and female employees within the organization.

In 2024, the company employs a higher proportion of female employees compared to male employees, with several women holding senior executive positions. This creates equal advancement opportunities for female employees comparable to their male counterparts. The ratio of female to male employees in the company is as follows:

	No. of female employees	No. of male employees	Total	% remunerations of female employees to total staffs
Year 2024	1,800	370	2,170	83%
Year 2023	1,817	393	2,210	82%
Year 2022	1,739	380	2,119	82%

Compensation and Benefits

The company provides equitable and fair employee care, appropriate to each employee's knowledge, skills, responsibilities, and performance. Compensation and benefits are managed beyond legal requirements, such as the establishment of a provident fund. As of June 30, 2024, 92% of employees participate in the provident fund. Additionally, the company offers group health insurance, annual health check-ups, 5S activities, and ensures a safe working environment. The company also supports the establishment of a Welfare Committee at the workplace (Welfare Committee), which is a representative body elected by employees, in compliance with the Labor Protection Act of 1998. This committee discusses and provides feedback on welfare arrangements, benefits, and changes to regulations affecting employees.

Compensation and benefits are designed to be appropriate and aligned with the company's performance, employee performance evaluations, and industry benchmarks. The company has a policy of awarding bonuses when profit targets are met. Annual performance evaluations are based on Corporate Key Performance Indicators (KPIs), Functional Department KPIs, and Management Competencies for executives.

Furthermore, the company supports employees' children through a scholarship program for those meeting selection criteria, from kindergarten to higher education. This program aims to alleviate employees' financial burdens, enhance educational opportunities, and encourage academic achievement to contribute to the country's development.

Building Organizational Culture

The Company emphasizes strengthening and instilling organizational values as a crucial foundation for aligning managerial and employee mindsets and working approaches with the Company's vision, mission, and strategic direction. This plays a vital role in shaping employees' behavior and management practices. It fosters an environment where employees feel inspired and take ownership in collective success. This culture of ownership and strong relationships, both within and outside the organization, leads to sustainable mutual growth, driving the Company towards its set objectives. This also reflects the Company's robust culture, which is amplified through the potential of its employees. The Company nurtures its management and staff to embrace the organization's core values, encapsulated in "MCWAY," thus fortifying a resilient organizational culture.

M : Motivation

Motivated to deliver the best results for customers.

C : Commitment

Committed to upholding promises to customers and partners, adhering to principles of business integrity.

W : Willingness

Dedicated to providing the best possible products and services in all aspects of work.

A : Appreciation

Appreciates and respects the work of colleagues, showing courtesy and kindness both within departments and across the organization.

Y : Yes-minded

Maintains a positive attitude towards all challenges, solving problems in every situation with the belief that every problem has a solution.

Building Organizational Commitment

The company believes that employees are a crucial resource. When employees are happy at work, they not only contribute to smooth and successful operations but also develop a strong sense of commitment to the organization. This dedication leads to their personal success and the overall success of the organization, ensuring its continuity and sustainability. Therefore, the company is committed to fostering a positive work environment in all aspects.

To enhance employee involvement, the company has established various communication channels, such as email, Line Groups, and the Intranet, to share information and internal announcements. Additionally, the company organizes CEO meet-and-greet events (Townhall) to allow employees to communicate closely with executives. Various support initiatives are also in place to foster a sense of belonging, pride, and motivation among employees. These include scholarships for employees' children who excel academically and organizing events for significant occasions and festivals to promote positive relationships between executives and employees.

Furthermore, the company ensures that employees can fully participate in providing feedback through the annual Employee Opinion Survey (EOS). The survey results are analyzed to understand the different needs and expectations of various employee groups, and to develop strategies for enhancing employee engagement to make the company a "Happy Workplace." Employee satisfaction is assessed every two years, with the Human Resources department responsible for conducting the evaluations.

In the most recent survey for the fiscal year 2023, 99.88% of employees participated (compared to the target of 100%). The employee satisfaction score was 85.00% (compared to the target of 80%). The company has analyzed these results to refine strategies and review measures for improving employee engagement and participation, aiming to achieve organizational goals.

Base on the recent survey result, with recognizing in the importance of morale and positive internal relationships, the company has initiated a project to boost employee morale, creating a fun and warm work environment. This initiative is intended to enhance employee engagement and improve both work performance and the company's image.

1. Breakfast and Lunch Events

The company recognizes that meals provide an excellent opportunity for fostering interactions among employees. Therefore, the company has established a regular practice of hosting free breakfast or lunch events for employees every month. The menu features a variety of options that rotate to cater to different preferences. Additionally, during various festivals, such as Christmas, the company organizes snack giveaways. This initiative has been well-received, enhancing employee satisfaction, strengthening relationships, and boosting both physical and mental energy for work.



2. New Year Party for Sales Staff

Given that sales staff are crucial to driving company revenue and are dispersed across the country, organizing a single large-scale New Year party for all of them at the headquarters would be challenging. Therefore, in 2023, the company allocated a budget for each sales region to host their own New Year celebrations. This approach allowed employees to choose the format, location, and timing of their events, fostering a sense of warmth and strengthening relationships. It also served as a reward for their dedication and hard work



3. MC Jeans Cup 2023

The “MC Jeans Cup 2023” sports event is designed to promote physical activity among employees, reduce work-related stress, and foster camaraderie among colleagues, including employees from subsidiaries and executives. This event enhances teamwork, sportsmanship, and mutual respect, contributing to a cohesive organizational culture. It serves as an effective way to build positive attitudes and reinforce the company’s cultural values.



Other Projects and Activities for Employees

1. Mc Group Scholarship Program for Employees’ Children

The company has established the Mc Group Scholarship Program for employees’ children, recognizing the importance of supporting employees’ families and enhancing their quality of life. This initiative aims to alleviate some of the financial burdens on employees by providing educational scholarships for their children. Despite the challenges posed by the COVID-19 pandemic, the company has continued to award scholarships, demonstrating its commitment to supporting employees and their families through ongoing assistance.



2. Mc Group Annual Employee Health Check-Up Program

The company prioritizes employee health as a core value, ensuring that employees remain healthy and protected from various illnesses. Despite the challenges presented by the COVID-19 pandemic, the company has consistently maintained its commitment to annual health check-ups for all employees, fostering a Happy Workplace environment and emphasizing the importance of physical and mental well-being. Each year, the company selects quality hospitals to conduct these health screenings, reinforcing its dedication to the overall health and wellness of its workforce.



3. COVID-19 Prevention Project

Throughout the ongoing COVID-19 pandemic, the company has remained committed to preventing the spread of the virus among all employees. Preventive measures include temperature checks upon arrival, designated dining areas with social distancing, weekly ATK testing, and the establishment of a COVID-19 committee to disseminate information and promote awareness. Employees identified as high-risk are referred for testing and required to quarantine according to government guidelines. The company also provides vaccines and booster shots to all employees. As a preventive measure, a work-from-home policy has been implemented to minimize the risk of infection.



● Occupational Health, Safety Management

The Company has established policies, including the provision of various benefits, to align with human rights and legal requirements, encompassing safety, occupational health, and working environment aspects. It promotes team development to achieve high standards and excellence in practices, involving continuous risk assessment, analysis, and mitigation for all work processes. This includes setting up a Health and Safety Committee and Workplace Environment (HSE) committee, convening monthly meetings, and having professional safety officers at management and team leader levels. Employee training in safety is continuous and is implemented rigorously to align with safety, occupational health, and environmental standards.

Furthermore, consideration is given to the safety of employees' lives and property. Emergency warning signs are installed within the buildings, and fire teams are designated for each facility. Firefighting gear is procured, and various fire suppression equipment is made available, along with readiness to handle different situations. Regular training exercises are conducted, including fire evacuation drills, following proper codes and utilizing evacuation procedures. These practices adhere to the accurate and ethical guidelines of the new legal safety standards. The Company consistently conducts safety training, both internally within the workplace and externally through programs like legal safety courses, occupational health, and environmental workshops for employees. Basic safety training for employees includes initial fire suppression and fire evacuation drills, as well as fostering employee awareness within the organization. Training programs are conducted in collaboration with external organizations, such as courses on legal safety, occupational health, and environmental topics, along with seminars like Safety Thailand leading to Safety Work. The Company also focuses on disaster prevention in the workplace, assessing risks related to ergonomics and work-related injuries, and addressing indoor air quality issues that affect employee health.

The Company also has safety measures. Occupational health such as checking the working environment on lighting, heat, noise, dust and wastewater quality outside the factory to be in accordance with legal regulations. Measures to monitor the quality of drinking water. Make a plan to change the emergency lighting system in the entire factory building. Including a Work Permit form, which is an examination of outside contractors before coming to work in the factory. so that all employees of the Company are safe and have standardized occupational health.

Safety Statistics	FY 2022	FY 2023	FY 2024	Target
Total No. of accidental incidents (persons)				
● Employees	7	5	5	0
● Outsourced Contractor	0	0	0	0
Total accidental rate (LTIFR)				
● Employees	304	2.11	2.32	0
● Outsourced Contractor	0	0	0	0
(Unit : Cases per 1,000,000 working hours)				
No. of Accidents leading to absent (person)				
● Employees	2	4	4	0
● Outsourced Contractor	0	0	0	0
Rate of accidents leading to absent (LTIFR)				
● Employees	0.87	1.68	1.86	0
● Outsourced Contractor	0	0	0	0
(Unit : Cases per 1,000,000 working hours)				
Death Rate (Persons)				
● Employees	0	0	0	0
● Outsourced Contractor	0	0	0	0

The company promotes the well-being of all employees in terms of physical, mental, and social health. This includes having a registered nurse on-site during company hours, as required by law, and providing annual health checkups to all regular employees. This aims to ensure that employees work in a safe environment, have a good quality of work life, and are free from illness, injury, or work-related diseases. This allows them to work to their full potential and live a happy life.

In addition, to ensure employees have a good quality of life outside of work, the company has organized training programs on basic healthcare rights for employees, with the cooperation of the Social Security Office. This is to ensure that all employees are aware of their legal rights and understand how to use their rights to their maximum benefit. The company also considers financial health, another important factor that can affect employees' quality of life. Therefore, the company has partnered with a personal debt management bank, in cooperation with the Government Savings Bank, to offer special low-interest loans to company employees. This is to provide employees with a channel to manage their debts and restructure their high-interest debt outside the system into a proper system with lower interest rates. This results in employees having better financial health, better mental health, and a better quality of life.

The company has also established a risk management team to assess and analyze health and safety risks in the work environment that may cause harm or danger from work processes, including routine and non-routine work, as well as unsafe behavior of employees, employees, contractors, or other agencies, including external persons who come to contact and coordinate with the company in the area of the company's responsibility. The company also develops measures to reduce the risk or impact that may occur.

● Community and Social Development through Participation

The company conducts its business with an awareness of its responsibility to society and the community, alongside strengthening the organization. It plays a role in improving the quality of life in the country by participating in sustainable solutions to social problems through business processes and continuous support for social activities, especially in communities surrounding the company's location. Additionally, the company encourages employees to actively participate in various activities to foster a sense of social responsibility, aiming for the company to be recognized and trusted by society and the community for sustainable coexistence.

Projects and Activities for the Community and Society

1. Blood Donation Project in Collaboration with Sirindhorn Hospital

The company established the project "Sharing Kindness... Giving Love," in collaboration with Sirindhorn Hospital, located in Prawet Subdistrict, Prawet District, Bangkok, which is a government hospital situated near the company. The project aims to encourage employees and executives to participate in activities with the main objective of promoting generosity and selflessness. Sirindhorn Hospital sets up a mobile donation unit at the company every four months, and each time, a large number of employees and executives show great interest and participate in the project.



2. Mc Sewing Training and Career Development Project

With over 49 years of business experience, the company has a policy to leverage its strengths in skilled and highly specialized garment production to transfer knowledge and sewing expertise to the community and society. The Mc Sewing Training and Career Development Project was first launched in 2015, with the aim of providing opportunities for individuals in the communities surrounding the company's operations, as well as the general public, to participate in the project. The goal is to equip participants with the knowledge and experience needed to apply in their own livelihoods, supporting themselves and their families, while also creating job opportunities for those who complete the training to potentially work for the company.

The Mc Sewing Training and Career Development Project accepts applications from interested individuals living near the company's facilities, as well as from the general public. Training sessions are held every Saturday from 9:00 AM to 4:00 PM over a continuous three-month period. The training program includes both theoretical and practical components. The theoretical section covers basic knowledge of fabrics, sewing principles, basic sewing machine maintenance and repair, and other relevant knowledge. The practical section involves actual garment sewing. The project has consistently received positive feedback and cooperation from both government agencies and the local communities surrounding the company's facilities. As a result, the project has continued regularly and is now in its 7th iteration, receiving strong support from nearby communities.

Based on evaluations of the Mc Sewing Training and Career Development Project over its seven iterations, the results have been highly satisfactory. Participants have gained knowledge and experience that they have applied to sewing, garment repair, and earning supplemental income to support their families. This initiative has been a valuable contribution to government efforts in community and social development. To date, the company has trained and educated more than 150 people through this project. Additionally, the project has helped to raise awareness of the company and has contributed to its recruitment efforts, with an increasing number of trainees applying for jobs at the company, thereby helping to mitigate the risk of labor shortages

3. Education Promotion and Youth Development Project

The company recognizes the importance of education and focuses on fostering creativity and skills in students for inventing and creating new things. As part of this effort, the company provides materials and equipment to support students in their work on design, research, technology transfer, innovation, and other creative projects. These donations are made to various educational institutions to enhance teaching and learning, particularly in areas related to design and the creative business of textiles and apparel.

In 2024, the company will donate “Mc Jeans” products to schools both within and outside the communities surrounding the company. This initiative aims to promote learning among students and strengthen the relationship between the company and educational institutions.



4. Academic Collaboration Project with Universities

With over 49 years of experience in the business, the company has a policy to leverage its strengths in the apparel and fashion industry by sharing its expertise and knowledge in garment-making with society. For the 2023-2024 fiscal year, the company initiated an academic collaboration project with four leading fashion universities in Thailand: Srinakharinwirot University, Silpakorn University, Rajamangala University of Technology Thanyaburi, and Rajamangala University of Technology Phra Nakhon.

This collaboration aims to impart knowledge, skills, and experience to students, while also promoting and developing personnel with expertise and standards in business. It helps students gain a clearer understanding of real-world work environments and apply their theoretical knowledge to practical situations. The scope of the collaboration includes:

1. The company provides support by supplying various materials and equipment, such as fabric, thread, labels, buttons, rivets, etc., to promote and develop teaching and learning related to design, innovation, and creative works for students and universities.
2. Academic collaboration activities include seminars, factory visits, hands-on training workshops, research and technology transfer, academic consultation, and other collaborative efforts to apply shared knowledge.



Additionally, the company has continuously provided opportunities for educational institutions and university students to participate in internships, particularly with higher education institutions offering programs in business administration, textile industry, and fashion design that align with the company's operations. This initiative helps foster practical learning and real-world experience for interested students.

In the fiscal year 2024, two students completed internships with the company. Furthermore, the company contributed fabrics and other materials to universities under the aforementioned collaboration, amounting to 14.5 million baht. This project serves as an excellent example of leveraging business expertise to create mutual benefits for both the company and society, ensuring that all parties involved gain valuable outcomes.

Benefits to Society

1. Students gain the opportunity to learn from real-world experiences within a professional environment, providing a clear understanding of workplace operations. This enables them to integrate theoretical knowledge with practical situations, making them better prepared for future careers.
2. The provision of materials and equipment for educational purposes ensures that universities have sufficient resources to develop curricula and improve teaching. This support also helps reduce expenses for both students and universities.
3. Utilizing fabric scraps and unused materials helps reduce waste and promotes resourcefulness. This encourages creativity in repurposing materials and fosters the development of innovative projects. Additionally, instilling a sense of ethical resource use and responsible business practices helps nurture quality youth who are ready to become future leaders.

Benefits to the Company

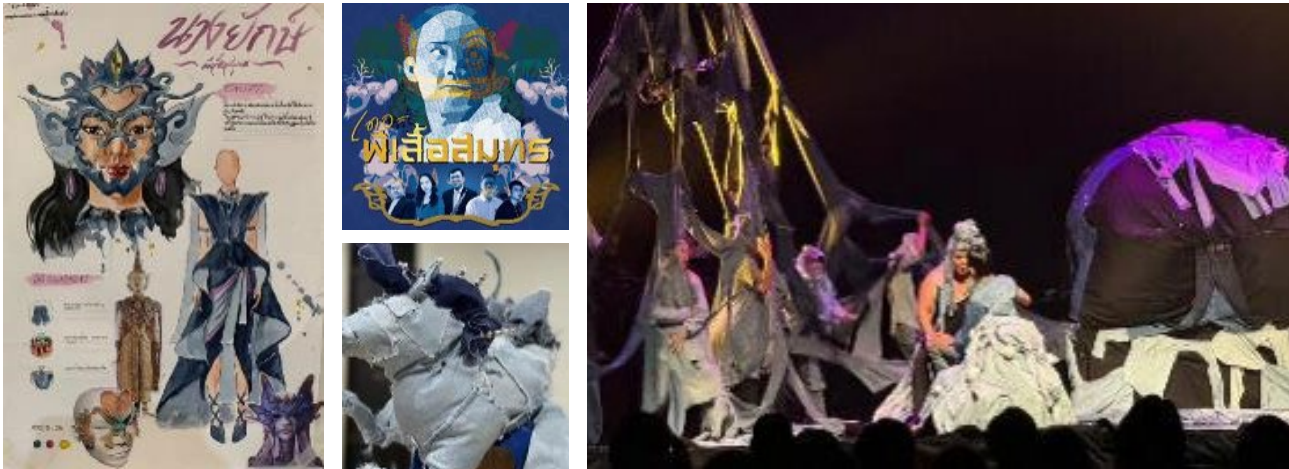
1. This social initiative not only supports education and the development of human resources in the fashion industry but also enhances the company's image as a socially responsible organization.
2. Donating unused materials and equipment helps reduce waste and supports the company's Zero Waste and Circular Economy initiatives, aligning with sustainable business practices. Moreover, the company benefits from tax incentives, allowing double deduction of expenses, which amounts to 5.8 million baht, further enhancing business value.

Examples of Creative Work by University Students Participating in the Project

- A design project using leftover denim by students from the College of Creative Industries, Srinakharinwirot University, as part of the 2023 academic year Fashion, Textile, and Accessories Design Exhibition.



- A stage production of “Phisuea Samut” by students from Silpakorn University, where they designed and utilized leftover materials provided by the company to create costumes, accessories, props, and set pieces for the performance on March 14, 2024.



- The project “Composite Wall Arts” using leftover denim from the company, created by students from Rajamangala University of Technology, for a competition organized by the Ministry of Higher Education, Science, Research, and Innovation.



5. Community Collaboration Project

The company values the surrounding communities and government agencies, and places importance on engaging with various communities and external organizations that approach the company for participation in different activities. This effort aims to build strong relationships between the company and the local community. Notably, the company supports the annual National Children’s Day project by providing prizes to schools in the Pravet district and nearby areas. These prizes are used for organizing Children’s Day events for students. The company has consistently supported this activity every year.



Additionally, in the fiscal year 2024, the company contributed to social welfare and supported the quality of life for students in remote areas. The company donated “Mc Jeans” products to children and adults in three locations: Ban Tika Po School, Ban Mae Rameung School, and the Omkoi District Learning Promotion Center. This initiative is part of the “Collaborative Community Support Project,” reflecting the company’s commitment to its corporate social responsibility policies.



● Respect for Human Rights

The company acknowledges the principles of human rights, strictly adheres to laws and human rights standards, and supports improving the quality of life for individuals and promoting social equality. The company has a policy that ensures its personnel treat each other with equality, fairness, respect, and respect for personal rights without discrimination, including on the basis of race, ethnicity, religion, gender, social status, or political rights, in all procedures according to fundamental human rights practices. The company does not support activities that violate human rights principles. The company respects employees’ privacy and does not disclose personal information such as salaries, medical histories, or family details to external parties or unrelated individuals unless required by law. It also promotes quality development activities for both internal and external personnel.

The company treats all stakeholders equally in its business operations and regularly monitors to ensure that the company’s activities do not involve human rights violations. It promotes and supports partners in conducting business without violating human rights. Additionally, the company has established an appropriate grievance mechanism for those who experience unfair treatment and has implemented measures to protect whistleblowers in accordance with the Whistleblower Policy, following corporate governance principles in section 3 concerning stakeholder roles. Over the past year, there have been no reported human rights violations.

The company conducts ongoing monitoring of human rights performance and provides continuous training and awareness to employees on human rights issues to prevent potential negative impacts.

In 2024, a risk assessment and impact evaluation of human rights related to the company’s operations and business activities revealed no cases of human rights violations, including human trafficking, forced labor, child labor, discrimination, or sexual harassment, as well as freedom of association, collective bargaining rights, compensation equity, and other human rights issues.

Furthermore, the company has established channels for stakeholders to report human rights violations, accessible through the following contact points:

Communication Channels

Mc Group Public Company Limited
448, 450 Onnuch Road, Prawet, Bangkok 10250
Telephone : +66(0)2 117 9999
Fax : +66(0)2 117 9998

3.5 Sustainability Management in Environmental Dimension

3.5.1 Environmental Policies and Practices

The company is committed to and prioritizes environmental care due to its impact on all stakeholders. It has established an environmental policy that aligns with the company's business objectives, focusing on fostering cooperation from all employees, considering overall social responsibility, and acknowledging environmental responsibility as outlined in the company's business ethics. For new projects, the EHS team is involved from the design stage to provide guidance with a focus on environmental protection and safety. The full environmental policy and business ethics are available on the company's website.

3.5.2 Key Sustainability Issues in Environmental Dimension

Key Environmental Performance Results

Key Results	FY 2021	FY 2022	FY 2023	FY 2024
Number of environmentally friendly products (units)	44,000	40,358	63,090	171,182
Electricity consumption (kWh)	2,452,983	2,360,398	2,193,361	2,348,349
Water consumption (cubic meters)	39,890	38,041	43,407	32,158
Fabric waste from trousers production (grams per item)	135.53	134.13	133.02	109.89
Fabric waste from T-Shirt production (grams per item)	39.94	39.47	37.94	33.76

● Energy Management

Currently, climate change issues are intensifying, leading to global warming and dangerous climate events such as droughts, storms, and floods. The use of electricity contributes to heat generation and impacts climate change, along with rising energy costs, particularly for electricity, which continuously increases energy expenses.

The company recognizes the importance of energy use and has set goals for energy management and electricity use. It is committed to maximizing efficiency through the use of effective tools and equipment while fostering employee awareness about conserving and efficiently using electricity. This aligns with the "Sustainable Development Goals" (SDGs), specifically Goal 7: Affordable and Clean Energy.

Performance in Energy Management

The company has collected and recorded data on electricity consumption for production at the factory, warehouse, and headquarters to understand usage levels and set management targets, as outlined in the table below.

	FY 2021	FY 2022	FY 2023	FY 2024
Electricity Usage (Kwh)	2,452,983	2,360,398	2,193,361	2,348,349
Target	Base year	2,379,394	2,308,012	2,207,685
Actual Electricity Usage Vs Target	-	-0.8%	-5.0%	+6.4%

Energy Saving Goals

In 2024, the company set a target to reduce electricity consumption by no less than 10.0% compared to the base year of 2021. Although the company successfully reduced electricity consumption by 4.3% from 2021, it fell short of the target by 6.4%.

For 2025-2027, the company remains committed to controlling electricity usage within the organization, with a goal of reducing consumption by at least 1.5% per year.

Energy Saving Measures

The company prioritizes and promotes efficient energy use by implementing measures to reduce energy consumption continuously for factories, warehouses, and offices, as follows:

1. The company has been gradually replacing the existing 36 W fluorescent light bulbs in the factory with 14-18 W LED bulbs, which consume less electricity and have a longer lifespan. This initiative began in 2015 and has reduced electricity consumption by more than 50% compared to the old bulbs. In 2022, a total of 200 energy-saving bulbs were replaced. Additionally, from 2023 to 2024, the company is progressively upgrading the factory air conditioners to new, energy-efficient models with a 5-star energy rating.

2. The company has improved the efficiency of the compressed air system used in the production process and reduced air leaks, leading to energy savings. In 2024, the company replaced the air compressor with an Inverter-type compressor, which maintains a constant air pressure and saves 30-35% of electricity compared to the previous system.

3. In 2024, the company replaced industrial clutch motors with servo motors, which can control speed and torque without running continuously when the switch is on, unlike clutch motors that operate all the time when switched on, leading to energy wastage.

4. The company has replaced desktop computers with laptops, which consume less power—approximately 60-70 W compared to the 200-250 W of desktop computers. From 2022 to 2024, a total of 62 desktop computers have been replaced with laptops.

5. To reduce external electricity consumption, the company has implemented Solar Rooftop technology, starting with the headquarters building in June 2022. The installation covers the rooftops of Building A, Building B, Building C, Mc Design Center, and Mc Studio. Additionally, a Solar Rooftop system has been installed at the Mc Fulfillment Center warehouse, which began operation in the 2024 fiscal year.



6. The company has disseminated and promoted energy and water conservation projects in factories and offices to employees, aiming to instill a sense of awareness about efficient and valuable resource use. Various methods have been employed, including communication via Line, public announcements, and bulletin boards. Additionally, promotional materials such as stickers have been created and placed at usage points to campaign for turning off lights after use, unplugging devices, and switching off electrical appliances after use.



● **Water Management**

Water is a valuable global resource and a crucial factor in economic production. However, climate change and global warming have increased the frequency and severity of water-related natural disasters. Additionally, economic growth and industrial expansion have led to water scarcity, flooding, and water pollution.

The company prioritizes effective water management within its operations, using water efficiently and fostering a strong awareness of wastewater treatment before discharge into public sewage systems. This includes reminding employees to turn off water when not in use, upgrading to water-saving fixtures such as low-flow toilets, and regularly inspecting and maintaining the water supply system to ensure its efficiency. The company also monitors environmental impacts from production, such as the quality of wastewater and dust emissions, adhering strictly to regulations and operational procedures.

Performance in Water Management

In the past year, the company has collected and recorded water usage data across its factories, warehouses, and headquarters. This data helps determine water consumption levels and set management goals, as detailed in the table below.

	FY 2021	FY 2022	FY 2023	FY 2024
Water Usage (Unit)	39,890	38,041	43,407	32,158
Target	Base year	38,693	37,533	35,901
Actual Water Usage Vs Target	-	-1.7%	+15.7%	-10.4%

Note: In 2023, water consumption increased due to a leak in underground pipes, which the company has already resolved.

Water Conservation Targets

In 2024, the company set a goal to reduce water usage by no less than 10.0% compared to the baseline year of 2021. Through various measures, the company exceeded this target by 10.4%.

For 2025-2027, the company remains committed to managing water consumption within the organization, with a goal of reducing usage by at least 1.0% per year.

Water Management Measures

The company emphasizes and promotes efficient water usage through ongoing measures to reduce water consumption in the factory, warehouse, and office settings, as follows:

1. Water Usage Control and Leak Detection: In the fiscal year 2024, the company has implemented measures to control water usage and regularly inspect for leaks in water pipes throughout the organization. This ensures that the pipes remain in good condition, reducing the risk of leaks due to pipe deterioration. The company has also repaired and upgraded equipment by purchasing water-saving devices, such as faucets, sanitary fixtures, and pipes.
2. Water Conservation Campaign: The company has launched a water conservation campaign, disseminating and publicizing the energy and water-saving initiatives within the factory and office to employees. This is aimed at fostering awareness of resource efficiency and value. Communication is done through Line, public address systems, and notice boards, as well as through promotional materials such as stickers at usage points to encourage employees to turn off faucets securely, use only the necessary amount of drinking water, and make use of any leftover water.

For the wastewater, the company has installed an efficient wastewater treatment system and maintains and inspects the system regularly. Wastewater from the buildings includes domestic water used for activities such as flushing, cooking, and washing, which may contain contaminants that could impact health and the environment. The company treats wastewater physically using screens to capture large debris such as wood and plastic, and has installed grease traps to separate fats from the wastewater. This helps to maintain the water quality before it is released into the wastewater treatment system, which includes a holding tank before discharging into public water sources. Monitoring of wastewater quality shows that it meets the legal standards. In 2024, the company did not receive any environmental complaints from stakeholders.

● Waste Management

Waste and refuse pose environmental challenges, potentially impacting the health of employees and surrounding communities. Landfill disposal of waste contributes to greenhouse gas emissions and affects climate change. The company recognizes these issues and prioritizes waste management as part of its operational responsibility and commitment to reducing greenhouse gas emissions.

The company focuses on waste management, particularly waste generated from factory production. It reviews and optimizes the use of existing raw materials to enhance efficiency, reduce production scraps, and lower costs

Performance in Waste Management Last Year

The company has collected and recorded data on production waste (fabric scraps) within the factory. Since the volume of waste varies with production levels, waste management performance is measured by the weight of waste per unit of production. This metric is used to evaluate and set management goals separately for t-shirts and jeans production, as outlined in the table below.

Fabric Waste from Production	FY 2021	FY 2022	FY 2023	FY 2024	% Increase (Decrease)
Fabric waste per piece of jeans production (grams)	135.53	134.12	133.02	109.89	-17.39%
Fabric waste per piece of T-Shirt production (grams)	39.94	39.47	37.94	33.76	-11.02%
Total Fabric Waste (Ton)	158.60	120.92	139.42	99.92	-28.33%

Production Waste Management Goals

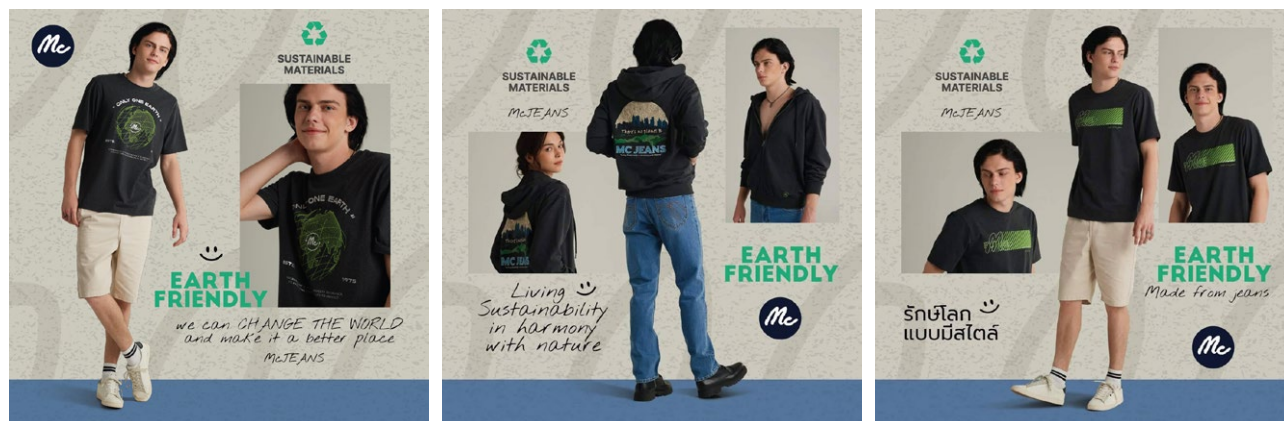
In 2024, the company aims to reduce waste per unit of production by at least 1.0% compared to 2023. The long-term goal is to achieve a reduction of at least 3.5% in waste compared to the base year 2021 within a 3-year period (by 2027). For the fiscal year 2024, the company has exceeded the set target.

Measures for Managing Production Waste

Recently, the company has continuously developed strategies for managing production waste, summarized as follows:

1. Modified Mc Basic T-Shirts: The company has redesigned Mc Basic t-shirts using bag fabric, which eliminates seams and reduces fabric waste from cutting.
2. Pattern Marking Optimization: The method of marking patterns (cutting templates) has been adjusted to reduce the gap between pattern pieces from 2 mm to 0.5 mm, resulting in a fabric usage reduction of approximately 1.5%.
3. Fabric Layering Improvement: Instead of overlapping fabric rolls, the company now cuts the ends of fabric layers, saving fabric in the overlapping sections at both ends and reducing fabric usage by about 0.28%.
4. Fabric Width Selection: Rolls of fabric with similar widths and colors are selected to determine appropriate marker sizes for each fabric batch.
5. Pattern Adjustments: Patterns with sharp angles are modified to have rounded corners to increase marker placement area.
6. Utilizing Defective Fabric Pieces: Defective fabric pieces are assembled into jeans for sale as grade B products rather than being sold as scrap fabric.
7. Recycling Production Waste: Fabric scraps from production are transformed into various products such as tote bags, coasters, face masks, and computer or iPad cases. These items can be sold or used as premium gifts for customers.

8. The company has adopted environmentally friendly production innovations with plans to implement recycling innovation. This involves taking waste denim fabric from jeans production, spinning it into yarn, and weaving it into denim fabric for t-shirts. This approach not only reduces the amount of waste denim but also helps mitigate global warming by recycling these materials into fabric. In the first quarter of the fiscal year 2024, the company sent denim waste to a textile mill to be recycled into yarn and used to produce t-shirts in the Earth Friendly collection.



9. Since the fourth quarter of the fiscal year 2024, the company has supported SC GRAND, a leader in the production of recycled fibers and fabrics in Thailand, to achieve the company's goal of zero waste from production processes and to help reduce environmental impact. Additionally, the company is currently collaborating with SC GRAND and Kaihara, a business partner, to explore the feasibility of developing recycled fibers from discarded denim fabric from the company's factory.

Management of Unsold and Obsolete Inventory

The issue of waste from unsold clothing and obsolete products is a significant environmental challenge in the fashion and ready-to-wear industry. This problem not only impacts the environment but also reflects the efficiency of supply chain management and market demand forecasting.

To address this issue, the company has applied Data Analytics techniques in purchasing planning, product allocation, and distribution to improve sales efficiency. By analyzing customer data and purchasing behavior, the company forecasts sales more accurately, allowing for better market demand prediction. This analysis helps the company plan raw material orders and production more appropriately, reducing overproduction and preventing excess inventory issues.

The result of accurate planning is a noticeable reduction in excess and obsolete inventory, benefiting both the environment and the company's financial performance. Accurate planning has significantly reduced excess and obsolete inventory, as evidenced by a notable decrease in the Inventory Month Turn ratio, an indicator of inventory turnover efficiency. For the fiscal year 2024, the ratio dropped to 10.7 times compared to 11.9 times in the previous year.

Inventory Turnover (times)



● Waste Separation Campaign

In addition to waste generated from the production process, the company has organized ongoing campaigns to encourage employees to reduce waste and minimize the amount of waste produced from daily activities. These initiatives include separating food scraps, reducing the use of plastic cups and bags, sorting waste, and reusing packaging boxes from the warehouse for shipping products to branches and for returns from stores.

The waste separation campaign aims to have employees sort waste into three categories: recyclables, hazardous waste, and general waste. The importance of waste separation is communicated through various channels, including Line messaging, public announcements, and informational boards.



● Response to Climate Change and Greenhouse Gas Management

The impact of greenhouse gases and global warming has expanded globally, causing widespread damage and disruptions. This has increasingly affected daily life, including climate variability and PM 2.5 pollution, drawing significant attention to greenhouse gas issues and climate change from all sectors in both Thailand and internationally.

At the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 27) held in Egypt from November 11-17, 2022, Thailand clearly demonstrated its commitment to supporting greenhouse gas reduction. Thailand presented an updated long-term strategy aligned with the goals of achieving carbon neutrality by 2050 and net-zero emissions by 2065. Additionally, the country elevated its Nationally Determined Contribution (NDC) target to 40%, supported by international assistance, and committed to increasing the production of zero-emission vehicles to 30% of total vehicle production by 2030. Thailand also aims to increase the share of renewable energy in electricity generation to at least 50% by 2050, support commercial CO2 capture technology before 2040, and expand green spaces to 55% of the national area to enhance greenhouse gas sinks by 2037.

Furthermore, the 28th Conference of the Parties (COP 28), held from November 30 to December 12, 2023, in the United Arab Emirates, focused on monitoring global progress in climate change actions. The main objective was to encourage member countries to collaboratively and seriously address atmospheric greenhouse gases to keep the average global temperature rise below 1.5°C.

Climate Change Governance Structure

Governance of climate change issues is a key aspect of sustainability. At the management level, it falls under the responsibility of the Sustainable Development and Anti-Corruption Task Force, which consists of executives from various departments. This task force reports directly to the Risk and Sustainability Management Committee, which oversees the framework for GHG emission reduction across the organization.

The Risk and Sustainability Management Committee is tasked with setting and reviewing policies related to risk management, governance, and sustainability. These policies align with the company's strategy and address key sustainability issues, including climate change management, risk and opportunities for sustainable business development, and supporting the Sustainable Development and Anti-Corruption Task Force. This task force is responsible for setting sustainability targets, developing indicators, and creating action plans to achieve the company's goals. Additionally, the committee, along with senior executives, assesses risks and opportunities related to climate change and provides recommendations on strategies or additional action plans.

Greenhouse Gas Management Performance and Goals

The company's Risk and Sustainability Management Committee has established greenhouse gas (GHG) emission reduction targets in alignment with Thailand's goals: achieving carbon neutrality by 2050 and reaching net-zero emissions by 2065. In the fiscal year 2024, the company began its second year of calculating its carbon footprint to measure the amount of GHG emissions resulting from organizational operations. The company has received certification for its GHG calculations from the Greenhouse Gas Management Unit at Phayao University, an accredited verifier with the Greenhouse Gas Management Organization (Public Organization). The results are as follows:

Greenhouse Gas Emissions by Scope	Unit	Fiscal year 2023	Fiscal year 2024
Direct Greenhouse Gas Emissions Scope 1	Ton CO ² e	575	343
Indirect Greenhouse Gas Emissions Scope 2	Ton CO ² e	1,076	3,973
Indirect Greenhouse Gas Emissions Scope 3	Ton CO ² e	No calculation	46,264
Total Greenhouse Gas Emissions Scope 1+2	Ton CO ² e	1,651	4,316
Total Greenhouse Gas Emissions Scope 1+2+3	Ton CO ² e	No calculation	50,580

Note:

(1) The basis for calculating direct greenhouse gas emissions Scope 1 for the 2 fiscal years differs. In fiscal year 2023, which is the first year of Scope 1 assessment, it was not possible to distinguish the amount of fuel used by company vehicles and employees' vehicles due to limitations in data collection. In fiscal year 2024, the amount of fuel used by company vehicles was classified as Scope 1, and the amount of fuel used by employees' vehicles was classified as Scope 3. This adjustment led to a significant reduction in direct greenhouse gas emissions Scope 1 for the year 2024.

(2) The scope of assessment for calculating direct greenhouse gas emissions Scope 2 for the 2 fiscal years differs. In fiscal year 2023, it was calculated from the electricity usage of the factory, warehouse, and head office only. In fiscal year 2024, the scope was expanded to include the electricity usage of retail points, which led to a significant increase in direct greenhouse gas emissions Scope 2 for the year 2024.

Greenhouse Gas Management Measures

The company recognizes the importance of managing greenhouse gases and has initiated various projects to support the reduction of greenhouse gas emissions from business activities. These measures include:

1. Reducing External Electricity Consumption with Solar Rooftop Systems: The company has pioneered the use of solar rooftop systems at its headquarters, starting in June 2022. Installation areas include the rooftops of Buildings A, B, C, and Mc Studio. This initiative has significantly reduced electricity consumption at the office in the fiscal year 2023 compared to 2022. Additionally, a solar rooftop system has been installed at the Mc Fulfilment Center warehouse and has been operational since the fiscal year 2024.

2. Efficient Energy Use: Recognizing that electricity consumption is a source of greenhouse gas emissions, the company has implemented measures to enhance energy efficiency. These include replacing fluorescent lights with LED bulbs, switching from PC to laptop computers to reduce energy use, and performing preventive maintenance to minimize air system leaks. In the fiscal year 2024, additional energy-saving measures included replacing air compressor pumps with inverter systems and switching sewing machine motors from clutch motors to servo motors.

3. Water Conservation: The company is aware of the greenhouse gas emissions associated with water use and has promoted water conservation. Measures include posting notices about water use, widespread communication to employees, and regular inspections of equipment to prevent water loss from faulty devices.

4. Reducing Paper Use: Paper use indirectly contributes to greenhouse gas emissions (Scope 3). To mitigate this, the company has developed innovations such as E Form programs and an Online Approval system to reduce paper use. Additionally, all ISO system documents have been transitioned from paper to electronic formats.

5. “No Bag Campaign”: In the fiscal year 2024, the company launched the “No Bag Campaign” to encourage the reduction of plastic bag use. Customers who opt not to receive plastic bags are rewarded with CRM points. This initiative not only reduces plastic bag consumption but also cuts costs for the company. Moreover, the campaign plays a role in raising environmental awareness among customers, aligning with the organization’s sustainable development goals.



6. Improving products and services to meet the growing demand for environmentally friendly products. This includes introducing products made from cotton alternatives, t-shirts made from recycled plastic bottles, and the innovative waterless “DRY DYE” dyeing process. Additionally, the use of recycled materials for zippers, buttons, and rivets, as well as low-energy production processes, has reduced the use of chemicals and water, thereby conserving limited natural resources.

7. Adopting a circular economy approach. This involves maximizing resource efficiency throughout the entire lifecycle of products, from production and consumption to waste management. By emphasizing reduce, reuse, and recycle practices, the company has partnered with suppliers in 2022 to recycle denim scraps into yarn for t-shirt production.

8. Enhancing employee awareness and fostering a culture of resource conservation. The company is committed to improving employee understanding of the importance of energy and resource conservation.

4. Management Discussion and Analysis

for the operation results of fiscal year 2024 (1 Jul 2023 – 30 Jun 2024)

MC Group Public Company Limited and its subsidiaries ("the Company") summarized the operating results of fiscal year 2023 (1 Jul 2023 – 30 Jun 2024) as follows

Overall Economic and Industry Overview

In the fourth quarter of fiscal year 2024 (1 Apr – 30 Jun 2024), Consumer Confidence Index slightly dropped to 52.3 compared to 54.1 in Mar 2024 as a result of the Thai economy was not recovery as expectation, concern in political stability and concern over the war situation between Russia and Ukraine. Battle between Israel and Hamas that may prolong and escalate and conflict in middle east. However, government measures to stimulate the economy such as the project to generate tourism revenue in 55 second-tier provinces, Measures to stimulate the regional economy through real estate, Including the opening of free visas to tourists that help better recover in Thai economy.

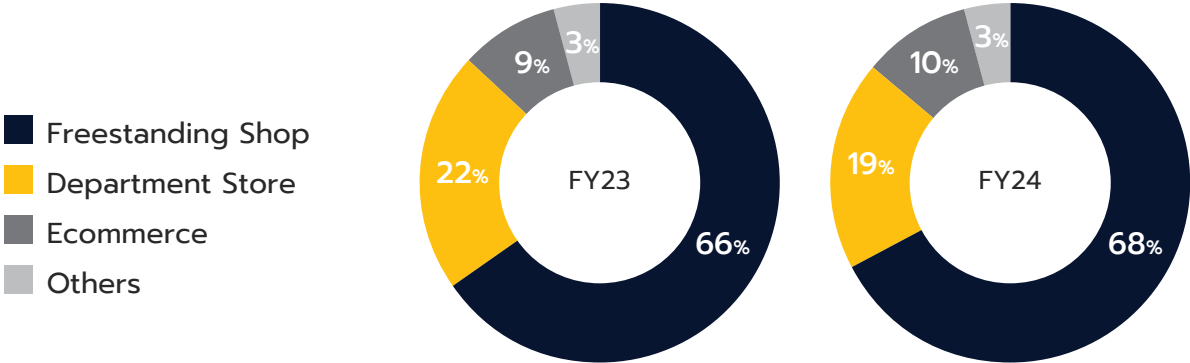
Overall Performance for FY2024

Unit : THB million	FY2024	FY2023	Change
Sales Revenue	4,054	3,670	10.5%
Gross Profit	2,603	2,379	9.4%
Gross Profit Margin	64.2%	64.8%	-0.6%
SG&A	1,731	1,587	9.1%
%SG&A	42.7%	43.2%	-0.6%
Other Revenue	62	27	129.9%
EBITDA	1,344	1,203	11.7%
%EBITDA	32.7%	32.5%	0.1%
NPAT	713	644	10.8%
%NPAT	17.3%	17.4%	-0.1%

Revenue

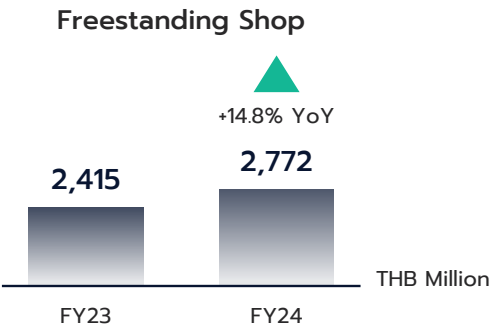
For FY2024, The company reported sales revenue of THB 4,054 million increased THB 384 million or 10.5% YoY. The improvement contributes from growth and continued expansion in offline channel also continuing growth from online channel.

Revenue break down by channel

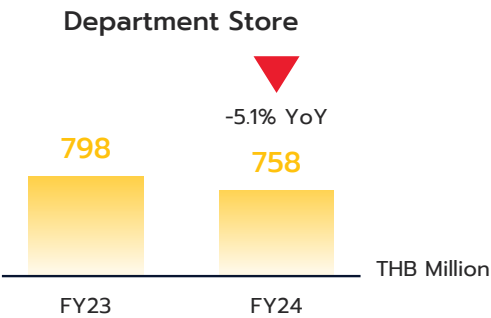


For fiscal year 2024 revenue breakdown by channels consisted of revenue from free-standing shop 68%, Department stores 19%, E-commerce 10% and other channels 3%.

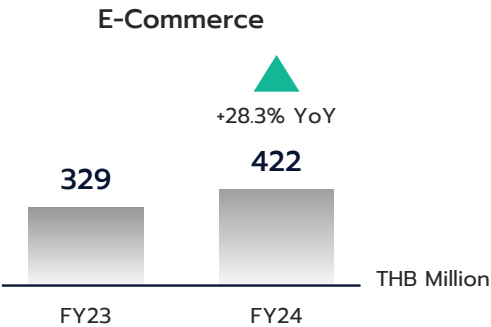
Freestanding Shop
Sales revenue from free standing shop FY2024 was THB 2,772 million increased THB 357 million or +14.8% YoY. From same store sales growth and expansion



Department Store
Sales revebue from Department Stores in FY2024 was THB 758 million decreased THB 41 million or 51.1% YoY.



E-Commerce
Sales revenue from E-commerce in FY2024 was THB 422 million increased THB million or +28.3% YoY.



As of 30 Jun 2024 and 30 Jun 2023, the Company had a total of 582 and 555 point of sales respectively details as follows

By Distribution Channel	30 Jun 2024	30 Jun 2023	Increase (+) / Decrease (-) from end FY2023
Free-standing Shop	434	403	+31
Modern Trade	133	137	-4
Mobile Unit	6	6	-
Total POS (domestic)	573	546	+27
International Markets	9	9	-
Total	582	555	+27

Gross Profit

For FY2024, the company's gross profit was THB 2,603 million increased THB 224 million or 9.4% YoY from higher sales however gross profit margin decrease from 64.8% to 64.2% in the same period last year due to sales promotion to drive sales.

Selling, General and Administrative Expenses (SG&A)

For FY2024, SG&A was THB 1,731 million increased THB 144 million or 9.1% YoY from higher sales, expansion in point of sales and impact from loss on impairment in Q1 FY24, SG&A to sales improve from 43.2% previous year to 42.7% results from better sales.

In addition the decrease in selling and administrative expenses in the fiscal year 2024 was partly due to the installation of solar roof at the new warehouse (Mc Fulfillment Center) to promote the use of clean energy and save additional electricity costs from the head office solar roof project that was previously implement.

Earnings before interest, Taxes, Depreciation and Amortization (EBITDA)

FY2024, EBITDA was THB 1,344 million increased THB 141 million or 11.7%. EBITDA margin was 32.7% compared to 32.5% in the previous year.

Net Profit

For FY2024, Net profit was THB 713 million increased THB 70 million or 10.8%. Net profit margin was 17.3% slightly decreased from 17.4% in the previous year.

Financial Position Analysis

Statement of Financial Position

(THB million)	30 Jun 2024	30 Jun 2023	% Change
Cash and short-term investments	1,734	1,727	0%
Account receivables	200	203	-1%
Inventory	1,257	1,294	-3%
Right-of-use assets	1,213	974	24%
Other assets	1,165	1,173	-1%
Total Assets	5,569	5,371	4%
Account payables	174	233	-25%
Interest-bearing liabilities	0	0	0%
Lease liabilities	1,238	984	26%
Other liabilities	415	434	-4%
Total Liabilities	1,828	1,650	11%
Equity attributable to the firm	3,740	3,719	1%
Non-controlling interest	1	2	-69%
Shareholders' Equity	3,741	3,721	1%

Assets

As of 30 Jun 2024, total asset were THB 5,569 million compared to THB 5,371 million on 30 June 2023, an increase of THB 198 million or 4% mainly comprised:

- Right-of-use assets increased THB 239 million from THB 974 million on 30 June 2023 to 1,213 million on 30 Jun 2024 from expansion and extension of store.
- Inventories decreased THB 37 million from THB 1,294 million on 30 June 2023 to THB 1,257 million on 30 Jun 2024.

Liabilities

As of 30 Jun 2024, total liabilities were THB 1,828 million compared to THB 1,650 million on 30 June 2023, an increase of THB 178 million contributed from THB 255 million increase of Lease liabilities.

Shareholders' Equity

As of 30 Jun 2024, the Company reported THB 3,741 million of shareholders' equity, an increase of THB 19 million from THB 3,721 million on 30 June 2023 from FY24 performance of THB 713 million offset with other comprehensive income(expense) for the year of THB 11 million and dividend paid of THB 681 million.

Liquidity

As of 30 Jun 2024, the Company's cash, cash equivalent and short-term investment of THB 1,734 million increased THB 7 million from 30 June 2023 due to:

- Cash provided by operating activity after corporate income tax was THB 994 million which mainly contributed from THB 897 million of Profit before income tax expenses.
- Net Cash outflow from investment activities was THB 105 million from THB 90 million of cash paid for property, plant and equipment and THB 11 million of cash paid for acquisition of intangible assets.
- Net Cash outflow from financing activities was THB 882 million from THB 682 million of dividend payment, THB 163 million of liabilities under finance lease agreements and THB 36 million of financial cost.

Key Financial Ratios

		For period ended	
		30 Jun 2024	30 Jun 2023
Liquidity Ratios			
Current Ratio*	times	3.9	3.8
Average Days Receivable	days	18	20
Average Days in Inventory	days	321	353
Average Days Payable	days	51	57
Cash cycle	days	288	316
Efficiency Ratios			
Return on Assets (Annualized)	%	17.1	15.7
Return on Equity (Annualized)	%	19.1	17.4
Leverage Ratios			
Debt to Equity Ratio	times	0.5	0.4

* Exclude Current portion of lease liabilities, Current Ratio were 6.3 and 5.6 times for 30 Jun 2024 and 30 Jun 2023, respectively.

Respectfully yours

(Virach Seripanu)

Director

5. General Information and Other Information

5.1 General Information

Company Name	:	MC GROUP Public Company Limited
Address	:	<u>Head Office</u> 448, 450 OnNut Road, Prawet Sub-District, Prawet District, Bangkok 10250 Telephone : 02-329-1050-6 Fax : 02-727-7287 <u>MC Design Center</u> 2 Sukhaphiban 2 Road Soi 5, Prawet Sub-District, Prawet District, Bangkok 10250 Telephone : 02-117-9999 <u>MC STUDIO</u> 4 Sukhaphiban 2 Road Soi 7, Prawet Sub-District, Prawet District, Bangkok 10250 Telephone : 02-117-9999
Website	:	www.mcgroupnet.com
Registration No.	:	0107556000230
Type of Business	:	MC GROUP Public Company Limited's core business is managing sales and distributions of apparel & lifestyle under its own brands and other brands as well as investing in other companies.
Registered Capital	:	396,000,000 Baht
Paid-Up Capital	:	396,000,000 Baht (Ordinary share 792,000,000. Shares)
Par Value	:	0.50 Baht
Share Registrar	:	<u>Thailand Securities Depository Co., Ltd. (TSD)</u> 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Telephone : 02-009-9000 Fax. : 02-009-9001
Auditor	:	<u>Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.</u> AIA Sathorn Tower, Floor 23 - 2711/1 South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok 10120 Telephone : 02-034-0000 Fax. : 02-034-0100 By Mr. Wonlop Vilaivaravit CPA Registration No. 6797 and/or Ms. Wilasinee Krishnamra CPA Registration No. 7098 and/or Ms. Lasita Magut CPA Registration No. 9039 and/or Mr. Bardin Laprangsirat CPA Registration No. 10985

5.2 Other Information

-None-

5.3 Legal Disputes

As of 30 June 2024, the Company and its subsidiaries were neither the litigants nor the parties of any lawsuit or legal dispute, possibly negatively affecting the Company's or the subsidiaries' assets in the amount higher than 5% of the shareholders' equity. In addition, no lawsuits of the Company or the subsidiaries significantly affect the Company's business operation, where the impact is assessable in a figure. In addition, there have been no lawsuits not due to the Company's regular business operation.

PART 2

Corporate Governance

6. Corporate Governance Policy

The Board of Directors and executives of the company recognize the importance of adhering to corporate governance principles in conducting business. Therefore, the company is committed to continuously improving the level of good governance as a fundamental basis for business operations and to achieving international recognition. Additionally, this reflects transparency, ethical conduct in operations, and accountability to the company's stakeholders.

The Board of Directors has established a written policy on corporate governance and business ethics to serve as guidelines for the company's directors, executives, and employees in conducting business. The goal is to strengthen the organization with an efficient management system, enhance value, and promote the sustainable growth of the company. The Board of Directors will review and update the corporate governance policy and business ethics annually to align with any changes that may arise from business operations, the environment, circumstances, or laws.

The company has published its corporate governance policy and business ethics on its website (www.mcgroupnet.com) to foster understanding and provide a framework for good practice for employees at all levels. This also serves as information for shareholders, stakeholders, investors, and other interested parties. Furthermore, the company requires all employees to sign an acknowledgment of the business ethics during their orientation before starting work to encourage compliance with these ethics. Compliance with business ethics is monitored through the company's internal audit processes.

Overview of Corporate Governance Policies and Practices

The company is committed to conducting business responsibly, transparently, and fairly on an ongoing basis, with the Board of Directors setting an example by adhering to good corporate governance principles under the framework of corporate governance and the company's code of conduct. This approach aims to build confidence among shareholders and stakeholders based on a balanced and sustainable well-being. Corporate governance principles and the company's code of conduct have been incorporated into the business operation policies. The Risk Management and Sustainable Development Committee is responsible for ensuring that the company operates in compliance with the policy, good corporate governance principles, and relevant laws. This committee reviews and recommends updates to the Board of Directors to ensure that corporate governance practices are appropriate for the company's business and in line with both national and international practices.

The Securities and Exchange Commission (SEC) issued the Corporate Governance Code (CG Code) for listed companies in 2017, providing guidelines for boards of directors to apply in overseeing companies to achieve long-term performance and credibility among shareholders and stakeholders. The goal is to create sustainable value for the company. The content of the CG Code is largely drawn from the 2012 Good Corporate Governance Principles for Listed Companies by the Stock Exchange of Thailand (SET), with the presentation order adjusted to reflect the context of board duties in various business processes. Additional topics have been included to cover evolving concepts or changing factors. The Board of Directors has reviewed and considered how to apply the CG Code in line with the company's business context.

Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

The Board of Directors understands its role and responsibility in managing the company in compliance with laws, regulations, and resolutions of the shareholders' meetings, with honesty and caution, safeguarding the interests of the company. They collaborate with management in formulating the business plan and budget for the year 2024, to serve as a framework for operations. They also review operational policies in various areas to achieve objectives and goals, while monitoring, evaluating, and ensuring that performance reporting meets the targets. The policies established are as follows:

1. Corporate Governance Policy
2. Anti-Corruption Policy
3. Personal Data Protection Policy
4. Risk Management and Business Continuity Policy
5. Business Ethics
6. Stakeholder Engagement Policy
7. Whistleblowing Policy
8. Conflict of Interest Prevention Policy
9. Personal Data Protection Policy
10. Risk Management Policy
11. Sustainable Development Policy
12. Business Partner Code of Conduct
13. Tax Policy
14. Environmental Policy
15. Human Rights Policy
16. Information Security Management Policy
17. Information Security Policy

These guidelines have been printed and published on the company's website (www.mcgroupnet.com) to serve as a framework for sustainable business operations and to communicate to the Board of Directors, management, and all employees for a thorough understanding.

Principle 2 Define Objectives that Promote Sustainable Value Creation

The company operates its business with a commitment to responsibility toward all stakeholders for mutual and sustainable benefits. The Board of Directors oversees the implementation of a management system that ensures recognition of the rights of various stakeholders, both as stipulated by law and as clearly outlined in the company's corporate governance principles and business ethics. Additionally, the Board is responsible for ensuring that these rights are protected and that all parties are treated with fairness, equality, and an openness to hearing their opinions.

The company adheres to the ideology of conducting business ethically, with a firm commitment to responsibility toward all stakeholders for mutual and sustainable benefits. The company has established a sustainability development framework based on international guidelines, covering economic, social, and environmental aspects. Under the company's good corporate governance principles, it is dedicated to continuously creating value for society through fully environmentally friendly business operations. The company is also prepared to share knowledge, experiences, and successes with all sectors through participatory processes, whether with businesses related to the company, business organizations, institutions, social institutions, or communities in every area where the company operates, with the aim of driving society forward with strength and sustainability.

Treatment of Stakeholders

2.1 Shareholders/Investors

The company is committed to operating its business with strong and efficient performance, ensuring quality and sustainable growth to maximize shareholder satisfaction. It focuses on long-term growth of the company's value, providing good and sustainable returns, while respecting the rights of shareholders. The company ensures equal, transparent, and reliable disclosure of information to shareholders. It has a policy of treating shareholders fairly and respecting their fundamental rights as provided by law and company regulations, such as the right to verify share numbers, receive share certificates, attend and vote in shareholder meetings, express opinions freely during meetings, and participate in decisions on significant

matters related to the company's operations as owners. Shareholders are also entitled to fair returns. Furthermore, shareholders can provide suggestions or comments regarding the company's business operations to the Board of Directors, independent directors, and the company secretary, who will compile and present them to the Board for consideration.

2.2 Employees

Employees are the company's most valuable asset and a key factor in its success. The company is committed to treating all employees fairly and appropriately, adhering strictly to international human rights standards according to company policy. This includes non-discrimination, appropriate compensation and benefits, and merit-based promotions and transfers. The company strives to foster a positive work culture and environment, promoting teamwork, treating employees with respect, upholding human rights, and utilizing human resources for the maximum benefit of the company.

The company provides compensation and benefits that exceed legal requirements, ensuring they align with the company's performance and individual employee evaluations. This policy is clear, concrete, and communicated to all employees. Moreover, the company is responsible for maintaining a safe working environment, adhering strictly to labor laws, and ensuring the safety of employees' lives and property. The company also follows personnel development principles to enhance the skills and knowledge of employees at all levels. It respects employees' human rights and privacy, ensuring that personal information such as salary, medical history, and family details are not disclosed to outsiders unless required by law. Furthermore, the company emphasizes environmental and safety training for employees to ensure a shared understanding and adherence to these practices.

2.3 Customers

The company prioritizes creating value and growing alongside its customers, earning their trust, which is a key factor in the company's business success. The company treats customers with sincerity and courtesy, continually seeking ways to better meet their needs. This commitment is clearly outlined in the company's business ethics policy, which includes producing and delivering certified, high-quality products that meet agreed-upon standards at fair prices. The company provides accurate, sufficient, and timely information, ensures the secure management of customer data, and upholds customer confidentiality by not misusing their information for personal or related parties' gain. Additionally, the company has a system in place for customers to file complaints regarding product quality, quantity, and safety, among other concerns.

The company is dedicated to delivering products and services that meet customers' true needs in terms of quality and fair pricing. Furthermore, the company strives to develop and maintain sustainable relationships with its customers by offering feedback on products and services, providing advice on problem-solving, and accepting complaints. This feedback is used to develop action plans to improve operational efficiency, ensuring customers' confidence and satisfaction in the company's products and services.

2.4 Partners and/or Debtors

The company has a policy to treat business partners and creditors equitably and fairly, prioritizing the company's best interests while maintaining fairness for both parties. It avoids situations that may lead to conflicts of interest and ensures the provision of accurate and truthful information, as well as compliance with contracts and adherence to creditor terms, including repayment of principal, interest, and management of collateral. The company also clearly sets out terms regarding guarantees, capital management, and default situations in a transparent and well-structured manner.

Any business dealings with partners must not damage the company's reputation or violate any laws. The company promotes equality in business practices and mutual benefit with partners. Partner selection is

conducted fairly, and the company's partners must respect human rights principles, treat labor fairly, and operate with social and environmental responsibility. The company views its partners as key contributors to creating value for customers and fostering sustainable growth for the company.

2.5 Competitors

The company has a policy to support and promote free and fair competition, including setting guidelines for dealing with competitors within the legal framework of trade competition practices. It is committed to not violating or improperly acquiring competitors' trade secrets through fraudulent, illegal, or unethical means.

2.6 Community

The company conducts its business with a strong sense of responsibility toward the community, alongside strengthening the organization. It actively contributes to improving the quality of life within the country by addressing community and social issues sustainably through its business processes and by continuously supporting community activities, especially in areas surrounding the company's operations. Moreover, the company encourages employees to participate in various activities to foster a sense of social responsibility. This approach helps the company earn recognition and trust from the community and society, ensuring long-term co-existence.

2.7 Government Agencies

The company has established guidelines for interactions with the government and public authorities within its anti-corruption policy. The company strictly adheres to relevant laws and regulations. It declared its commitment to join the Collective Action Coalition against Corruption (CAC) on February 26, 2014, as part of the Thai private sector's anti-corruption initiative. The company has been officially certified as a member by the Thai Private Sector Collective Action Coalition against Corruption (CAC) committee.

2.8 Society and Environment

The company consistently acknowledges its responsibility toward society and the environment, striving to be an active participant in supporting social welfare and local activities in areas where it operates. The company complies with all relevant laws and regulations, often exceeding the required standards, while taking care to ensure its operations do not negatively impact the quality of life in society, communities, or the environment. It promotes and contributes to societal development in areas such as improving quality of life, supporting education, energy conservation, efficient resource use, and environmental protection.

Furthermore, the company emphasizes environmental communication and knowledge sharing with relevant stakeholders to collectively safeguard the environment. It also shares its expertise with society for mutual benefit and maintains a strong commitment to avoiding violations of intellectual property and copyrights. The company has established policies governing the use of its IT systems and regularly audits the software used by employees to prevent the use of unauthorized or pirated software. In addition, the company ensures that its trademarks are properly registered to prevent intellectual property infringements.

The company is dedicated to producing environmentally friendly products and services, fully complying with environmental laws, promoting natural conservation, and selecting and encouraging the use of eco-friendly products. Further details on these initiatives can be found in the sustainability development section.

Additionally, the company has implemented a formal complaint policy, allowing employees and all stakeholders to inquire, file complaints, or report legal violations, financial misreporting, rights violations, internal control deficiencies, or breaches of business ethics to the company's audit committee. All complaints, whistleblowing reports, and the identity of whistleblowers are protected and kept confidential under established protection measures. The company follows a specific procedure for handling such complaints.

Complaint Handling Process

1. Complaint Review: When a complaint or whistleblowing report is submitted through the company's designated channels, the Audit Committee assigns the Internal Audit Department to investigate the facts. In cases where necessary, an additional investigation committee may be appointed. If wrongdoing is confirmed, the company will impose appropriate penalties and report the misconduct and complaint to the Audit Committee and the Board of Directors.

2. Fact-Finding and Action: The Internal Audit Department collects the relevant facts and investigates before notifying the relevant department head. They will discuss corrective measures to address the issue, following principles of transparency and fairness for all stakeholders. Measures will also be developed to prevent similar incidents from occurring in the future.

3. Outcome Reporting: The Internal Audit Department will summarize the details of the complaint, along with any proposed corrective actions (if applicable), and report to the Audit Committee for recommendations on handling the complaint and preventing recurrence. The report will include solutions for affected parties and any further actions. The complainant will also be informed of the results and any follow-up actions taken.

Channels for reporting clues or complaints are as follows:

Written Direct Complaint

- By mail : Addressed to Complaint Center of Mc Group Public Company Limited No. 448,450,
On Nut Road, Prawet Sub-district, Prawet District, Bangkok 10250
- E-mail :
 - 1) Chairman of Audit Committee : auditcommittee@mcgroupnet.com
 - 2) Chief Executive Officer : james.a@mcgroupnet.com
 - 3) Assistant Vice President,
Internal Audit Division : somporn.u@mcgroupnet.com
 - 4) Direct Superior

Complaint Center

- 1) E-mail: contactcenter@mcgroupnet.com,
- 2) By phone at Tel. 02-117-9999, Fax. 02-117-9998

In the case of the complaint through other complaint recipient channel not through the Chairman of Audit Committee, please cc e-mail to the Chairman of Audit Committee.

Information related to complaints is confidential and will be disclosed only as necessary. The company has measures in place to protect the whistleblower, the person being complained about, and other involved parties. Whistleblowers have the option to remain anonymous. Either the whistleblower or the person complained about may request that the company implement appropriate protective measures. The company may also establish protective measures proactively if it deems that there is a risk of harm or safety concerns.

Principle 3 Strengthen Board Effectiveness

The Board of Directors recognizes the importance of their role in overseeing the company for its maximum benefit. It is essential for the board members to understand their roles, duties, and responsibilities. To ensure effective and efficient execution of their duties, the board has established a suitable structure for the Board of Directors.

Composition of the Board of Directors

1) The Board of Directors consists of at least 5 members, appointed and removed by the shareholders' meeting. At least half of the directors must reside in the Kingdom of Thailand and must meet the qualifications required by law.

2) The Board must include independent directors who make up at least one-third of the total number of directors, but not fewer than 3 individuals. The qualifications for independent directors must adhere to the criteria set by the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

3) The Board encourages having members with diverse professional skills, experience, and expertise beneficial to the company and its subsidiaries. This includes considering factors such as gender, nationality, religion, age, and professional skills to ensure a broader perspective. This diversity is intended to improve decision-making processes and enhance effective and sustainable oversight of business operations.

Upon appointment, new directors will receive an orientation program, including a handbook and relevant information, to familiarize them with their roles and responsibilities as members of the Board.

The Board will review and structure its composition to ensure effective oversight of business strategies for sustainability. This may include delegating specific responsibilities to sub-committees to manage and oversee the implementation of sustainability strategies.

Qualifications for Board of Directors

The qualifications for a Board of Directors member are as follows:

1) Directors must meet the qualifications and not have any prohibitions as outlined in the Public Limited Companies Act B.E. 2535 (including amendments) ("Public Limited Companies Act"), the Securities and Exchange Act B.E. 2535 (including amendments) ("Securities Act"), as well as related announcements, regulations, and/or rules, and the company's regulations. Directors must also have a trustworthy reputation according to the Securities and Exchange Commission's announcements and must be listed in the system of directors and executives of listed companies as specified by the Capital Market Supervisory Board's regulations.

2) All directors must possess the knowledge, skills, and experience beneficial to the company's business operations, demonstrate leadership, have a broad vision, and be able to perform their duties and provide opinions independently. They must also exhibit honesty, integrity, and business ethics, be able to dedicate sufficient time to their duties, understand the company's business operations, and have a good overall view of the business.

3) Directors must not engage in activities that are the same as or compete with the company's or its subsidiaries' business, nor be partners or directors in any other company engaged in similar and competitive activities unless they disclose this information to the shareholders' meeting before the appointment resolution.

4) Directors can hold positions on the board of directors of no more than 5 listed companies.

Qualifications for Independent Directors

1) Hold no more than 1% of the total voting shares of the company, its parent company, subsidiaries, associates, major shareholders, or controlling persons of the company. This includes shares held by related parties of the independent director.

2) Not be or have ever been an executive director, employee, salaried consultant, or controlling person of the company, its parent company, subsidiaries, associates, or major shareholders, unless at least 2 years have passed since such affiliation ceased. This restriction does not apply to situations where the independent director was a government official or advisor to a government agency that is a major shareholder or controlling person of the company.

3) Not be related by blood or legal registration as a parent, spouse, sibling, or child, including the spouse of a child, of another director, executive, major shareholder, controlling person, or a proposed director, executive, or controlling person of the company or its subsidiaries.

4) Have no or have not had a business relationship with the company, its parent company, subsidiaries, associates, major shareholders, or controlling persons of the company in a manner that could impede independent judgment. This includes being or having been a significant shareholder or controlling person of a business with a similar relationship. The business relationship includes normal commercial transactions, leasing of property, asset or service transactions, or financial assistance such as loans, guarantees, or pledges. This also includes any other similar circumstances resulting in a liability of 3% or more of the company's net tangible assets or 20 million baht, whichever is lower. Such liabilities must be considered for transactions occurring within 1 year prior to the business relationship.

5) Not be or have ever been an auditor of the company, its parent company, subsidiaries, associates, major shareholders, or controlling persons, and not be a significant shareholder, controlling person, or partner of an audit firm where the company's auditor is affiliated, unless at least 2 years have passed since such affiliation ceased.

6) Not be or have ever been a professional service provider, including legal or financial advisors, who received more than 2 million baht per year from the company, its parent company, subsidiaries, associates, major shareholders, or controlling persons. The independent director must also not be a significant shareholder, controlling person, or partner of the service provider, unless at least 2 years have passed since such affiliation ceased.

7) Not be a director appointed to represent the company's directors, major shareholders, or shareholders associated with major shareholders.

8) Not engage in a business that is the same as or in competition with the company's or its subsidiaries' business, nor be a partner or director in a business with similar and significant competition, or hold more than 1% of the voting shares in another company with a similar and significant competitive business.

9) Be able to participate in board meetings to make decisions independently.

10) Have no other characteristics that would impair the ability to provide independent opinions on the company's operations.

11) Be able to protect the interests of all shareholders equally.

12) Be able to manage conflicts of interest.

Once appointed as an independent director with the qualifications specified in points 1) to 12) above, the independent director may be assigned by the board of directors to make decisions related to the company's operations, the parent company, subsidiaries, associated companies, or entities that may have conflicts of interest, through a collective decision-making process, without being considered as having a role in management.

In cases where an independent director appointed by the company has or has had business relationships or provided professional services exceeding the value specified in points 4) or 6), the company may seek an exemption from the prohibition on such relationships or services exceeding the specified value. This is contingent upon the company obtaining a statement from the board of directors indicating that, in accordance with Section 89/7 of the Securities and Exchange Act, the appointment of such a person does not impact the independent performance of duties and opinions. Additionally, relevant information must be disclosed in the shareholders' meeting notice regarding the appointment of the independent director.

Independence of the Board of Directors from Management

The policy on the independence of the board of directors from management ensures a clear separation of duties between the board and management. The board is responsible for defining the company's strategy, objectives, policies, plans, and business goals, as well as providing recommendations and overseeing management's performance. The board will understand the scope of its responsibilities and define the scope of delegated duties to management clearly, ensuring that management performs according to the assigned responsibilities. Meanwhile, management is responsible for executing and managing various aspects according to the strategy, policies, and plans approved by the board of directors.

Additionally, the roles of Chairman of the Board and Chief Executive Officer (CEO) are held by different individuals. This separation ensures distinct powers, duties, and responsibilities for each role, with both positions being selected by the board to ensure the most suitable candidates are appointed.

Appointment of Independent Directors

For the appointment of individuals as independent directors of the company, such individuals must meet the definition of an independent director as set by the company, which aligns with the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange.

The Board has assigned the Nomination and Remuneration Committee the responsibility for evaluating, selecting, and screening individuals with suitable qualifications according to the company's regulations. These candidates are then presented for approval by the Board of Directors and subsequently for appointment by the shareholders' meeting. The appointment of directors follows the company's regulations as detailed below:

- Directors may or may not be shareholders of the company.
- The company must have a board of directors to manage its operations, consisting of at least five (5) members, with at least half (1/2) of the total number of directors residing in Thailand.

Criteria and Procedures for Recruiting Company Directors and Sub-Committees

The Nomination and Remuneration Committee selects candidates based on their qualifications, expertise from diverse professions, leadership qualities, broad vision, ethical standards, and transparent work history. The criteria should include the following key elements:

1 Desired Characteristics for Each Director

The board should consist of directors who meet all qualifications and do not have any disqualifications as per legal requirements and the board's charter.

2 Required Knowledge and Expertise

The Nomination and Remuneration Committee determines the necessary knowledge and expertise for board members, including what will be essential for the company in the next 3-5 years. A Board Skills Matrix is developed to aid in recruiting and nominating individuals with the required specialized skills to help the board set strategies, policies, and oversee their effective implementation.

3 Diversity of Directors

In addition to the aforementioned qualifications, the Nomination and Remuneration Committee may also consider diversity in other aspects such as gender, age, ethnicity, and nationality.

The board recognizes the importance of having a well-defined process for selecting directors and sub-committees, acknowledging their crucial role in setting the vision, mission, policies, main objectives, strategies, and business directions to safeguard the company's and its subsidiaries' rights, benefits, and sustainable growth. This aligns with good corporate governance policies.

As outlined in the board's charter, the board should comprise members with full qualifications and no disqualifications as defined by law, and should ensure diversity in skills, experience, knowledge, and specialized expertise beneficial to the company. There should be no restrictions or discrimination based on gender, age, ethnicity, or nationality to achieve business objectives and goals, support good governance practices, ensure fairness, transparency, long-term shareholder value, stakeholder confidence, and sustainable growth.

Process for Recruiting and Selecting Directors

The process of recruiting and selecting new directors consists of four steps as detailed below:

1. Planning

To ensure that the Nomination and Remuneration Committee carefully plans and outlines the recruitment process for suitable candidates to be elected as new directors in a timely and meticulous manner, the Company Secretary is responsible for the following tasks, which will be presented to the Nomination and Remuneration Committee for consideration:

- Review the knowledge, skills, and experience of directors using the Board Skills Matrix.
- Reassess the qualifications for independent directors of the company.
- Compile guidelines for selecting candidates for the company's board of directors, including qualifications required by board resolutions, ethics, and corporate governance best practices, referencing organizations like the Securities and Exchange Commission (SEC) and the Thai Institute of Directors (IOD).
- Propose a timeline for the recruitment process that aligns with the schedule for the Nomination and Remuneration Committee meetings, board meetings, and shareholder meetings.

2. Candidate Sourcing

Candidates for consideration as new directors can be sourced from the following:

2.1 Nomination by Board Members

The Chair of the Nomination and Remuneration Committee will request that current board members propose names of individuals who meet the qualifications outlined in the Board Skills Matrix and align with the company's business strategies within a specified timeframe.

2.2 Nomination by Shareholders

To enable minority shareholders to participate in the director recruitment and appointment process, the company will provide a period of no less than three months during which all shareholders can submit names of potential candidates for election as directors. The Nomination and Remuneration Committee will review these nominations and present a recommended timeline for consideration by the board, ensuring sufficient time for selection. The Company Secretary will notify the Stock Exchange of Thailand (SET) about the timeline and publish the details on the company's website.

2.3 Sourcing from Reputable Databases

The Company Secretary will gather names from reliable sources, including the Thai Institute of Directors (IOD) list of Chartered Directors and directors of listed companies with qualifications that align with the company's Board Skills Matrix. These names will be submitted to the Nomination and Remuneration Committee for consideration.

3. Selection

The Company Secretary compiles the names gathered in step 2 and presents them to the Nomination and Remuneration Committee for consideration. The Nomination and Remuneration Committee (excluding directors with conflicts of interest) will evaluate the suitability of the director candidates based on the Board Skills Matrix, screening individuals who are qualified to be new directors. The committee considers the diversity of the Board's structure and selects individuals with the knowledge, expertise, or experience that will contribute useful recommendations for the formulation of business strategies and policies in line with sustainable development. These recommendations are then presented to the Board of Directors for further consideration.

Additionally, the Company Secretary will preliminarily check the qualifications of those nominated, using public information sources related to their roles as directors or executives in other companies, to avoid any potential conflicts of interest with the company. This also includes verifying their qualifications as independent directors.

4. Election

4.1 Election of Directors to Replace Retiring Directors

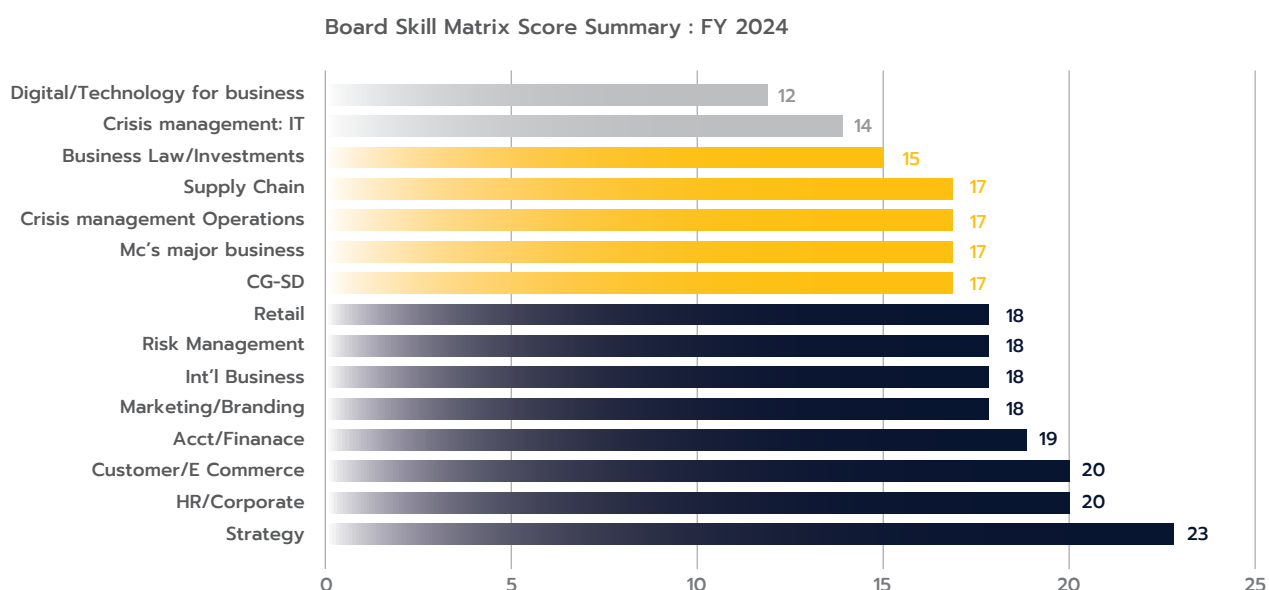
The Board of Directors (excluding directors with conflicts of interest) will thoroughly consider the qualifications of the nominees presented by the Nomination and Remuneration Committee on an individual basis. They will nominate the most suitable individuals for the Annual General Meeting of Shareholders to consider for election as directors.

4.2 Election of Directors to Replace Directors Who Leave During Their Term

The same process as the election of directors replacing retiring directors is followed, but the Board of Directors directly elects the replacement directors without needing shareholder approval.

In cases where the departing director has less than two months remaining in their term, the law requires that the shareholders' meeting elect a replacement.

In 2024, the Board of Directors evaluated the diversity of the board's skills (Board Skill Matrix) and submitted the results to the Nomination and Remuneration Committee. This was done to review the skills, knowledge, experience, and specialized expertise of the directors. The summarized results of the board's skill diversity assessment are as follows:



Note: scoring based on Awareness (1), Practical (2), and High Competency (3), thus maximum score of 24 points per topic

The assessment results revealed that all eight board members possess the necessary knowledge, skills, and experience suitable for the company's business operations. Their qualifications align with the company's vision, strategies, and sustainability goals. However, there is still a need to enhance their knowledge and skills in digital technology and IT crisis management. In the Board of Directors meeting No. 3/2024 held on June 28, 2024, the company organized a training session on technology, specifically applying digital technology in business, under the topic "Automation & AI in Fashion and Retail Industry." This session was conducted by external technology experts to help further develop the knowledge and skills of the directors, executives, and employees.

Additionally, the company has one non-executive director, Khun Usara Yongpiakul, who possesses the knowledge, skills, and expertise relevant to the company's business. She currently holds the position of Chief Executive Officer of the Retail Group at Siam Piwat.

Director Training

The company promotes and facilitates the training and education of those involved in the corporate governance system. This helps enhance their understanding of good corporate governance principles, regulations, and the roles and responsibilities of directors in effective and ethical management. Board members participate in training/seminars offered by the Thai Institute of Directors (IOD) and other related institutions.

New Director Orientation

In cases of new director appointments, the Board of Directors recognizes the importance of familiarizing new directors with their duties. The Company Secretary will arrange an orientation session and provide essential documentation to assist the new directors in understanding the company's business plans, products and services, securities and shareholder information, organizational structure, and key legal matters relevant to their roles. The following documents are provided:

- 1) Board of Directors' scope of authority
- 2) Business ethics
- 3) Organizational structure and executive list
- 4) Group shareholding structure
- 5) Securities and shareholder information, certificates, and regulations
- 6) Company business plan
- 7) Risk management overview
- 8) D&O (Directors & Officers Liability Insurance)

Senior executives will present key information about the company and provide the directors' handbook and code of ethics for both directors and employees. The company also encourages directors to participate in further training to enhance their understanding of their roles and responsibilities under the company's good corporate governance campaign.

Principle 4 Ensure Effective CEO and People Management

The Board of Directors recognizes that senior executives at all levels play a vital role in driving the company towards its goals. The Board is responsible for overseeing that the recruitment process for such personnel is conducted fairly and transparently, considering their knowledge and experience. The Board ensures that the management and development of personnel are aligned with the company's strategy. In terms of personnel management, the company encourages its directors and senior executives to attend training courses recommended by the Securities and Exchange Commission (SEC) and organized by the Thai Institute of Directors (IOD). This is to ensure that directors, senior executives, and the Company Secretary are well-informed of the regulations and best practices necessary for fulfilling their roles with honesty, diligence, and in the best interests of the company and its shareholders.

Top Management

CEO Selection Process

1. The Nomination and Remuneration Committee selects suitable candidates by screening those with appropriate qualifications, who may be sourced from both within and outside the organization.

2. In the process of selecting the CEO, the committee seeks individuals with the knowledge, skills, and experience beneficial to business operations, or candidates nominated by senior executives of the company. These candidates are then presented to the Nomination and Remuneration Committee for appointment consideration.

Criteria for CEO Selection

1. The CEO must possess knowledge, skills, and management experience relevant to the company's business. They should have expertise in areas beneficial to the company and aligned with its business strategy, without discrimination based on gender, age, race, etc.

2. The candidate should demonstrate leadership, vision, ethics, and a positive attitude towards the organization, dedicating sufficient time to contribute to the company's operations.

3. Essential knowledge and skills for the CEO position:

- Visioning and Strategic Planning
- Planning and Organizing
- People Management
- Problem Solving and Decision Making
- Change Management

4. The candidate must have a transparent work history and must not have any disqualifying characteristics as specified by the Securities and Exchange Commission (SEC).

Performance Evaluation and Compensation of Senior Executives

The Nomination and Remuneration Committee evaluates the performance of the CEO and senior executives based on the company's business results and their execution of policies set by the Board of Directors, considering overall economic and social conditions. The committee uses this information to determine appropriate compensation for the CEO and senior executives, reviewing both current and historical data as follows:

1. Business performance, mainly assessed through sales and net profit, with targets set according to the annual budget.

2. Comparison of the company's business performance with other companies in the same industry.

3. Ability to develop the business and improve operational efficiency, including performance in ESG areas such as customer satisfaction (NPS Score), employee satisfaction surveys, health and safety goals, and environmental metrics like greenhouse gas reduction and resource conservation.

Succession Planning for Senior Executives

To prepare for the future, the company has a policy to develop necessary skills for successors in key positions. The succession planning process is overseen by the Executive Committee, supported by the Human Resources department. The Nomination and Remuneration Committee ensures that a succession plan is in place for the CEO and other senior executives to maintain smooth and continuous business operations. This plan is reviewed annually.

Principle 5 Nurture Innovation and Responsible Business

The Board of Directors prioritizes conducting business in a way that benefits society and the environment, in accordance with good corporate governance as prescribed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). This approach has been continuously implemented under ethical standards, with a transparent and fair management system for all stakeholders. This helps build shareholder confidence and trust in investing in the company's business. The company has established an Executive Committee to oversee and monitor management to ensure responsible business practices towards society and the environment, in alignment with its sustainable objectives and goals. The company also emphasizes the development of its people, who are seen as a crucial resource. By promoting a conducive working environment and instilling corporate values, the company encourages employees to innovate and take initiative within an open and transparent workplace. Furthermore, the company supports skill development and potential growth through training, enabling employees to advance in their careers and find satisfaction in their work. This contributes to creating a work environment where all employees feel proud of and confident in the organization. In terms of innovation, the company supports research and the development of new products to meet future demands, thus enhancing business opportunities. It has also improved IT systems to optimize work processes, such as reducing time and costs.

Code of Conduct

The company upholds a business policy grounded in the highest ethical standards, including maintaining company confidentiality, working with honesty and integrity, abiding by the law, respecting mutual rights, and safeguarding company assets and the external environment. The Board of Directors, management, and all employees are responsible for strictly adhering to these standards, and the Board regularly reviews the policies and their implementation each year. The company follows principles of good corporate governance to ensure organizational sustainability, as follows:

1. Business operation guidelines
2. Compliance with laws, company regulations, and relevant rules
3. Responsibility towards the community and society
4. Environmental protection and preservation
5. Non-discrimination, labor rights, and universal human rights
6. Safety, occupational health, and environmental considerations
7. Anti-corruption and anti-bribery practices
8. Guidelines on receiving or offering financial support, gifts, hospitality, and donations for charitable or public purposes
9. Conflict of interest prevention
10. Protection of the company's intellectual property
11. Confidentiality and disclosure of information
12. Information and IT security management
13. Anti-unfair competition measures
14. Avoiding insider trading for personal gain
15. Procurement and supply chain management practices
16. Cooperation with internal control and auditing
17. Political rights and participation
18. Employee relations
19. Customer relations
20. Vendor and/or creditor relations
21. Fair competition with business rivals
22. Ensuring ethical practices and regular review of company ethics

The company has published its full Code of Conduct on its website:

<https://www.mcgroupnet.com/th/investor-relations/corporate-governance/policy>

Anti-Corruption Measures

The company has a clear anti-corruption policy that has been communicated at all levels of the organization and to external parties to ensure practical implementation. To ensure the company maintains appropriate responsibilities, practices, and procedures to prevent corruption in all its business activities, the company has established a written “Anti-Corruption Policy” as a clear guideline for conducting business. This policy supplements the company’s business ethics and is a step toward sustainable development. The anti-corruption policy has been publicly disclosed on the company’s website.

Principle 6 Strengthen Effective Risk Management and Internal Control

The Board of Directors has established a Risk Management Committee responsible for overseeing the risk management system and internal control processes to ensure compliance with relevant laws and standards. The company’s internal audit department, operating independently, is responsible for conducting audits, as reported in the annual disclosure form (Form 56-1 One-Report). The company has established policies and guidelines for effective risk management as follows:

Risk Management Policy

1. Risk management is the responsibility of the Board of Directors, management, and employees at all levels. Each must recognize the risks involved in their operations and in the company, ensuring adequate and appropriate risk management across all areas.

2. All business units must have risk management processes, establish risk indicators, preventive measures, and mitigation strategies, and perform systematic and ongoing assessments and monitoring. Processes should be updated regularly, at least once a year, to reflect changes in the business, with risk-related reports prepared in accordance with risk management frameworks.

3. Risk assessment must be integrated into the annual plans of all departments, considering all risks across the organization, both internal and external. Proper risk management and early warning systems must be implemented.

4. The Audit Committee is responsible for monitoring risk management and providing feedback to the Board of Directors.

5. The company promotes a risk-aware organizational culture, fostering shared understanding and responsibility for risk management across all personnel levels.

Internal Control System

The company has established an internal audit department to review the operations of all departments, ensuring that internal controls are effectively implemented and adhered to on a regular basis. This instills confidence in management and stakeholders that the internal control systems are effective. The internal audit department also identifies deficiencies and weaknesses and recommends improvements to enhance operational efficiency. The internal audit team operates independently, ensuring they can provide checks and balances and report directly to the Audit Committee.

Management of Insider Information

The company places high importance on managing insider information, which is critical to good corporate governance. Therefore, it has established a policy for the prevention of insider information misuse, particularly information that could affect stock prices. This policy serves as a guideline to prevent the use of insider or confidential company information, not yet publicly disclosed, for personal or third-party gain. It also ensures compliance with the regulations of the Stock Exchange of Thailand, the SEC, and other relevant rules and regulations as follows:

1. The Corporate Secretary's office is responsible for educating directors and executives on their duties to report the shareholdings of themselves, their spouses, and their minor children to the SEC, as required by Section 59 and the penalty provisions under Section 275 of the Securities and Exchange Act B.E. 2535 (including any amendments). This also includes reporting the acquisition or disposal of securities by themselves, their spouses, and their minor children to the SEC, as per Section 246 and the penalty provisions under Section 298 of the same Act (including any amendments).

2. Directors, executives, their spouses, minor children, and related persons with an obligation to report their securities holdings and changes in securities holdings to the SEC under Section 59 and Section 246 must notify the Corporate Secretary, who is assigned by the Board of Directors, at least one day prior to any transaction. They must also submit a copy of the report on securities holdings changes to the company on the same day they file the report with the SEC.

3. Directors, advisors, employees, any other individuals working for the company, related persons, and those privy to inside information—such as auditors, financial advisors, and legal advisors—are prohibited from using the company's inside information that could or may affect the company's securities prices, or information related to the preparation of financial statements that has not yet been disclosed to the public. They are not allowed to use such information for the purchase, sale, or offer to buy or sell, or to encourage others to buy or sell, the company's shares or other securities (if any), either directly or indirectly, in a manner that could potentially harm the company, either directly or indirectly. This restriction applies whether the actions are for personal benefit or for others, and whether or not the disclosure of such information was made for compensation or not.

4. Directors, advisors, employees, any other individuals working for the company, and related persons who are privy to inside information, such as auditors, financial advisors, or legal advisors, are prohibited from disclosing the company's trade secrets to external parties, particularly competitors, even after their service with the company has ended. They are also prohibited from referencing this information externally for personal or related-party benefit. Disclosure of information must comply with the company's information disclosure policy. Employees without authorization to disclose information must refer any requests for such information to the appropriate individuals to ensure accurate and consistent communication.

The company has established guidelines for managing insider or confidential information that could affect the price of securities as follows:

1. Implement an internal control system to prevent insider information leaks.
2. Maintain a list of insiders involved in transactions that could impact securities prices and have not yet been publicly disclosed ("confidential transactions").
3. Ensure that directors, executives, and employees involved in confidential transactions are aware of their duties regarding insider information.
4. Establish confidentiality agreements with consultants and other service providers (collectively referred to as "consultants") and require confirmation that these individuals have policies and systems in place to comply with the agreement before allowing access to confidential information.
5. In cases where confidential transactions require market testing (e.g., capital increases or securities offers), the company should understand the process, plan accordingly, and ensure adequate disclosure while preventing the misuse of confidential information.

Conflict of Interest

The Board of Directors has established a conflict-of-interest prevention policy, requiring all directors and executives to submit a report on their interests to the company secretary. In decision-making processes, the guiding principle is that all business activities must be conducted in the best interests of the company.

Any actions that may lead to conflicts of interest should be avoided. Those involved or having an interest in a particular matter must disclose their relationship or interest in that matter to the company and refrain from participating in the decision-making process, including having no authority to approve such transactions.

If a transaction potentially involving a conflict of interest arises and does not adhere to general trade conditions, it must be presented to the Board of Directors for approval. The Audit Committee will thoroughly review the appropriateness of the matter before it is presented to the Board of Directors or the shareholders' meeting, as the case may be. The company will comply with the relevant rules of the Capital Market Supervisory Board, the Securities and Exchange Commission (SEC), and/or the Stock Exchange of Thailand. The company has also disclosed the conflict-of-interest prevention policy and the procedures for compliance with this policy on its website.

Principle 7 Ensure Disclosure and Financial Integrity

The Board of Directors places great importance on the disclosure of both financial and non-financial information to the public. Key information disclosed by the company includes financial and non-financial data. In 2024, the disclosure of financial information, particularly the financial statements, has been reviewed/audited by the auditor to ensure accuracy in all material respects according to financial reporting standards. These financial statements have been approved by the Audit Committee/Board of Directors before being disclosed to shareholders. The Board of Directors reports its responsibility for the financial statements in the annual registration statement/annual report (Form 56-1 One Report) and discloses details of the remuneration of the Board of Directors under the section "Management Structure." For the disclosure of non-financial information, the company adheres to the requirements set by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), which includes related party transactions and management's analysis. These are made available through the SET's website (www.set.or.th), the SEC's website (www.sec.or.th), and the company's website (www.mcgroupnet.com), with regular updates to ensure timely, easily accessible, and useful information for users. If there are any inquiries, the Investor Relations Department can be contacted at 0-2117-9999 ext. 1215 or via email at ir@mcgroupnet.com, ensuring that shareholders and stakeholders receive information equitably.

Additionally, the company emphasizes its relationships with shareholders, general investors, and analysts by making corporate information available to both current shareholders and those interested in future investments. In the 2024 fiscal year, the company had no instances of delayed submission of quarterly or annual financial reports and no cases where regulatory bodies such as the SEC required revisions to the quarterly or annual financial statements.

Disclosure and Transparency

The company places great importance on the accurate, complete, transparent, timely, and standardized disclosure of information, in accordance with the regulations of the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). This includes financial reports, general information, and other critical information that may impact the company's stock price and influence investor and stakeholder decisions. The company ensures that all relevant parties are provided with information equally by disclosing it through the SET's channels and the company's website at www.mcgroupnet.com.

The Board of Directors acknowledges its responsibility in preparing the company's consolidated financial statements, as well as other information provided to shareholders through the annual registration statement/annual report (Form 56-1 One Report). The board oversees the quality of the consolidated financial reports, ensuring that they are prepared in accordance with generally accepted accounting standards, audited by reliable and independent auditors, and that the company adopts appropriate accounting policies and adheres to them consistently. The board ensures that the company's financial reports are accurate, complete, factual, and sufficiently disclosed.

Additionally, the board has appointed an Audit Committee to review the accuracy, completeness, and reliability of financial reports, ensuring that the information disclosed is accurate, clear, transparent, and timely, in compliance with the requirements for a listed company. The Audit Committee also reviews the internal control system to ensure it is effective and ensures compliance with laws and company regulations. Furthermore, the Audit Committee carefully reviews related party transactions or conflicts of interest for appropriateness and reasonableness before submitting them for the board's approval.

As of June 2024, the company has prepared a Management Discussion and Analysis (MD&A) to accompany the disclosure of financial statements each quarter. This provides investors with a clearer understanding of the changes in the company's financial position and performance beyond just the numbers in the financial statements.

Additionally, the company includes the Board of Directors' responsibility report on financial statements alongside the auditor's report and discloses audit fees and other services provided by the auditor in the annual registration statement/annual report (Form 56-1 One Report).

To comply with the Capital Market Supervisory Board's regulations on reporting the financial position and performance of listed companies, the company discloses information through the annual registration statement (Form 56-1 One Report), which includes details on each director, their roles, and the responsibilities of the Board of Directors and sub-committees. The report also discloses the remuneration of directors and senior executives.

The company has established an Investor Relations (IR) department to communicate important and useful information to institutional investors, shareholders, securities analysts, the media, and the general public. The IR department reports on its activities to the Board of Directors quarterly to ensure that the company's IR operations comply with good corporate governance principles, providing transparent and equal information. The company avoids unequal information disclosure that could lead to insider trading or stock price manipulation. A Quiet Period of 15 days is imposed before the announcement of the financial results until the announcement is made to the Stock Exchange of Thailand. The Quiet Period is announced on the company's website under the IR Calendar section.

Principle 8 Ensure Engagement and Communication with Shareholders

The Board of Directors recognizes the importance of shareholders and has a policy to treat all shareholders equally and fairly, as outlined in the company's corporate governance policy. The fundamental rights of shareholders include the right to buy, sell, or transfer shares; the right to receive adequate, accurate, timely, and consistent information about the company; the right to dividends; the right to attend and vote at meetings to appoint or remove directors and auditors; the right to be informed of the rules and procedures for attending meetings and to receive sufficient information for consideration; and the right to participate in proposing agenda items and nominating directors. Shareholders also have the right to ask questions at meetings and to appoint proxies to attend meetings on their behalf.

The company holds an Annual General Meeting (AGM) of shareholders every year within four months after the end of the company's fiscal year. In cases of urgency requiring consideration of a special agenda that may affect or involve shareholders' interests and require shareholder approval, the Board of Directors can call an Extraordinary General Meeting (EGM) as necessary. During shareholder meetings, the company ensures that shareholders' legal rights are upheld, and no actions are taken to infringe upon or limit those rights.

Before the shareholders' meeting:

- The company prepares the invitation to the shareholders' meeting in both Thai and English. For the Annual General Meeting (AGM), the invitation is published on the company's website in advance and sent to shareholders at least 21 days before the meeting. This ensures that shareholders receive the documents well in advance and have sufficient time to review the information.

- In the invitation, the company provides detailed facts, reasons, and the opinions of the Board of Directors to support shareholders' decisions. The agenda for the AGM includes:

- 1) Director Appointment Agenda: The full name, age, educational background, and work history of each director nominee, the number of companies they serve as directors (separately listed for public and private companies), selection criteria, type of director proposed, attendance record in the previous year, and the date they were first appointed as a company director are provided.

- 2) Compensation Agenda: Information regarding the policy, amount, and structure of director compensation, broken down by position and responsibility, is provided. The criteria and methods for determining compensation are also included for shareholders to review the compensation of the Board of Directors and all sub-committees.

- 3) Appointment of Auditor Agenda: Information about the auditor's name and auditing firm, auditor independence, and the appropriateness of audit fees (separately listed from other service fees) is included.

- 4) Dividend Payment Agenda: Information on the company's dividend payment policy, the proposed dividend amount for approval, and a comparison with the previous year's dividend is provided.

- No important documents are distributed suddenly during the shareholders' meeting, and no additional agenda items or material changes are introduced without prior notice to shareholders.

- To assist shareholders unable to attend in person, the company sends proxy forms as specified by the Ministry of Commerce. These forms allow shareholders to specify voting directions, and detailed proxy instructions are sent along with the meeting invitation. The forms are also made available for download on the company's website, where the names and profiles of independent directors are listed for shareholders to choose as their proxy representatives.

- The company facilitates shareholders by holding the meeting electronically (E-Meeting), allowing participation from anywhere. A computerized registration system processes voting results immediately after each agenda item, ensuring convenience, accuracy, and post-meeting verification. Shareholders are also given the opportunity to ask questions to the directors during the meeting, ensuring full participation and engagement.

At the shareholders' meeting:

- The company sets a pre-registration period two hours before the meeting. A computerized registration and e-Meeting system is used to ensure the accuracy, speed, and reliability of the information. Institutional shareholders can submit proxies in advance to prevent delays in starting the meeting due to late registrations.

- Voting rights at the meeting are based on the number of shares held, with one share equaling one vote.

- Before the meeting begins, the company explains the voting and vote-counting procedures to the shareholders.

- The company uses a voting system for each agenda item, providing separate ballots for each item. This allows shareholders to vote as they see fit, especially for the election of directors, where individual voting is conducted. All ballots for director elections (whether in favor, against, or abstaining) are collected.

- The voting results for each agenda item are displayed to the shareholders after the counting process.

- The shareholders' meeting is conducted in accordance with the agenda stated in the invitation, in a correct and transparent manner, as per the law and the company's regulations. The company has a policy not to add new agenda items without prior notice unless absolutely necessary, particularly on important issues that require shareholders to study the information before making a decision.

- The potential conflicts of interest of directors are clearly indicated in the invitation. During the shareholders' meeting, if any director has a conflict of interest or is involved in a particular agenda item, the chairman will inform the attendees before the discussion. The director with the conflict will not participate or vote on that agenda item. Additionally, the chairman of the board, directors, and relevant executives are responsible for attending the meeting to answer any questions raised by shareholders. During the meeting, the chairman ensures that shareholders are given the opportunity to express their opinions, make suggestions, or ask questions on any agenda item before voting, so that they have sufficient information to make informed decisions. For any issues that require further clarification, the company has prepared relevant personnel to provide answers under the responsibility of the Board of Directors throughout the meeting. The chairman ensures that the meeting proceeds according to the agenda outlined in the invitation sent to shareholders in advance, without altering the order or introducing new matters not listed in the invitation.

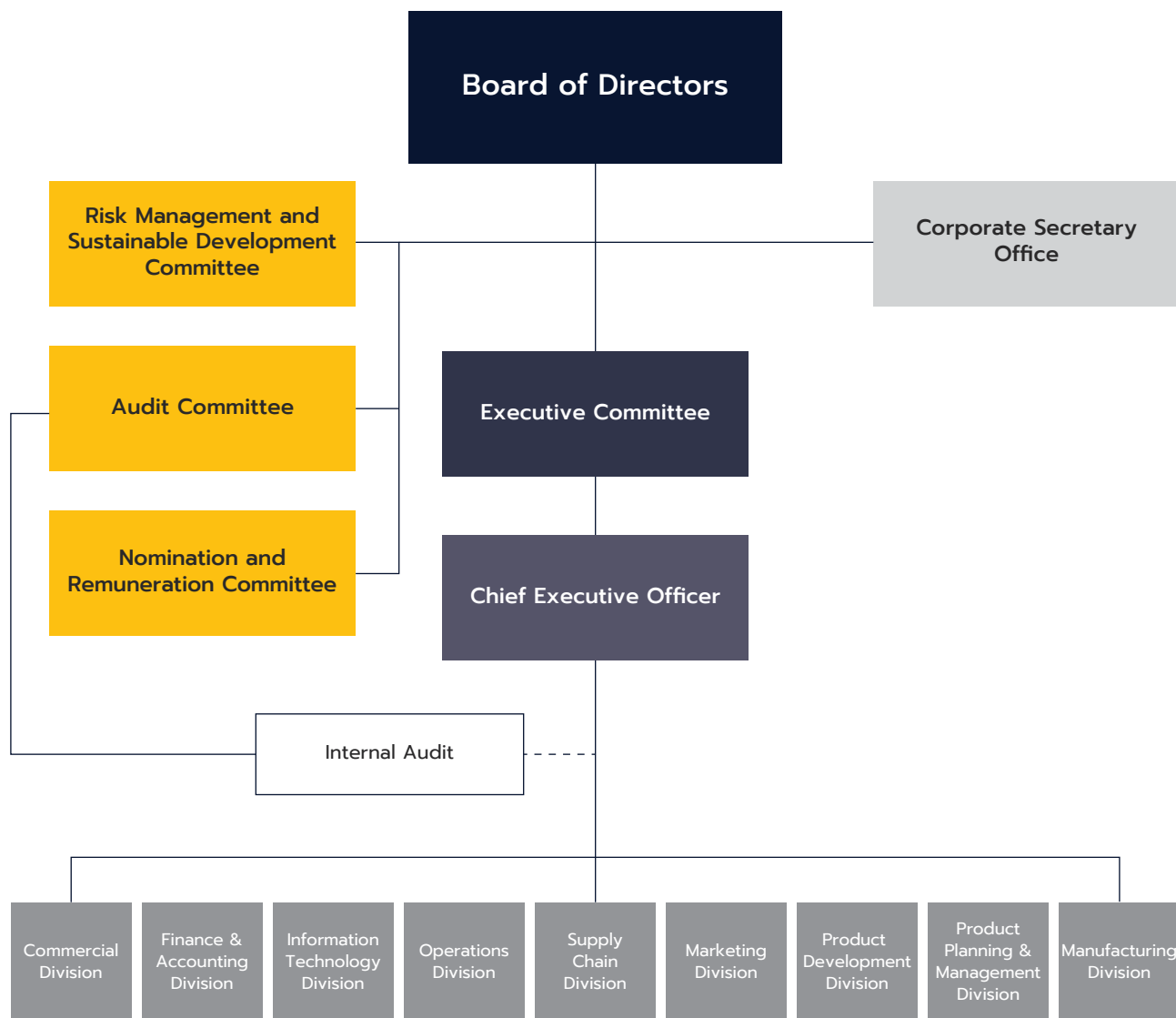
After the shareholders' meeting:

- The company submits the resolutions of the shareholders' meeting to the Stock Exchange of Thailand (SET) on the same day as the meeting, via the SET news system, ensuring that shareholders who did not attend the meeting are immediately informed.
- The minutes of the shareholders' meeting are prepared and submitted to the SET within 14 days from the meeting date, as required. The minutes are also published simultaneously in both Thai and English on the company's website.

7. Corporate Governance Structure and Key Information Regarding the Board of Directors, Sub-Committees, Executives, Employees, and Others

Corporate Governance Structure

As of June 30, 2024, the company's corporate governance structure is as follows:



Information about the Board of Directors

The Board of Directors is responsible for overseeing the company's operations in accordance with the law, company objectives, and regulations, as well as the resolutions of the shareholders. The Board ensures compliance with the guidelines and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission. They perform their duties with honesty and care, safeguarding shareholder interests, adhering to business ethics, and considering the interests of all stakeholders. Additionally, the Board is responsible for maintaining reliable accounting systems, financial reporting, and auditing processes. The Board also supervises four sub-committees including Audit Committee, Risk Management and Sustainable Development Committee, Nomination and Remuneration Committee, and Executive Committee.

As of June 30, 2024, the Board of Directors consists of 8 members, including 5 independent directors.

ชื่อ	ตำแหน่ง
1. Mrs. Kaisri Nuengsigkapan	Chairman of the Board of Directors
2. Ms. Sunee Seripanu	Vice chairman / Chairman of Nomination and Remuneration / Chairman of Executive Committee / Risk Management and Sustainable Development Committee Member
3. Mr. Virach Seripanu	Director / Executive Committee Member
4. Mr. Lucksananoi Punkrasamee	Independent Director / Chairman of Audit Committee / Nomination and Remuneration Committee Member
5. Mr. Kris Chanthanotok	Independent Director
6. Mrs. Usara Yongpiyakul	Independent Director / Audit Committee Member / Risk Management and Sustainable Development Committee Member
7. Mr. Siwat Chawareewong	Independent Director / Member of Audit Committee / Chairman of Risk Management and Sustainable Development Committee
8. Mr. Niran Pravithana	Independent Director / Nomination and Remuneration Committee Member

The directors authorized to bind the company are as follows: “Group A Directors, including Ms. Sunee Seriphan and Mr. Wirat Seriphan. Two members from Group A must sign together and affix the company’s official seal.”

The delegation of authority and responsibilities by the Board of Directors will not include power of attorney or proxy arrangements that allow the Board or its delegates to approve matters where they or any related party (as defined by the SEC or Capital Market Supervisory Board) may have a conflict of interest or receive any benefit, unless such approvals are in line with policies and guidelines approved by the shareholders or the Board.

The Board of Directors consists of members with the knowledge, skills, and experience necessary for overseeing business management. They are responsible for approving key matters related to the company’s management, such as policies, vision, strategy, goals, mission, business plans, and budgets, and for ensuring that management operates effectively and efficiently according to established policies within the legal framework, company objectives, regulations, and shareholder resolutions. They must act with integrity, diligence, and in accordance with good practice principles to maximize company value and ensure shareholder security.

All independent directors meet the qualifications set by the Capital Market Supervisory Board and related announcements and can perform their duties effectively and efficiently for the benefit of the company.

The Board promotes the inclusion of qualified individuals with diverse professional skills, experiences, and expertise beneficial to the company and its subsidiaries, regardless of gender, nationality, religion, age, or professional skills. This diversity enhances decision-making and improves the efficiency and sustainability of governance. The company also has a policy limiting directors to serving on no more than 5 other listed companies.

To ensure comprehensive governance and alignment with good corporate governance principles, the company has established sub-committees for various oversight functions and appointed a company secretary in accordance with the Securities and Exchange Act B.E. 2535 (including amendments). The company secretary helps ensure compliance with relevant laws and regulations and serves as a liaison between the company and external parties.

Scope of Authority, Duties, and Responsibilities of the Board of Directors

The Board of Directors has the following responsibilities:

Responsibility as Organizational Leaders in Creating Sustainable Value

1) Manage and supervise the company's and subsidiaries' operations to preserve the maximum rights and benefits of the company, subsidiaries, and shareholders (Fiduciary Duty) and to be fair to stakeholders by performing duties with responsibility, caution, and diligence (Duty of Care), with honesty (Duty of Loyalty). Comply with laws, objectives, company regulations, board resolutions, and shareholder meeting resolutions (Duty of Obedience), and disclose information to shareholders accurately, completely, transparently, and timely (Duty of Disclosure).

2) Supervise the management and operations of the company's and subsidiaries' management to align with objectives, core goals, policies, business plans, budgets, management structure, and approval authority to ensure competitiveness and good performance, including the company's business ethics. Consider long-term impacts, oversee the allocation of critical resources throughout the business value chain, management, and performance of individuals assigned to ensure policies are implemented effectively and efficiently to maximize value for the company and subsidiaries.

3) Establish and amend the company and sub-committee charters, approve proposals for amendments to charters to ensure they are current and appropriate to regulations, rules, and changing circumstances, and review the company charter at least annually..

Establish Objectives and Goals for Sustainability

4) Define the company's and subsidiaries' objectives, vision, mission, policies, core goals, and business strategies, considering good corporate governance principles, business ethics, respect for rights, social and environmental impacts, and responsibility towards shareholders and stakeholders. Regularly review strategies, business directions, business plans, and budgets with management to align with economic conditions, market situations, competition, and adaptability to changes.

5) Review the main operational plans, budgets, goals, and policies, and develop the company's and subsidiaries' capabilities to be internationally competitive..

Enhance Board Effectiveness

6) Define and review the board structure regarding the number of directors, independent director ratios, and diverse qualifications to suit the company's business. Appoint and define the roles of sub-committees to support the board's duties, oversee the performance of sub-committees according to their charters, and assess them regularly at least annually.

7) Ensure a transparent process for recruiting and electing directors by creating a Board Skill Matrix to define the desired qualifications, considering the company's business strategy. Determine director and sub-committee compensation appropriately for shareholder approval. When considering compensation, account for factors like alignment with the company's long-term strategy, experience, responsibilities, scope, and expected benefits from each director. Directors should dedicate sufficient time, attend board meetings and shareholder meetings, except in cases of force majeure, and notify the chairman or company secretary in advance if unable to attend.

8) Appoint individuals to the board or executive positions in subsidiaries and associates according to shareholding proportions to control management in accordance with the company's plans and policies, legal requirements, and related regulations. Ensure that subsidiaries and associates disclose financial status, operational results, related party transactions, and significant asset acquisitions or disposals accurately and completely.

9) Evaluate the board's performance annually, monitor the assessment results of the board and sub-committees, and use these results to improve board effectiveness. Regularly review the evaluation forms for the board and sub-committees and disclose evaluation criteria, procedures, and overall results in the annual report.

10) Continuously develop knowledge, skills, and expertise through training or participation in relevant courses and seminars to enhance board performance.

11) Appoint a company secretary as required by securities and exchange laws to assist the board in compliance with laws, announcements, and related regulations.

Recruit and Develop Senior Executives and Personnel Management

12) Review the management structure, senior executive development plans, and succession plans for the CEO, ensuring effective performance evaluation systems for senior executives annually. Implement a careful, transparent system for determining executive compensation that aligns with responsibilities and performance, fostering both short-term and long-term motivation. Monitor and manage personnel to ensure they have the appropriate number, knowledge, skills, experience, and motivation.

Promote Innovation and Responsible Business Conduct

13) Emphasize and support innovation that adds long-term value to the business while benefiting all stakeholders.

14) Monitor and ensure that the company's and subsidiaries' strategies and business plans are implemented, and measure management performance regularly. Provide policies for business development and improvement, considering safety, health, social and environmental responsibilities, and personnel development.

15) Oversee the management of information technology and security measures.

Ensure Appropriate Risk Management and Internal Control

16) Define risk management policies that cover the entire organization, ensure effective risk management, and regularly review and assess the risk management system, especially when risk levels change.

17) Promote ethical awareness among employees at all levels and adherence to good corporate governance principles and policies. Ensure the company and subsidiaries have appropriate internal controls and audits, assess the adequacy of internal control systems regularly, and prevent fraud, misuse of power, and legal violations.

18) Establish an audit committee and risk management committee that operate effectively and independently.

19) Supervise, control, prevent, monitor, and manage conflicts of interest between stakeholders, management, the board, or shareholders. Prevent improper use of company assets, information, and opportunities, and transactions with related parties. Directors must promptly disclose any interest in transactions or changes in shareholding.

20) Approve and/or provide opinions on significant transactions, including acquisitions and disposals of company or subsidiary assets, and related party transactions according to regulations of the Stock Exchange of Thailand, Securities and Exchange Commission, and Capital Market Supervisory Board. Define operational frameworks for management to handle transactions within legal and regulatory boundaries.

21) Establish and adhere to written corporate governance policies and communicate them throughout the company, ensuring compliance with anti-corruption policies, whistleblowing policies, and insider trading policies. Ensure effective application of these policies to maintain fairness to all stakeholders.

22) Oversee effective processes and channels for receiving and handling complaints or whistleblowing from all stakeholders, allowing direct contact with the board.

23) Set policies requiring directors and senior executives to notify the board or company secretary of their own company share trades at least one day in advance.

Maintain Financial Credibility and Disclosure

24) Ensure accurate accounting systems, financial reporting, and audits according to regulations and practices. Monitor financial liquidity and debt repayment capabilities.

25) Consider preparing a sustainability report as appropriate.

26) Oversee appropriate information disclosure processes and designate responsible parties for investor communication. Ensure timely, accurate, and complete information dissemination and promote the use of information technology for this purpose.

Support Shareholder Participation and Communication

27) Ensure shareholders are involved in significant company decisions and that annual shareholder meetings are orderly, transparent, effective, and allow shareholders to exercise their rights. Ensure proper disclosure of shareholder meeting resolutions and accurate, complete minutes. Respect and fairly treat all shareholders and stakeholders.

The board should have access to additional necessary information from the CEO, company secretary, or designated executives within policy limits. If necessary, the board may seek independent opinions from consultants or external professionals at the company's expense.

Additionally, the board charter defines the roles of the chairman, board composition, director qualifications, terms of office, board meetings, quorum, board approval authority, and compensation as follows:

Scope of Authority, Duties, and Responsibilities of the Chairman of the Board

The Chairman of the Board has the following duties and responsibilities:

- 1) Collaborate with the CEO to set the agenda for board meetings and ensure that board members receive accurate, complete, clear, and timely information before meetings, enabling them to make informed decisions.
- 2) Lead the Board of Directors and preside over board meetings:
 - 2.1) Conduct board meetings according to the agenda, the company's regulations, and legal requirements.
 - 2.2) Allocate sufficient time and encourage all board members to fully and independently discuss and exchange views, using careful judgment while considering all stakeholders.
 - 2.3) Clearly summarize meeting resolutions and follow-up actions.
 - 2.4) Ensure that board meetings include sessions without management representatives.
- 3) Lead shareholder meetings in accordance with the agenda, the company's regulations, and legal requirements. Allocate appropriate time, ensure equal opportunities for shareholders to express their opinions, and oversee that shareholder questions are answered appropriately and transparently.
- 4) Support and set a good example in adhering to good corporate governance principles.
- 5) Foster good relations between the board and management and support the CEO and management in fulfilling their duties according to company policies.
- 6) Oversee the transparency of information disclosure and management in cases of conflicts of interest.
- 7) Ensure that the board has an appropriate structure and composition.
- 8) Oversee that the board's performance, including that of its sub-committees and individual directors, is effective and efficient.

Board if Director's Meetings

Board members must regularly attend board meetings to be informed and to make decisions on the company's business. They must also approve important matters related to the company's operations, such as vision and mission, strategy, financial goals, risk management, plans, and budgets. Meetings should be held at least every 3 months and no fewer than 6 times a year. Each meeting will have a clearly defined agenda in advance, and special meetings may be held to address urgent matters. The board meeting should be called by the Chairman or the Company Secretary, upon the Chairman's instructions, and documents for the meeting should be sent to board members at least 5 business days before the meeting to allow sufficient time for review.

In voting at meetings, the quorum must consist of at least 2/3 of the total number of board members. Decisions are made by a majority vote of the attending members, with each member having one vote. Members with a conflict of interest will not attend the meeting or will abstain from voting on that matter. In the event of a tie, the Chairman will cast an additional deciding vote. Management may attend meetings to provide useful information and to understand policies directly, unless the meeting is exclusively for the board or non-executive board members to ensure independence in decision-making. At the end of the meeting, the Company Secretary is responsible for preparing the meeting minutes and presenting them for the Chairman's signature. The minutes will then be presented for approval at the next board meeting. Board members may request amendments to

the minutes to ensure accuracy. Approved minutes will be systematically filed as confidential documents at the Company Secretary's office and stored electronically with accompanying agenda documents for easy reference.

The company sets a board meeting schedule and subcommittee meetings in advance each year. The schedule is provided to the board annually in advance, with additional special meetings as needed. In board meetings, senior executives are invited to provide additional details relevant to their roles. Additionally, the board has designated non-executive directors to meet as needed to discuss issues related to their duties and management that impact business operations.

The board regularly reviews or acknowledges changes in important laws, industry updates, and corporate governance news. Furthermore, the board requires management to closely monitor and assess the company's financial position, with quarterly reports mandatory for the board.

Authority of the Board of Directors

The Board of Directors has the authority to approve matters within its scope as defined by laws, company regulations, the board charter, and shareholder resolutions. This includes approving delegation of authority, vision and mission, operational strategies, major business plans, risk management policies, annual budgets, medium-term business plans, performance targets, and investment expenditures. The board also oversees major related party transactions, mergers, demergers, and investments.

Appointment and Tenure of Directors

At the annual general meeting, one-third of the board members must retire. If the number cannot be evenly divided by three, the closest number to one-third is used. The directors to retire are those who have served the longest. The company currently has eight directors, each serving a term of three years. Retiring directors may be re-elected. Independent directors may serve a maximum of nine years from their initial appointment. If reappointment is considered, the board should evaluate the necessity reasonably.

Information about Subcommittees

The board of directors has established various subcommittees to handle specific matters and present issues for the board's consideration or acknowledgment. Each subcommittee has a charter that defines its duties and responsibilities, and these charters are published on the company's website. In 2024, the company has four subcommittees: the Audit Committee, the Risk Management and Sustainability Committee, the Nomination and Remuneration Committee, and the Executive Committee.

1. Audit Committee

Consists of three independent directors. All members of the Audit Committee have knowledge and experience in accounting or finance sufficient to review the credibility of financial statements. The Audit Committee is responsible for reviewing operations to ensure compliance with policies, regulations, rules, laws, and regulatory requirements. It promotes the development of financial and accounting reporting systems to international standards, as well as reviewing the internal control systems, internal audit systems, and risk management systems to ensure they are robust, appropriate, up-to-date, and effective. The Audit Committee performs its duties and provides opinions independently. The internal audit function reports directly to the Audit Committee and regularly consults with auditors, legal advisors, and accounting experts. The Audit Committee meets with the auditors without management present at least once a year to seek their opinions on various matters.

Audit Committee	Position
1. Mr. Lucksananoi Punkrasamee	Chairman of the Audit Committee
2. Mrs. Usara Yongpiyakul	Audit Committee Member
3. Mr. Siwat Chawareewong	Audit Committee Member

The first director, Mr. Lucksananoi Punkrasamee is an audit committee who has sufficient knowledge and experience in accounting to be able to review the reliability of the financial statements

Scope of Authority, Duties, and Responsibilities of the Audit Committee

Internal Audit and Control:

1) Review the financial reporting and disclosure systems to ensure they meet financial reporting standards, coordinating with external auditors and executives responsible for financial reports, both quarterly and annually. The Audit Committee may recommend that auditors review or examine any items deemed important and necessary during the audit of the company, promoting the development of financial reporting systems to international standards.

2) Examine related-party transactions, acquisition or disposal of assets, or transactions that may involve conflicts of interest to ensure compliance with laws and regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. This ensures that such transactions are reasonable and beneficial to the company.

3) Oversee the implementation of appropriate anti-corruption policies and review the effectiveness of anti-corruption systems according to guidelines from regulatory bodies such as the Thai Private Sector Anti-Corruption Coalition (CAC), the Thai Institute of Directors (IOD), and the National Anti-Corruption Commission. This includes promoting awareness, risk assessment, internal controls, preventive systems, reporting of misconduct, auditing, and advising on compliance with anti-corruption policies, as well as reviewing self-assessment measures for anti-corruption.

4) Review the company's and subsidiaries' compliance processes with securities laws, Stock Exchange requirements, and other relevant regulations. Ensure subsidiaries and joint ventures follow governance and management guidelines.

5) Review the adequacy and effectiveness of the internal control and internal audit systems according to generally accepted international methods and standards, and in accordance with the "Internal Control System Adequacy Assessment" to ensure that the internal control systems are sufficient and present the findings to the board of directors.

6) Review findings on fraud investigations, sanctions, and preventive measures within the organization, as well as review internal processes related to whistleblowing and complaints handling.

7) Ensure there are preventive and beneficial systems in place to enhance operational efficiency and effectiveness.

8) Select, recommend the appointment or dismissal of independent auditors, propose their compensation, and evaluate their performance.

9) Prepare an Audit Committee report to be presented to the board of directors at least annually and disclosed in the annual information form/annual report (Form 56-1 One Report). The report must be signed by the Audit Committee Chairman and include at least the following information:

- Opinion on the accuracy, completeness, and reliability of the company's financial reports.
- Opinion on the adequacy of the company's internal control system.
- Opinion on compliance with securities and exchange laws, regulations of the stock exchange, or laws related to the company's business.
- Opinion on the suitability of the auditor.
- Opinion on transactions that may present a conflict of interest.
- Number of Audit Committee meetings and the attendance of each Audit Committee member.

(g) General opinions or observations received by the Audit Committee from its duties according to the Charter.

(h) Other items that shareholders and general investors should be informed of, within the scope of duties and responsibilities assigned by the Board of Directors.

10) Review and provide opinions on the performance of the internal audit department, coordinate with auditors, and hold meetings with auditors without management present at least once a year to discuss the results of quarterly financial reviews, annual financial audits, and any issues or obstacles encountered during the auditors' work.

11) Approve the internal audit plan, budget, and staffing, and approve the appointment, transfer, or dismissal of the head of the internal audit department or any other department responsible for internal auditing.

12) Assess the independence of the internal audit department by reviewing its performance, reports, and reporting lines, and ensure that its performance is evaluated according to international standards.

Others Responsibilities:

13) Ensure the Audit Committee's overall performance is evaluated, and review the Audit Committee's Charter at least once a year to present to the board for approval.

14) Report on progress and performance to the board of directors regularly after each Audit Committee meeting.

15) Perform any other duties as required by law or assigned by the board of directors, provided the Audit Committee agrees.

In performing its duties, the Audit Committee has the authority to call upon, instruct management, heads of departments, or relevant staff to provide opinions, attend meetings, or submit documents as necessary. It may also seek independent advice from other professional advisors at the company's expense, in accordance with the company's procedures.

The Audit Committee operates within the scope of authority and responsibilities assigned by the board of directors, which the Audit Committee approves. The board of directors is responsible for the company's operations directly to shareholders, stakeholders, and the public.

In the event of changes to the Audit Committee's responsibilities, the company must notify the stock exchange of such changes and provide a list and scope of the revised Audit Committee duties within three business days of the change, following the stock exchange's guidelines for information disclosure and electronic document submission.

Responsibilities of Audit Committee

1) After the Audit Committee learns of any circumstances where the auditor suspects that the Chief Executive Officer or the person responsible for the company's operations has violated the Securities and Exchange Act, Sections 281/2, 305, 306, 308, 309, 310, 311, 312, or 313, the Audit Committee must investigate and report the preliminary findings to the SEC and the auditor within 30 days of receiving notification from the auditor.

2) In performing its duties, if the Audit Committee discovers or suspects any transactions or actions that may significantly impact the company's financial position and performance, the Audit Committee should report these to the Board of Directors for corrective action within a timeframe deemed appropriate by the Audit Committee:

2.1) Transactions with conflicts of interest.

2.2) Fraud or significant abnormalities or deficiencies in the internal control system.

2.3) Violations of securities laws, regulations of the Stock Exchange of Thailand, or laws related to the company's business.

If the Board of Directors or management does not take corrective action within the timeframe specified by the Audit Committee, any Audit Committee member may report such matters to the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand (SET).

2. Risk Management and Sustainable Development Committee

The Risk Management and Sustainable Development Committee was appointed by the Board of Directors' Meeting No. 3/2022 on June 17, 2022. It was resolved to combine the Corporate Governance and Sustainable Development Committee and the Risk Management Committee into a single committee.

The Risk Management and Sustainable Development Committee consists of 3 board members, none of whom are company executives. There are 2 independent directors among the members, and the Chairman of the Risk Management and Sustainable Development Committee is an independent director. The committee is responsible for carrying out tasks assigned by the Board of Directors efficiently, adhering to good corporate governance principles, and advancing business operations towards sustainable growth amidst a volatile and uncertain economy, which can present both opportunities and risks under high competition conditions. The committee aims to create value and an organizational culture that supports and encourages employees to drive the company towards growth in important dimensions, including environmental, social, and governance aspects, while considering long-term impacts. It operates ethically and responsibly towards shareholders and other stakeholders and manages and controls risks that could affect the company's operations according to its business strategy for organizational sustainability. The Risk Management and Sustainable Development Committee will meet at least four times a year.

Risk Management and Sustainable Development Committee	Position
1. Mr. Siwat Chawareewong	Chairman of the Risk Management and Sustainable Development Committee
2. Ms. Sunee Seripanu	Risk Management and Sustainable Development Committee Member
3. Mrs. Usara Yongpiyakul	Risk Management and Sustainable Development Committee Member

Scope of Authority, Duties, and Responsibilities of the Risk Management and Sustainable Development Committee

Risk Management

- 1) Establish policies for risk management covering various risks in management and aligning with the company's strategy. Review the Enterprise Risk Management Framework, including processes, controls, governance, operations, and IT security standards, ensuring effectiveness and compliance with international standards.
- 2) Consider and approve the risk management plan.
- 3) Establish risk management working groups as needed, supporting them with personnel, budget, and other necessary resources in line with their responsibilities.
- 4) Monitor risk management processes from the identification of risks, including analysis, evaluation, management, monitoring, and systematic reporting.
- 5) Support the introduction of risk management processes to internal departments and continuously monitor and evaluate their effectiveness.
- 6) Evaluate the performance of the Risk Management and Sustainable Development Committee annually.
- 7) Report progress and performance related to risks and risk management to the Board of Directors after each Risk Management and Sustainable Development Committee meeting.
- 8) Perform other duties as required by law or assigned by the Board of Directors, provided the Risk Management and Sustainable Development Committee agrees.

Corporate Governance and Sustainable Development

9) Consider establishing corporate governance and sustainable development policies aligned with the company's key sustainability issues to guide the Board of Directors, management, and personnel towards sustainable operations in environmental, social, and governance aspects.

10) Oversee the regular review and improvement of corporate governance and sustainable development policies at least annually to ensure they remain current with business context, trends, and international directions.

11) Ensure the company has processes to implement adequate corporate governance and sustainable development policies and practices.

12) Supervise the integration of sustainability factors, both opportunities and risks related to the business context, into the business strategy to address issues impacting the organization and stakeholders comprehensively.

13) Oversee, monitor, strategize, and manage risks related to climate change to address potential risks and opportunities.

14) Set short-term, medium-term, and long-term business sustainability strategy goals and develop strategies to achieve these goals, considering resources, innovation, technology, and critical factors driving the strategy.

15) Establish a sustainability working group to oversee the clear assignment of responsibilities to relevant departments.

16) Ensure effective stakeholder engagement processes, including communication and feedback mechanisms, and oversee public disclosure of stakeholder engagement results through various channels.

17) Oversee management in defining appropriate success indicators for business sustainability strategies and set a suitable monitoring timeframe.

18) Hold meetings to monitor progress, question data, provide direction, and offer recommendations to management for improving operations.

19) Report progress and performance to the Board of Directors regularly after each meeting.

20) Disclose information about the company's sustainable development to relevant parties and in the annual report (Form 56-1 One-Report), presenting it to the Board of Directors for approval.

In performing these duties, the Risk Management and Sustainable Development Committee has the authority to call, instruct management, department heads, or employees of the company and its subsidiaries to provide opinions, attend meetings, or submit relevant documents as necessary. It may also seek independent opinions from other professional advisors when deemed necessary, with costs covered by the company, in accordance with company procedures.

3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of 3 board members, including 2 independent directors. The committee is responsible for considering the nomination of qualified individuals to replace outgoing directors or in other cases, and for reviewing, monitoring, and analyzing trends in the remuneration of the board of directors, various sub-committees, and senior executives. The committee proposes compensation policies and evaluates the performance of the Chief Executive Officer to determine compensation before presenting it to the Board of Directors for consideration. Comparisons are made with other leading publicly listed companies engaged in similar business to incentivize the company's senior executives to advance the company's operations and retain personnel. The Nomination and Remuneration Committee will meet at least twice a year.

Nomination and Remuneration Committee	Position
1. Ms. Sunee Seripanu	Chairman of the Nomination and Remuneration Committee
2. Mr. Lucksananoi Punkrasamee	Nomination and Remuneration Committee Member
3. Mr. Niran Pravithana	Nomination and Remuneration Committee Member

Scope of Authority, Duties, and Responsibilities of the Nomination and Remuneration Committee

- 1) Review the structure and composition of the Board of Directors, considering the number of directors appropriate for the size, type, and complexity of the business, and adjust to align with the company's business strategy and changing environment. Determine the qualifications of each director in terms of knowledge, expertise, experience, and specialized skills that benefit the business and its subsidiaries for sustainability.
- 2) Review the independence of the directors and any potential conflicts of interest, including the independence and qualifications of each independent director, ensuring compliance with relevant criteria and/or laws.
- 3) Review the appropriateness of a director's position if there are changes related to their qualifications.
- 4) Develop a plan for director development to enhance the knowledge and skills of various board committees, ensuring understanding of the board's role, business, economic conditions, technology, and relevant regulations.
- 5) Propose methods for evaluating the performance of the Board of Directors, its sub-committees, the Chairman, and senior executives, reviewing annually, and summarizing evaluation results for the Board of Directors to improve performance and enhance directors' capabilities.
- 6) Review and recommend to the Board of Directors regarding the structure, duties, responsibilities, and practices of the Board and its sub-committees, including any changes to the charters and policies to ensure they remain suitable and up-to-date.
- 7) Define processes and guidelines for the recruitment and selection of individuals meeting regulatory and legal requirements for Board positions, including replacements for outgoing directors or in other cases, and recommend appointments for senior executives and advisors. Consider diversity in knowledge, expertise, experience, gender, and skills to propose candidates to the Board and/or shareholders for approval.
- 8) Propose compensation methods, both monetary and non-monetary, including other benefits for directors, aligning with their duties, responsibilities, and qualifications, as well as the company's performance. Compare with industry standards and consider conditions for issuing new securities or stock options for directors (if applicable) for approval by the Board and/or shareholders.
- 9) Regularly review and analyze trends in director compensation and that of sub-committees to present recommendations for Board approval.
- 10) Compare compensation of directors and sub-committee members with leading companies in the same industry to ensure the company maintains market leadership and incentivizes effective management.
- 11) Evaluate the performance of the Nomination and Remuneration Committee annually, including both collective and individual self-assessments.
- 12) Ensure the company provides orientation, distributes documents, and provides useful information for directors to perform their duties effectively.
- 13) Define strategies for managing senior executive talent within the organization.
- 14) Develop and review succession plans for managing directors and senior executives to ensure continuity in case of retirement or inability to perform duties.
- 15) Develop a director development plan to enhance knowledge and skills, focusing on sustainability, ensuring the board understands the business's sustainability.
- 16) Propose methods for evaluating the performance of the Board and its sub-committees, reviewing annually, and summarizing evaluation results for the Board to improve effectiveness and build directors' capabilities.
- 17) Evaluate understanding and effectiveness in overseeing business strategies for organizational sustainability, including annual performance assessments of the Board, both collectively and individually, to enhance operations.
- 18) Review and update policies on nomination and remuneration regularly, at least annually, to ensure they are current and aligned with business contexts and global trends.
- 19) Review and recommend appropriate compensation models and criteria for directors and managing directors, ensuring fairness and alignment with the company's success, and propose these to the Board for approval.

20) Propose compensation methods, both monetary and non-monetary, including other benefits for directors, senior executives, and advisors, aligning with their responsibilities and qualifications, and consider conditions for new securities issuance or stock options for directors and employees (if applicable) for approval by the Board and/or shareholders.

21) Propose compensation policies for senior executives and advisors, including salaries and bonuses, aligning with company performance and individual performance, and consider hiring consultants for recommendations if necessary.

22) Review budgets for salary increases, changes in compensation, and annual bonuses for senior management before presenting them to the Board.

23) Disclose the nomination and remuneration policies and the Committee's report in the company's annual report (Form 56-1 One-Report).

4. Executive Committee

The Executive Committee consists of 3 members. The Executive Committee must include members who are Board Directors, although the committee may also include company executives or external individuals. However, the number of Board Directors must be at least half of the total membership of the Executive Committee.

Executive Committee	Position
1. Ms. Sunee Seripanu	Chairman of the Executive Committee
2. Mr. Virach Seripanu	Executive Committee Member
3. Mr. Piranart Chokwatana	Executive Committee Member

Scope of Authority, Duties, and Responsibilities of the Executive Committee

1) Define the vision, strategy, business direction, goals, business plan, budget, organizational structure, and approval authority of the company and its subsidiaries. This includes reviewing and scrutinizing management proposals to ensure alignment with economic conditions and competition, proposing them to the board of directors for approval, and ensuring effective and efficient implementation as approved by the board. Monitor and track performance to ensure efficiency and effectiveness.

2) Perform duties within the legal framework, objectives, and company regulations, as well as board resolutions, with honesty, caution, responsibility, and ethics, considering the interests of all shareholders equally.

3) Approve contracts and/or transactions related to the normal business operations of the company (e.g., purchasing, investing, or joint ventures with others for normal business transactions and operational benefits) according to the Delegation of Authority and/or as determined by the board of directors.

4) Approve borrowing, loan applications from financial institutions, lending, as well as pledging, mortgaging, or guaranteeing for the company and its subsidiaries, and/or carry out related activities according to the Delegation of Authority and/or as determined by the board of directors.

5) Review, approve, or authorize significant business and management operations within the normal scope of the company's trade and administration, according to the applicable authority, and report progress to the board of directors.

6) Oversee overall organizational risk management, assess risks, and establish the risk management framework and structure.

7) Set employee operational guidelines in accordance with company regulations and applicable laws.

8) Undertake other duties as assigned by the board of directors or as per board policies.

9) Review the Executive Committee Charter annually.

Information about Executives

As of June 30, 2024, there are 6 executives as defined by the SEC.

Name	Position
1. Mr. James Richard Amatavivadhana	Chief Executive Officer
2. Mr. Virach Seripanu	Chief Operation Officer
3. Mr. Prapat Siangjan	Chief Commercial Officer
4. Mr. Piya Oranriksuphak	Chief Financial Officer
5. Mr. Nopadol Tangdenchai	Chief Information Officer
6. Mr. Sakesan Serksiri	Chief Supply Chain Officer

The scope of authority, duties, and responsibilities of the Chief Executive Officer (CEO)

The CEO shall have the following duties and responsibilities:

1. Define policies, goals, vision, objectives, mission, strategies, business plans, and annual budgets of the company and its subsidiaries together with the Board of Directors, including organizational structure and management authority, for submission to the Executive Committee and/or the Board of Directors for further approval.

2. Communicate with the management regarding policies, goals, vision, objectives, mission, strategies, business plans, and budgets that have been approved by the Board of Directors, so that the management can use them as a framework for preparing plans and managing operations.

3. Oversee the management's performance to ensure it aligns with the business plan, budget, goals, and policies approved by the Board of Directors.

4. Oversee the overall management of financial, marketing, production, human resources, risk, internal control, and other operational aspects of the company and its subsidiaries to ensure alignment with the company's policies and business plans as approved by the Board of Directors, and to comply with laws, objectives, company regulations, resolutions of the Board of Directors, and shareholders' meetings with responsibility, caution, diligence, and integrity for the benefit of the company and fairness to all stakeholders.

5. Coordinate with the Audit Committee and the Risk Management and Sustainable Development Committee to ensure the company's business operations are in accordance with the risk management policies set by the Board of Directors.

6. Communicate with the Board of Directors and/or the company's sub-committees to ensure business operations are effective and achieve the organization's objectives and main goals.

7. Direct, issue regulations, criteria, announcements, and internal memorandums for the company's operations to align with company policies and benefit the company, while maintaining good internal order.

8. Ensure that management participates in promoting a culture of ethics and good corporate governance.

9. Continuously develop and improve performance and results, support innovation that adds value, and ensure the organization grows sustainably and in line with the company's strategic plan.

10. Monitor the performance measurement of the company, subsidiaries, and/or associated companies (if any), ensuring regular reporting, and oversee the preparation of accurate, sufficient, timely financial reports and disclosure of important information in accordance with relevant regulations and practices.

11. Set regulations, criteria, guidelines, and requirements for organizational structure in positions not within the authority of the Board of Directors or the Nomination and Remuneration Committee, including hiring, appointing, transferring, dismissing, and terminating employees in positions outside the authority of the Board of Directors, the Executive Committee, or the Nomination and Remuneration Committee.

12. Set criteria for recruitment, performance evaluation, salary rates, remuneration, bonuses, and salary increases for executives and employees in positions outside the authority of the Board of Directors, the Executive Committee, or the Nomination and Remuneration Committee, as defined in the Delegation of Authority regulations and within the framework and policies set by the Board of Directors.

13. Represent the company in communications with shareholders and support the Board of Directors in providing appropriate and consistent communication channels with shareholders and ensuring standard and transparent information disclosure.

14. Represent the company in public relations, especially in building relationships and a positive image of the organization at both national and international levels.

15. Approve routine transactions and business support operations with general commercial terms within the approved budget by the Board of Directors, in accordance with the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) regarding connected transactions and asset acquisition or disposal, including approving transactions and operations as per the Delegation of Authority set by the Board of Directors.

16. Ensure compliance with the SEC and SET regulations on connected transactions and asset acquisition or disposal, as well as the company's regulations approved by the Board of Directors.

17. Consider appointing various consultants necessary for the company's operations.

18. Delegate and/or assign individuals or groups to perform tasks on behalf of the CEO, within the scope of authority defined in the company's power of attorney and/or regulations, rules, or resolutions of the Board of Directors. The delegation of authority by the CEO must not create any conflicts of interest with the company or its subsidiaries. In case of conflicts, such transactions must be submitted to the Board of Directors and/or shareholders' meeting (as applicable) for consideration and approval, unless the transaction is routine and follows the same criteria as transactions with external parties (Arm's Length).

19. Perform any other duties as assigned and authorized by the Board of Directors.

The CEO cannot participate in meetings or approve transactions in which they or individuals who may have a conflict of interest (as defined by the SEC or the Capital Market Supervisory Board) may have an interest or benefit, or may have any conflict of interest with the company or its subsidiaries, unless it is approval for transactions in accordance with policies or criteria approved by the shareholders' meeting and/or the Board of Directors.

The CEO's Outside Directorships

The Board of Directors has set policies regarding the CEO's directorships or involvement with external institutions as follows:

1) The CEO may serve as a director in government organizations or participate in government-related activities that benefit the overall society, provided that such organizations are not established for the benefit of political parties.

2) The CEO may serve as a director in private organizations established for public benefit, such as the Federation of Thai Industries, the Thai Chamber of Commerce, and business management associations.

3) The CEO may serve as a director in private organizations not established for public benefit only if the private organization operates in a manner that does not conflict with the company's interests and does not negatively impact the company's working time. This does not include subsidiaries, affiliated companies, and joint ventures where the company needs to oversee management for its benefit.

Director Compensation

The company has considered a fair and reasonable policy for director compensation, which has been thoroughly reviewed by the Nomination and Remuneration Committee. This consideration includes various appropriateness factors, alignment with the company's performance, the duties and responsibilities of the board, and a comparison with compensation rates of companies within the same or similar industry. The review also incorporates compensation survey results conducted by the Thai Institute of Directors (IOD).

In 2024, the Nomination and Remuneration Committee reviewed the director compensation, which includes a monetary compensation structure consisting of three types: monthly compensation, meeting allowances, and bonuses, with no non-monetary compensation. This proposal was submitted to the Board of Directors for approval and was subsequently approved by the Annual General Meeting of Shareholders on October 26, 2023, for the 2024 fiscal year as follows:

Remuneration for the Board and Sub-Committee	Year 2024	
	Monthly Remuneration (Baht/person/month)	Meeting Allowance (Baht/person/time)
1. Board of Directors		
● Chairman	20,000	80,000
● Directors	10,000	50,000
● Bonus	Maximum limit of not exceeding 5 million Baht per year, where the directors shall allocate to be consistent with the success based on the goal defined in Key Performance Indicators	
2. Audit Committee		
● Chairman	-	40,000
● Directors	-	30,000
3. Risk Management and Sustainable Development Committee (Previously the Risk Management Committee)		
● Chairman	-	30,000
● Directors	-	25,000
4. Nomination and Remuneration Committee		
● Chairman	-	30,000
● Directors	-	25,000
5. Executive Committee (Paid to only the ones who do not receive any remunerations from the Company)		
● Chairman	-	30,000
● Directors	-	25,000

Executive Remunerations

The company considers executive remunerations based on fairness and appropriateness in relation to the responsibilities assigned, ensuring alignment with the company's performance, and comparing with compensation rates of other companies in the same or similar industries.

Additionally, the performance of each executive is evaluated against their specific goals, ensuring consistency with the company's vision, mission, and strategic plan. This serves as a motivation for executives to contribute to the long-term stability and growth of the organization. The Nomination and Remuneration Committee and the Board of Directors annually evaluate the performance of the CEO and other senior executives individually. These evaluations are used to determine salary and bonus compensation.

As of the end of June 2024, the company had provided compensation to its executives with the following details:

Executive Remunerations	Total Remuneration (Thousand Baht)	
	2023 (Jul 22 – Jun 23)	2024 (Jul 23 – Jun 24)
Number of Executives	6	6
Monetary Remuneration		
● Salary, bonus, and other remuneration	35,987	44,750
● Provident Fund Contribution and Social Security Fund Contribution	977	1,745

In addition to the monetary compensation mentioned above, the Company also provides compensation and other benefits for executive base on the Company's payment capacity and comparison with other organizations, such as a company car, annual medical examinations, medical expenses, etc.

Personnel Information

Number of Personnel

As of 30 June 2022, 30 June 2023, and 30 June 2024, the total employees of the Company and the subsidiaries have been 2,119 persons, 2,210 persons, and 2,170 persons respectively, classified by department as follows.

Department	2022	2023	2024
Executive	68	6	6
Operation Workgroup	588	582	560
Commercial Workgroup	1,122	1,249	1,281
Marketing Workgroup	13	14	14
Accounting, Finance, and Business Development Workgroup	67	59	62
Information Technology Workgroup	31	27	29
Human Resources Workgroup	13	12	11
Other Business Groups	108	131	138
Supply Chain Workgroup	137	106	42
Others	34	24	27
Total	2,119	2,210	2,170

Total Employee Compensation

The company establishes policies and manages compensation and benefits exceeding legal requirements, aiming to ensure appropriateness and alignment with the company's performance and employee performance evaluations. Compensation is also benchmarked against personnel in similar industries, ensuring competitiveness, fairness, flexibility, and efficient management.

As of the end of June 2022, the end of June 2023, and the end of June 2024, the group paid total compensation to employees, including salaries, bonuses, overtime, and other compensations, amounting to 618.5 million baht, 700.1 million baht, and 743.5 million baht, respectively. The ratio of compensation between female and male employees is as follows:

Proportion of Employees' Remunerations	2022	2023	2024
Female	82%	82%	83%
Male	18%	18%	17%

Short-Term Employee Benefits

The company provides various benefits to employees, including salaries, wages, bonuses, and social security fund contributions. In addition, the company offers other benefits to all employees, such as establishing a provident fund, group health insurance, annual health checkups, 5S activities, ensuring a safe work environment, and scholarships for employees' children.

Post-Employment Benefits for Employee

Provident Fund

The company has established a provident fund in accordance with the Provident Fund Act B.E. 2530 (including amendments). Employees who join the provident fund receive a 3% salary contribution from the company, while employees contribute to the fund at the rate of 3%, 5%, or 10% of their salary, depending on individual preference. As of the end of June 2024, the company and its subsidiaries have contributed 5.16 million baht to the fund, with 257 employees participating, representing 92% of the workforce.

Severance Pay

The company is obligated to pay severance to employees upon termination of employment, in accordance with labor laws. The company recognizes these severance payments as post-employment benefits for employees.

Significant Labor Disputes in the Past 3 Years

-None-

Employee Development

The company considers employee development a key factor in organizational success. When employees are happy and feel valued, they are ready to contribute positively to customers, partners, and the community. The main challenge in human resources is not only developing employees with the necessary skills, abilities, and a positive mindset, but also fostering loyalty to the organization by adhering to the company's core values ("MCWAY"). This strengthens the organizational culture in a sustainable way. Moreover, the COVID-19 pandemic prompted the company to adapt its training methods, shifting to online training and expanding coverage across all departments.

The company's employee development principles are closely aligned with its strategic plan and business objectives. Continuous skill, knowledge, and capability enhancement at all levels, along with appropriate performance measurement, ensure that the employee development plans are effective and contribute to achieving the company's goals. This also prepares employees for career growth that aligns with their personal aspirations.

With the company's philosophy of delivering quality products and services at reasonable prices, employee development focuses on creating standards in product manufacturing and services. Special attention is given to training sales personnel through various forms of development, including basic tailoring skills, customer advisory skills, establishing diverse communication channels, and using modern tools and IT systems. This ensures that sales staff have a deep understanding of the products. Additionally, development teams are trained through real-life on-the-job practice, alongside sales operations. It is evident that the ongoing initiatives by the company and its subsidiaries reflect a clear policy and commitment to preparing employees with the necessary knowledge and abilities. This enables them to grow and evolve with the organization, helping lead the company toward sustainable business excellence.

Other important information

A Person who supervising accounting (Account Controller)

Ms. Gaysorn Srichoo

Corporate Secretary

The Board of Directors has entrusted Mr. Pongsak Tanthanapipat to perform the duty of Corporate Secretary to be effective from 25 August 2022 to perform the duty to oversee and hold the Board of Directors', the Sub-Committees', and the Shareholders' Meetings, store the related documents and support other executions according to the good corporate governance standards, and Securities and Exchange Act.

In addition, the Corporate Secretary is entrusted to perform the duty as the compliance unit by performing the duty to supervise the proper compliance of the Company, directors, and executives with by-rules of the SET, the Office of the Securities and Exchange Commission (SEC), Public Limited Companies Act, and other relevant laws.

Scope of Authorities and Responsibilities of the Corporate Secretary

1. Primarily advise the directors on the matters of law, rules and regulations of the Company, required by the Board of Directors for acknowledgement, monitor the regular compliance and reporting of the significant change in the legal requirements to the Board of Directors.
2. Hold the Shareholders' Meeting and the Board of Directors' Meeting according to laws, Articles of Association and practices.
3. Record the minutes of the Shareholders' Meeting and the Board of Directors' Meeting, and monitor the compliance with the resolution of the Shareholders' Meeting and the Board of Directors' Meeting.
4. Prepare and store the Directors' Register, Annual Report of the Company, Appointment Notice for the Shareholders' Meeting, Appointment Notice for the Board of Directors' Meeting, Minutes of Shareholders' and the Board of Directors' Meeting.
5. Store the Stakeholding Report reported by the directors or executives, and submit its copy to the Chairman of the Board of Directors and the Chairman of Audit Committee within 7 (seven) working days from the received date of the said report.
6. Oversee the disclosure of information, and report the information in the responsible part to the agencies that regulate the Company according to the rules and requirements of the administrative agencies.
7. Oversee the activities of the Board of Directors, and execute other matters as determined by laws or entrusted by the Board of Directors or prescribed in the Notification of the Capital Market Supervisory Board.

Head of Internal Audit

The Company has a policy to ensure that internal audits will meet international standards. The Audit Committee appointed Ms. Somporn U-In as the head of internal audit to be responsible for risk evaluation and annual internal audit plan preparation as well as conducting the examination, monitoring of system improvements, and reporting directly to the Audit Committee at least quarterly. In the past, the internal audit examined the Company's processes and made observations and recommendations to improve operating efficiency. The management did not neglect and took actions according to the recommendations. The Audit Committee deemed that the head of internal audit suitable for undertaking the required duties efficiently.

Investor Relations

To serve as a communication channel between the Company and its shareholders and investors. Interested persons can contact the job Investor relations of the Company at

Contact Person : Mr. Piya Oranriksupak
(Chief Accounting and Finance Officer and Head of Investor Relations)

Address : Mc Group Public Company Limited, No. 2, Sukhaphiban 2 Road,
Soi 5, Prawet Sub-district, Prawet District, Bangkok 10250

Telephone : 02 117-9999 Ext. 3226, 3819

Fax : 02 117-9998

E-mail : ir@mcgroupnet.com

For the fiscal year 2024, the Investor Relations activities were summarized as follows:

1. Participation in the "Opportunity Day" event organized by the Stock Exchange of Thailand (SET) every quarter, totaling 4 times.
2. Hosting of Analyst Meetings both before and after the release of quarterly financial results, totaling 8 meetings.
3. Engaging with institutional investors, both domestic and international, as well as analysts through One-on-One meetings, interviews, or phone calls, totaling 40 engagements.

Additionally, the company has prepared an Investor Relations Activity Report (IR Internal Report) for the fiscal year 2024, which was presented to the company's Executive Committee.

Remuneration for Certified Public Accountant

Audit Fee

The annual General Shareholder Meeting of 2023 on October 26, 2023, appointed Deloitte Touché Tohmatsu Jaiyos Company Limited with Mr. Wonlop Vilaivaravit CPA Registration No. 6797, and/or Ms. Wilasinee Krishnamra CPA Registration No. 7098, and/or Ms. Lasita Magut CPA Registration No. 9039, and/or Mr. Bardin Laprangsirat CPA Registration No. 10985 as auditor of the Company for fiscal year 2024. Audit fees for the company amount to 2,205,000 Baht, and the audit fees for subsidiaries amount to 945,000 Baht. Total audit fee is 3,150,000 Baht, increase from last year by 130,000 Baht. The details are as follows.

	2024 (1 Jul 23 – 30 Jun 24)	2023 (1 Jul 22 – 30 Jun 23)	2022 (1 Jul 21 – 30 Jun 22)
Audit fee of the Company ¹	2,205,000	2,105,000	2,005,000
Other service fee	-	-	-
Audit fee of the subsidiaries ²	945,000	1,175,000	1,175,000
Total	3,150,000	3,280,000	3,180,000

¹The Audit Fee proposed above is for the Audit service only, there is no other non-audit service same as last fiscal year (Year 2023)

²In 2024, there was additional audit fee for subsidiary due to the dissolution of McMillion (Thailand) Co., Ltd., amounting to 20,000 THB. Such audit fee for the dissolution was approved at the Extraordinary General Meeting of Shareholders of McMillion (Thailand) Co., Ltd. on June 27, 2024.

Non-Audit Fee

The Company and its subsidiaries do not receive any other services from the auditing office that the auditor is affiliated with in the past accounting period.

8. Report on Key Corporate Governance Performance

Summary of the Committee's Duties in the Past Year

In 2024, the company conducted a review of the charters of the Board of Directors and all subcommittees. This also included a review of the company's business ethics, corporate governance policy, anti-corruption policy, and the announcement of a policy to prevent conflicts of interest.

Training of Directors

To enhance knowledge and stay informed, the company forwards any training documents or related materials concerning the Board of Directors to the members for their study and consideration to participate. Currently, several company directors have undergone training in courses relevant to their roles, including the Director course, and have received additional training. The details are as follows:

Name	Director Certification Program (DCP)	Director Accreditation Program (DAP)	Advanced Audit Committee Program (AAP)	Financial Statements for Directors (FSD)	The role of The Chairman Program (RCP)	Role of The Compensation Committee (RCC)
Mrs. Kaisri Nuengsigkapan	DCP 0/2000		AACP 36/2020		RCP 30/2013	RCC 16/2-13
Ms. Sunee Seripanu	DCP 172/2013	DAP 98/2012				
Mr. Virach Seripanu	DCP 155/2012					
Mr. Lucksananoi Punkrasamee	DCP 122/2009	DAP SCC/2004	AACP 51/2024			
Mr. Kris Chanthanotok	DCP 143/2011			FSD 11/2011		
Mrs. Usara Yongpiyakul		DAP 189/2022	AACP 44/2022			
Mr. Siwat Chawareewong	DCP 314/2022	DAP 19/2004				
Mr. Niran Pravithana		DAP 207/2023				

Name	Director Leadership Certification Program (DLCP)	Corporate Governance for Capital Market Intermediaries (CGI)	Anti-Corruption for Executive Program (ACEP)	Board Nomination and Compensation Program (BNCP)	Risk Management Program for Corporate Leaders (RCL)	ESG in the Boardroom : A Practical Guide for Board (ESG)
Mrs. Kaisri Nuengsigkapan	DLCP 0/2020					
Ms. Sunee Seripanu						
Mr. Virach Seripanu						
Mr. Lucksananoi Punkrasamee						
Mr. Kris Chanthanotok		CGI 4/2015	ACEP 7/2013			
Mrs. Usara Yongpiyakul				BNCP 14/2022	RCL 34/2024	
Mr. Siwat Chawareewong	DLCP 8/2022			BNCP 13/2022		ESG 3/2024
Mr. Niran Pravithana						

In the fiscal year 2024, the company's directors attended the following training programs:

- Mr. Niran Pravithana completed the Director Accreditation Program (DAP), Class 207/2023, from the Thai Institute of Directors Association (IOD).
- Mrs. Usara Yongpiyakul completed the Risk Management Program for Corporate Leaders (RCL), Class 34/2024, from the Thai Institute of Directors Association (IOD)
- Mr. Siwat Chawareewong completed the ESG in the Boardroom: A Practical Guide for Board (ESG), Class 3/2024, from the Thai Institute of Directors Association (IOD).
- Mr. Lucksananoi Punkrasamee completed the Advanced Audit Committee Program (AACP) ,Class 51/2024, from the Thai Institute of Directors (IOD).

Performance Evaluation of the Board of Directors

Additionally, the company conducts a self-assessment of the Board of Directors at least once a year to evaluate the efficiency, performance, and challenges in the board's operations, following good corporate governance practices. The process includes:

- 1) The Board of Directors reviews the assessment form to ensure its accuracy, completeness, and compliance with the criteria set by regulatory bodies.
- 2) The Secretary of the Board summarizes the performance evaluation results for both the Board of Directors and subcommittees.
- 3) The Secretary of the Board reports the evaluation results to the Board of Directors and works on improving operational efficiency.

The objective of the Board's self-assessment is to ensure that the evaluation reflects the operational efficiency based on good corporate governance principles. The assessment guidelines follow those of the Stock Exchange of Thailand but are adapted to suit the company's business operations. The results of the evaluation are reviewed to further enhance work efficiency. The individual self-assessment of the Board (Self-Assessment) consists of three categories, while the collective self-assessment (As a Whole) consists of six categories, including the board structure and qualifications, the roles and responsibilities of the board, board meetings, directors' performance, relationship with management, and director self-development and executive development.

In 2024, the individual self-assessment results showed a score of 95.6%, while the collective self-assessment score was 95.2%. The majority of directors agreed that the board has sufficient knowledge and understanding of the company's business to perform their duties effectively. The number of directors is appropriate for the size of the company, and the independent directors meet the standard criteria set by regulatory bodies. Additionally, subcommittees have been appointed in line with good corporate governance practices to focus on specific matters, which is sufficient to ensure careful business operations.

The board performs its duties responsibly, with diligence and integrity, in compliance with laws, the company's objectives, and regulations, as well as shareholder meeting resolutions. They provide opinions and recommendations based on Best Practices that benefit the company and regularly attend meetings of the Board of Directors and subcommittees.

Performance Evaluation of the Subcommittees

The company has implemented performance evaluations for various subcommittees, including the Audit Committee, the Risk Management and Sustainable Development Committee, and the Nomination and Remuneration Committee. These evaluations comply with the corporate governance evaluation criteria for listed companies set by the Thai Institute of Directors Association (IOD). The evaluations are conducted annually and include both individual self-assessments (Self-Assessment) and collective assessments (As a Whole), aimed at assessing the efficiency of the operations of all subcommittees. The process is as follows:

- 1) The subcommittees review the assessment form to ensure accuracy, completeness, and compliance with the criteria set by regulatory bodies, as well as the operational guidelines of the subcommittees.
- 2) The Secretary of each subcommittee summarizes and reports the performance evaluation results of the subcommittees and works on improving operational efficiency.
- 3) The Secretary of the Board reports the subcommittee evaluation results to the Board of Directors.

In 2024, the subcommittee evaluation results are as follows:

Sub-Committee	Self-Assessment Score (%)	Respective Board/Committee Assessment Score (%)
Audit Committee	95.2	99.7
Risk Management and Sustainable Development Committee	98.8	99.7
Nomination and Remuneration Committee	95.2	98.2

The company has summarized the evaluation results of the Board of Directors and the subcommittees for the directors to review. These results serve as a framework for examining their performance, identifying issues and challenges, and analyzing their duties. The feedback is also used to make improvements and further develop operations.

Additionally, the company has disclosed the performance reports of all subcommittees in the attachments of the 56-1 One Report for this fiscal year.

In the fiscal year 2024, the company held a total of six Board of Directors meetings, including one meeting for non-executive directors. Additionally, there were meetings of the sub-committees as follows: four meetings of the Audit Committee, three meetings of the Nomination and Remuneration Committee, four meetings of the Risk Management and Sustainable Development Committee, and five meetings of the Executive Committee. The details of attendance and directors' remuneration for 2024 are as follows:

Individual Attendance and Remuneration for the Board of Directors

As of the end of June 2024, the details of meeting attendance and actual monetary remuneration paid to the Board of Directors are as follows:

Name of Directors	Meeting Attendance in 2024					Meeting Allowance (THB)					Total Monthly Remuneration and Meeting Allowance (THB)	Bonus (THB)	Total (THB)
	Board Of Directors	Audit Committee	Nomination And Remuneration Committee	Risk Management And Sustainable Development	Executive Committee	Monthly Remuneration (THB)	Board Of Directors	Audit Committee	Nomination And Remuneration Committee	Risk Management And Sustainable Development Committee	Executive Committee		
1 Mrs. Kaisri Nuengsigkapian	5/5	x	x	x	x	240,000	400,000	x	x	x	x	480,000	1,120,000
2 Ms. Suneer Seripanu	5/5	x	3/3	4/4	5/5	120,000	250,000	x	90,000	100,000	x	300,000	860,000
3 Mr. Virach Seripanu	5/5	x	x	x	5/5	120,000	250,000	x	x	x	x	300,000	670,000
4 Mr. Lucksananoi Punkrasamee	6/6	4/4	3/3	x	x	120,000	300,000	160,000	75,000	x	x	300,000	955,000
5 Mr. Kris Chanthanotok	5/6	x	x	x	x	120,000	250,000	x	x	x	x	300,000	670,000
6 Mrs. Usara Yongpiyakul	6/6	4/4	x	4/4	x	120,000	300,000	120,000	x	100,000	x	300,000	940,000
7 Mr. Siwat Chawareewong	6/6	4/4	x	4/4	x	120,000	300,000	120,000	x	120,000	x	300,000	960,000
8 Mr. Niran Pravithana	6/6	x	3/3	x	x	120,000	300,000	x	75,000	x	x	300,000	795,000
9 Mr. Piranart Chokwatana	x	x	x	x	5/5	x	x	x	x	x	125,000	x	125,000
Total						1,080,000	2,350,000	400,000	240,000	320,000	125,000	2,580,000	7,095,000

Supervision of Subsidiaries and Affiliates

In the corporate governance of subsidiaries and affiliates, the company appoints representatives to serve as directors and/or executives in subsidiaries and affiliates in proportion to the company's shareholding. These individuals must be nominated and approved by the Board of Directors. Moreover, they must possess the necessary qualifications and experience to manage the operations of those subsidiaries and affiliates.

These representatives are required to manage the subsidiaries and affiliates in accordance with the company's business policies and perform their duties in compliance with laws, objectives, regulations, and shareholder meeting resolutions. They are expected to act with honesty, diligence, and in the best interest of shareholders. Additionally, they are responsible for ensuring that subsidiaries and affiliates disclose financial status and operational results, related-party transactions, acquisitions or disposals of assets, and other significant matters accurately and completely.

These representatives are also tasked with closely monitoring the business operations of subsidiaries and affiliates, presenting performance results, and providing recommendations on business policy to the company's Board of Directors and/or subsidiaries and/or affiliates to maximize benefits and ensure sustainable business growth.

Monitoring Compliance with Corporate Governance Policies and Practices

The company emphasizes good corporate governance by establishing policies and practices related to business ethics and adherence to governance principles. Over the past year, the company has monitored compliance with good corporate governance practices, covering issues such as employee treatment, stakeholder relations, corporate social responsibility, safety, occupational health, and environmental protection. The monitoring results show that the company has fully implemented the guidelines for each issue. Additionally, the company has monitored good governance in the following areas:

(1) Prevention of Conflicts of Interest

The company has provided training to directors, executives, and employees on preventing conflicts of interest, reviewed and updated the organization's conflict of interest prevention policy, and communicated it through email, the intranet system, and the company's website.

(2) Use of Insider Information for Personal Gain

The company has educated directors, executives, and employees on the use of insider information and regularly sends emails to inform them of blackout periods during which trading in the company's securities is prohibited, particularly around financial disclosures and information that may impact the company's stock price.

The performance results for the fiscal year 2024 are as follows:

- The company has conducted a review of policies and practices related to the use of insider information for personal gain, as stated in the corporate governance policy, which was approved during the Board of Directors Meeting No. 3/2023 on May 11, 2023. The updated corporate governance policy (approved on May 11, 2023) was communicated to all directors, executives, and employees via email and the company's internal Intranet system, and also published on the company's website for stakeholders and external parties to be aware of.
- The Corporate Secretary's Office sent an email to directors, executives, and relevant employees informing them in advance of the company's blackout period for securities trading, with strict adherence to the regulations.
- There have been no violations related to the use of insider information by the company's directors, executives, or employees.

- There have been no violations related to the prevention of conflicts of interest, no related party transactions requiring shareholder meeting approval, no breaches or non-compliance with regulations concerning related transactions or asset trading, and no cases of fines, accusations, or civil actions by regulatory authorities such as the SEC or SET concerning the disclosure of related transactions or asset trading.

- There have been no cases of independent directors or non-executive directors resigning due to corporate governance issues, and no instances of the entire Audit Committee or Independent Directors resigning.

- There have been no serious violations related to ethics that contradict regulations, leading to regulatory action.

In 2024, there were changes in securities holding of directors and executives as follows:

Name	Shareholding as of 30 June 2024 (Ordinary Shares)		
	Held personally	Held by spouse or minor children	Increase (Decrease) 1 Jul 23 – 30 Jun 24
Directors			
1. Mrs. Kaisri Nuengsigkapien	2,534,500	-	-
2. Ms. Sunee Seripanu	364,566,520	-	-
3. Mr. Lucksananoi Punkrasamee	-	-	-
4. Mr. Virach Seripanu	15,000,000	-	-
5. Mr. Kris Chanthanotok	-	-	-
6. Mrs. Usara Yongpiyakul	-	-	-
7. Mr. Siwat Chawareewong	-	-	-
8. Mr. Niran Pravithana	-	-	-
Executives			
1. Mr. James Richard Amatavivadhana	-	-	-
2. Mr. Piya Oranriksuphak	-	-	-
3. Mr. Prapat Siangjan	122,200	-	-
4. Mr. Sakesan Serksiri	-	-	-
5. Mr. Nopadol Tangdenchai	-	-	-
Head of Accounting Department			
1. Ms. Gaysorn Srichoo	-	-	-

(3) Anti-Corruption

The company has communicated and disseminated its anti-corruption policy to its personnel through various channels, such as the orientation of new directors and employees, internal promotions within the workplace, and through the company's electronic systems. Periodic communication has been made to inform the company's personnel about different forms of corruption, the risks associated with corruption involvement, and whistleblowing procedures, ensuring awareness and adherence to the policy.

The company also took part in promoting and raising awareness to combat corruption by issuing an open letter inviting business partners, trade alliances, and other companies to join the Thai Private Sector Collective Action Coalition against Corruption (CAC). This initiative has been published on the company's website.

As a result of its committed actions, the company has been awarded a renewal of its membership certificate from the Board of the Thai Private Sector Collective Action Coalition against Corruption (CAC) for the second consecutive time. This highlights the company's determination and commitment to combat all forms of corruption through transparent governance, sustainable development, and responsibility towards society and the environment, thus enhancing trust among all stakeholders.

(4) Whistleblowing

In 2024, the company received a total of 8 complaints through its designated channels. All cases were reviewed in accordance with the company's complaint-handling policy, and the investigations into these complaints were completed, with necessary actions and improvements made.

(5) Business Ethics

In addition to publishing the full business ethics guidelines on the company's website for easy access by shareholders, investors, and other interested parties (URL: <https://www.mcgroupnet.com/th/investor-relations/corporate-governance/policy>), the company promotes ethical conduct by making it the responsibility of all executives and employees to understand and strictly follow the business ethics handbook. In 2024, the company developed and disseminated the "MC GROUP BUSINESS ETHICS COURSE" E-Learning program, which covers business ethics, and required all executives and employees to complete the course and pass the associated test. Employees must also undergo refresher training at least once a year. Furthermore, the company consistently disseminates other corporate governance policies, which are relevant and beneficial for the management and employees, through the Intranet and internal communication channels.

In the fiscal year 2024, the company encountered 50 cases of business ethics violations, almost all involving fraud by sales staff at sales points, resulting in a total loss of 705,000 baht, representing 0.10% of the net profit for the fiscal year 2024. The company has fully resolved these cases by taking legal action against all fraudulent employees, as per its policy.

However, no instances of corruption, bribery, or improper exchanges of assets or benefits with government officials were found. Additionally, there were no instances of board members involved in fraud or facing fines, accusations, or civil actions by regulatory authorities such as the SEC and the Stock Exchange of Thailand.

(6) Disputes with Competitors

None.

(7) Communication with Shareholders

For the annual general meeting of shareholders, the company has taken the following steps to ensure the provision of adequate, accurate, and timely information to its shareholders:

- The company allowed shareholders to propose matters to be included in the meeting agenda and to nominate individuals for election as directors for the 2024 Annual General Meeting of Shareholders from May 14, 2024, to August 13, 2024, as well as submit questions in advance from July 24, 2024, to October 23, 2024.

- The company prepared the notice of the shareholders' meeting in both Thai and English. For the 2024 Annual General Meeting of Shareholders, the notice was published on the company's website on September 25, 2024, 30 days before the meeting date, and the notice was sent to shareholders 21 days prior to the meeting to ensure shareholders received the documents well in advance and had sufficient time to review the information.

- The company received a score of 96 for its 2023 Annual General Meeting under the AGM Quality Assessment Project organized by the Thai Investors Association, in collaboration with the Securities and Exchange Commission of Thailand and the Thai Listed Companies Association. The assessment criteria covered the entire process of organizing the shareholders' meeting, including pre-meeting, meeting day, and post-meeting procedures.

(8) Review of Charters and Policies for Good Corporate Governance

In 2024, the company reviewed its charters, assessments, and policies as follows:

1. Review of the board of directors and sub-committee charters, with updates made to ensure their relevance.
2. Review of the directors' and sub-committees' evaluation forms.
3. Review of the business ethics.
4. Review of the corporate governance policy.
5. Review of the complaint-handling policy.
6. Review of the anti-corruption policy.
7. Review of the conflict of interest prevention policy.
8. Review of the risk management policy.
9. Review of the sustainable development policy.
10. Review of the tax policy.
11. Review of the environmental policy.
12. Review of the human rights policy.
13. Review of the stakeholder engagement policy.
14. Review of the information security management policy.
15. Review of the information technology security policy.

Results of Company Evaluations for 2023

Due to the company's commitment to applying good corporate governance principles and business ethics in its management and operations, and its continuous efforts to enhance corporate governance efficiency and suitability, the company received evaluations from various organizations in 2023 as follows:

1. The company was evaluated by the Corporate Governance Report of Thai Listed Companies (CGR) project, conducted by the Thai Institute of Directors Association (IOD) in 2023. The company scored 102 points, falling within the "Excellent" category (90-100 points), which is higher than the overall average score of the SET 100 Index.

2. The company received a score of 96 in the 2023 Annual General Meeting (AGM) Checklist evaluation, conducted by the Thai Investors Association.

9. Internal Control and Related Transactions

9.1 Internal Control

MC Group Public Company Limited places great importance on a robust internal control system. The company oversees and evaluates the adequacy of the internal control systems of both the company and its subsidiaries annually, based on COSO (The Committee of Sponsoring Organizations of the Treadway Commission) guidelines. These evaluations are designed to ensure that the group achieves its business goals, focusing on five key components. The summary of the internal control system evaluation is as follows:

1. Control Environment

The company has established an internal control environment conducive to achieving its control objectives. This includes updating work policies, operational manuals, organizational structure, and various task forces as needed. The company places ongoing emphasis on integrity and ethics in business operations, reviewing and improving corporate governance policies and business ethics annually to align with changes and business growth. The company also communicates these policies and related disciplinary actions to employees, with strict guidelines preventing executives and employees from engaging in any activities that may lead to conflicts of interest. Furthermore, the company reinforces its “No Gift Policy” to elevate corporate governance standards and foster fair, equitable, and corruption-free business practices with all stakeholders.

The company has established mechanisms for whistleblowing, allowing both internal and external stakeholders to report any legal violations, ethical misconduct, corrupt behavior, inaccurate financial reporting, or deficiencies in internal control systems. This ensures stakeholder participation in oversight.

2. Risk Assessment

The company recognizes the importance of risk management and mandates an enterprise-wide risk assessment. It monitors the effectiveness of risk management through the creation of a Risk Profile, which identifies all risks relevant to each department, along with strategies to mitigate these risks to an acceptable level. A Risk Management Committee, composed of senior executives from all departments, is appointed to identify, assess, and manage risks across all levels of the organization. This includes monitoring performance and continuously developing the risk management system under the policy provided by the Risk Management and Sustainable Development Committee.

3. Control Activities

The company prioritizes internal control throughout the organization by establishing written policies and procedures covering various operational processes, including a Delegation of Authority (DOA) framework to ensure the appropriateness of the authority, duties, and responsibilities of the board, management, and employees. The company has implemented an information security control system based on the Information Security Management System (ISMS) ISO/IEC 27001:2022, as well as an IT policy that provides clear operational guidelines. This includes preventive measures to protect company assets and ensure security, along with employee training to enhance IT security standards and align with current situations.

The company also enforces policies on insider information protection and disclosure, requiring relevant parties to sign confidentiality agreements to prevent misuse of internal information before its authorized disclosure. Additionally, the company ensures compliance with relevant laws and regulations.

4. Information & Communication

The company has developed its information systems to be available, standardized, and secure in accordance with the IT security policy. It uses the SAP Enterprise Resource Planning (ERP) system to efficiently record, store, and analyze operational data, enhancing budget control, inventory management, and the continuous development of accounting information systems. This improves work efficiency. The company consistently focuses on IT infrastructure development and various project implementations to support operations in line with current conditions. It also provides communication channels for both internal and external stakeholders, including a whistleblower channel to safely report fraud. The Investor Relations department serves as a key hub for company information, regularly communicating with investors, shareholders, and related parties through various channels. Additionally, the company emphasizes data management (Data Governance), ensuring data accuracy and security, especially in compliance with the Personal Data Protection Act B.E. 2562 (2019).

5. Monitoring Activities

The company has a system for monitoring and evaluating internal controls to ensure their completeness and appropriateness. It regularly tracks performance, comparing it to the defined strategies and goals. If any external factors impact operations, the company adjusts its strategies accordingly. The internal audit department oversees compliance with the internal control systems. If significant issues arise, they are reported to the relevant management teams for improvement and correction. The internal audit department then follows up on these issues to ensure that the internal control system remains sufficient, appropriate, and effective. Regular reports are provided to the Audit Committee.

The annual audit plan covers financial, operational, and management concerns, and is approved by the Audit Committee. Additionally, financial audits are conducted by certified public accountants, who present their findings and internal control assessments to the Audit Committee at least once a year.

Audit Committee's Opinion on the Internal Control System

The Audit Committee has reviewed the internal control system of the company and its subsidiaries and expressed the opinion that the company's internal control system is adequate and appropriate. It complies with the regulations, operational procedures, legal requirements, and good corporate governance policies. The company has also ensured that sufficient personnel are in place to effectively implement the internal control system.

The Audit Committee reviewed the qualifications of Ms. Somporn U-in, the head of internal audit, and concluded that she is suitably qualified for the position. She possesses the necessary qualifications, education, and work experience, and has undergone appropriate training to effectively oversee the internal audit function. The company has provided a summary of the qualifications, education, and work experience of the head of the internal audit department in Appendix 3.

Head of Internal Audit

The company has a policy for internal audits to be conducted according to international standards. The Audit Committee appointed Ms. Somporn U-in as the head of internal audit, tasked with assessing risks, creating the annual internal audit plan, conducting audits, and following up on system improvements. She reports directly to the Audit Committee at least quarterly. The internal auditor has previously audited the company's operations, providing observations and recommendations for improving operational efficiency, which the management has acted upon. The Audit Committee believes that she is well-suited to perform her duties effectively.

Any appointment, removal, or transfer of the head of the internal audit unit must be approved by the Audit Committee.

9.2 Related Parties Transaction

The Company and its subsidiaries agreed to enter transactions with related parties. Those transactions are usual business undertakings of the Company and its subsidiaries under general trade conditions confirming to rules and principles set by Securities and Exchange Act BE 2551 (Vol.4) Section 89/12 (1) The Board of Directors approved in principle on 28 February 2013 to empower management team to execute related party transactions under general trade conditions. The management team can enter into those transactions under the conditions that they have the same terms and conditions as general contract parties will do in same circumstances and without exercising power as a director, management, or related person to influence the negotiation.

For the accounting year ending 30 June 2024, the Company has disclosed its related party transactions under announcements of Stock Exchange of Thailand regarding rules, principles, conditions and methods on disclosure of related party transaction of public companies. The details are summarized below.

Related Parties	Type of Transactions	Transaction Value in	Related Parties
1. SS Challenge Co., Ltd. Relationships: Ms. Sunee Seripanu as a shareholder	Mc Group PLC has rented space and services at Design Center, Mc Studio, and Workshop buildings at rates close to market prices with clear rental periods.	12.04	The lease agreements are normal business transactions of the company. The rental rates are based on valuations by independent appraisers. The Audit Committee has reviewed and believes that the transactions are fair and reasonable and are in the best interest of the company.
	Look Balance Co., Ltd (subsidiary). has rented land and the Blurista shop and purchased equipment at rates close to market prices with clear rental periods.	0.16	The lease agreements are normal business transactions of the company. The rental rates are based on valuations by independent appraisers. The Audit Committee has reviewed and believes that the transactions are fair and reasonable and are in the best interest of the company.
	Joint Venture: McMillion (Thailand) Co., Ltd. has rented space and warehouse at rates close to market prices with clear rental periods.	(0.21)*	The lease agreements are normal business transactions of the company. The rental rates are based on valuations by independent appraisers. The Audit Committee has reviewed and believes that the transactions are fair and reasonable and are in the best interest of the company. *Due to the termination of the lease, there is no property tax liability, resulting in negative expenses.
2. Techforge Global Co.,Ltd (Formerly "Tyche Co., Ltd.") Relationships: Same Director and shareholder with joint ventures.	The joint venture, McMillion (Thailand) Co., Ltd., has used services for maintenance and development of computer programs, with service fees close to market rates.	0.72	The provision of maintenance and development services for computer programs is for supporting normal business, comparable under the same conditions as those received from general vendors. The terms are in accordance with the service contract. The Audit Committee has reviewed and concluded that the transaction is fair, reasonable, and serves the best interests of the company.
3. Vulcan X Co.,Ltd Relationship: Mr. Niran Pravithana The director is an indirect major shareholder of the company	Mc Group PLC hired Virtual Characters (AI) for the company's marketing campaign, with the fees being in accordance with the terms of the service contract.	0.29	The contract is to support normal business, with terms comparable to those of typical market transactions. The terms follow the service contract. The Audit Committee has reviewed this and concluded that the arrangement is fair, reasonable, and in the best interest of the company.

Related Parties	Type of Transactions	Transaction Value in	Related Parties
4. Vulcan Coalition Co.,Ltd Relationship: Mr. Niran Pravithana The director is an indirect major shareholder of the company	Mc Group PLC used services for the care and training of individuals with disabilities for Customer Services work during weekday evenings and company holidays, with the service fees being close to market rates.	0.04	The service of providing management and training for people with disabilities is for supporting company's regular business activities, with terms comparable to those of typical market transactions. The terms follow the service contract. The Audit Committee has reviewed this and concluded that the arrangement is fair, reasonable, and in the best interest of the company.
	The subsidiary, Winner Man Co., Ltd., used services for the management and training of individuals with disabilities for Customer Services work during weekday evenings and company holidays, with the service fees being close to market rates.	0.20	The service of providing management and training for people with disabilities is for supporting company's regular business activities, with terms comparable to those of typical market transactions. The terms are in accordance with the service contract. The Audit Committee has reviewed this and concluded that the arrangement is fair, reasonable, and in the best interest of the company.
5. Bangkok FC Management Co., Ltd. Relationship: A close relative of the Chief Executive Officer is a director and shareholder.	Mc Group PLC provide sponsorship to Bangkok FC as a mean of advertising for the company, with the rate being close to market prices.	0.04	The sponsor to Bangkok FC is for supporting company's regular business activities, with terms comparable to those of typical market transactions. The terms adhere to the service agreement. The Audit Committee has reviewed this and concluded that the arrangement is fair, reasonable, and in the best interest of the company.

Necessity and Reasonableness of Transactions

Related party transactions undertaken between the Company, its subsidiaries and affiliated companies are transactions that support the Company's usual business operations and were approved by the Board of Directors or the Executive Committee under proper approval process and in complete accordance with the rules and procedures of the Company.

Policies and Trend of Related Party Transactions in the Future

Related party transactions of the Company in the future shall be the same transactions that support usual business operations. None of the transactions shall relocate interests between the Company, its subsidiaries and related persons. Besides, the transfer pricing between the Company, its subsidiaries and related persons shall be in line with the normal pricing given to unrelated companies or persons. All prices for products and raw materials sold and purchased by related parties shall be as agreed in the contracts or based on market prices of those products and raw materials. The Audit Committee, the auditor or the independent expert shall review, audit and provide opinions on the appropriateness of the prices and the reasonableness of the transactions and disclose types and values of respective transactions including rationales behind those transaction in the annual report and present the results at the shareholders meeting.

In addition, the Board of Directors must conform to the laws on Securities and Exchange and any rules, announcement, orders or principles set by the Stock Exchange of Thailand including the disclosure of related party transactions and the acquisitions or sales of important assets of the Company or its subsidiaries under accounting standard set by the Federation of Accounting Professions of Thailand.

In any case, if the related party transaction is involved with related persons or subject to possible conflict of interests in the future, the Audit Committee shall provide opinions regarding the necessity and reasonableness of that transaction. In case that the Audit Committee does not have the expertise to review the transaction, the Company shall ask the opinions from independent experts or the auditor of the Company on the matter. The Company shall disclose related party transactions in the audited footnotes to the financial statements.

PART 3

Financial Statements

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS

MC GROUP PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of MC Group Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of MC Group Public Company Limited (the "Company") which comprise the consolidated and separate statements of financial position as at June 30, 2024, and the related 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 the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of MC Group Public Company Limited and its subsidiaries and of MC Group Public Company Limited as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Key Audit Responses
<p>Major source of revenue</p> <p>The Group's revenue mainly consists of revenue from sales of clothes and accessories through different distribution channels to various customers. The revenue from sales of clothes and accessories is significant to the financial statements of the Group. We have focused on the occurrence of the revenue recognition from sales of clothes and accessories that was manually recorded or other adjustments made in general ledger whether they have been recognized in accordance with Thai Financial Reporting Standards. Accounting policies of revenues and detail of revenue from sales of clothes and accessories were disclosed in the Notes 3.13 and 24 to the financial statements, respectively.</p>	<p>Our key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process and related internal control procedures. • Evaluating the design and implementation of the internal control procedures on the revenue recognition, including the use of specialist's work related to information and technology system. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Using data analytics to identify transactions which exhibited characteristics of manual recording or other adjustments made in general ledger of sales of clothes and accessories and examining the related supporting documents of those revenues. - Performing substantive analytical procedures and test of detail relating to the revenues from sales of clothes and accessories.

Other Information

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

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

In connection with our audit of the consolidated and separate financial statements, our 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs 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 TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

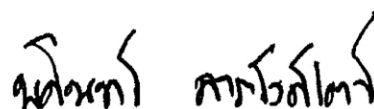
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

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



Bardin Laprangsirat

Certified Public Accountant (Thailand)

Registration No. 10985

BANGKOK

August 26, 2024

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2024

UNIT: BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2024	2023	2024	2023
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	431,777,320	482,184,689	419,929,192	170,292,800
Trade and other current receivables	6	200,259,430	202,906,096	179,921,720	173,964,033
Short-term loans to related parties	4	-	1,100,000	1,749,490	10,553,458
Inventories	7	1,257,486,393	1,294,388,915	1,312,173,964	1,405,583,342
Other current financial assets	8	1,302,010,894	1,244,490,886	1,302,010,894	1,244,490,886
Other current assets		8,573,728	5,743,260	8,344,010	5,737,777
Total Current Assets		<u>3,200,107,765</u>	<u>3,230,813,846</u>	<u>3,224,129,270</u>	<u>3,010,622,296</u>
NON-CURRENT ASSETS					
Other non-current financial assets	9	106,050,477	100,739,238	106,050,477	100,739,238
Investments in subsidiaries	10	-	-	48,956,601	298,953,601
Investments in joint ventures	11.1	10,269,245	18,481,078	-	-
Property, plant and equipment	12	688,156,545	696,695,168	670,644,782	678,924,966
Right-of-use assets	13	1,212,857,413	974,198,297	1,212,857,413	974,198,297
Intangible assets	14	96,632,991	104,255,224	92,201,296	102,413,999
Deferred tax assets	22.1	142,961,816	137,998,083	122,240,269	109,959,735
Rental deposits		107,530,070	103,917,147	107,516,945	103,904,022
Other non-current assets		4,439,513	4,293,221	4,309,713	4,153,421
Total Non-current Assets		<u>2,368,898,070</u>	<u>2,140,577,456</u>	<u>2,364,777,496</u>	<u>2,373,247,279</u>
TOTAL ASSETS		<u><u>5,569,005,835</u></u>	<u><u>5,371,391,302</u></u>	<u><u>5,588,906,766</u></u>	<u><u>5,383,869,575</u></u>

Notes to the financial statements form an integral part of these financial statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2024

UNIT: BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2024	2023	2024	2023
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	15	306,288,908	416,718,486	328,954,421	443,547,505
Current contract liabilities	16	82,746,718	73,039,517	82,746,718	73,039,517
Current portion of lease liabilities	17	305,530,315	277,618,790	305,530,315	277,618,790
Short-term borrowings from related parties	4	-	-	125,035,648	104,872,584
Corporate income tax payable		76,379,353	53,534,007	76,242,694	53,347,560
Current provisions for employee benefits	18	4,853,913	6,924,267	3,480,133	4,556,000
Other current liabilities		35,076,629	26,934,815	30,302,504	22,082,756
Total Current Liabilities		<u>810,875,836</u>	<u>854,769,882</u>	<u>952,292,433</u>	<u>979,064,712</u>
NON-CURRENT LIABILITIES					
Lease liabilities	17	932,710,664	705,908,312	932,710,664	705,908,312
Non-current provisions for employee benefit	18	37,797,459	40,588,509	15,183,528	16,466,627
Other non-current liabilities		46,741,467	48,676,974	46,438,468	48,214,897
Total Non-current Liabilities		<u>1,017,249,590</u>	<u>795,173,795</u>	<u>994,332,660</u>	<u>770,589,836</u>
TOTAL LIABILITIES		<u>1,828,125,426</u>	<u>1,649,943,677</u>	<u>1,946,625,093</u>	<u>1,749,654,548</u>
SHAREHOLDER'S EQUITY					
Share capital					
Registered share capital					
792,000,000 ordinary shares of Baht 0.50 each		<u>396,000,000</u>	<u>396,000,000</u>	<u>396,000,000</u>	<u>396,000,000</u>
Issued and paid-up share capital					
792,000,000 ordinary shares of Baht 0.50 each, fully paid		<u>396,000,000</u>	<u>396,000,000</u>	<u>396,000,000</u>	<u>396,000,000</u>
Premium on ordinary share	19	2,824,925,638	2,824,925,638	2,824,925,638	2,824,925,638
Deficit from the change in the ownership interest in subsidiary		-2,626,281	-2,626,281	-	-
Retained earnings					
Appropriated					
Statutory reserves	20	40,000,000	40,000,000	40,000,000	40,000,000
Unappropriated		478,305,236	444,666,880	380,521,577	359,932,345
Other components of shareholders' equity		3,514,840	16,037,426	834,458	13,357,044
Equity attributable to owners of the Company		<u>3,740,119,433</u>	<u>3,719,003,663</u>	<u>3,642,281,673</u>	<u>3,634,215,027</u>
Non-controlling interests of the subsidiaries		760,976	2,443,962	-	-
TOTAL SHAREHOLDERS' EQUITY		<u>3,740,880,409</u>	<u>3,721,447,625</u>	<u>3,642,281,673</u>	<u>3,634,215,027</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>5,569,005,835</u>	<u>5,371,391,302</u>	<u>5,588,906,766</u>	<u>5,383,869,575</u>

Notes to the financial statements form an integral part of these financial statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

UNIT: BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2024	2023	2024	2023
REVENUES					
Revenue from sales	24	4,054,025,406	3,669,652,920	4,042,451,052	3,649,970,600
Revenue from services	24	120,000	120,000	1,365,000	1,365,000
Dividend income		2,668,074	1,569,474	2,668,074	124,572,700
Other income		50,329,092	20,501,366	89,580,229	20,680,291
Total Revenues		<u>4,107,142,572</u>	<u>3,691,843,760</u>	<u>4,136,064,355</u>	<u>3,796,588,591</u>
EXPENSES					
Cost of sales		1,450,882,284	1,290,515,457	1,500,552,787	1,349,357,088
Distribution costs		1,256,963,855	1,148,937,715	1,273,180,192	1,158,441,228
Administrative expenses		466,906,101	438,164,657	459,351,326	445,522,570
Impairment loss on assets	11.1	7,098,040	-	-	-
Total Expenses		<u>3,181,850,280</u>	<u>2,877,617,829</u>	<u>#####</u>	<u>2,953,320,886</u>
PROFIT FROM OPERATING ACTIVITIES		<u>925,292,292</u>	<u>814,225,931</u>	<u>902,980,050</u>	<u>843,267,705</u>
Finance income		8,665,988	4,684,493	9,391,759	4,867,915
Finance costs		-35,974,246	-19,999,335	-40,588,628	-24,219,942
Share of loss of joint ventures accounted for using equity method	11.2	-1,113,793	-2,355,406	-	-
PROFIT BEFORE INCOME TAX EXPENSES		<u>896,870,241</u>	<u>796,555,683</u>	<u>871,783,181</u>	<u>823,915,678</u>
Income tax expenses	22.2	-183,725,535	-152,937,103	-171,668,571	-137,942,506
PROFIT FOR THE YEARS		<u>713,144,706</u>	<u>643,618,580</u>	<u>700,114,610</u>	<u>685,973,172</u>
OTHER COMPREHENSIVE INCOME (EXPENSE)					
Components of other comprehensive income that will not be reclassified to profit or loss					
Loss on investment in equity designated at fair value through other comprehensive income	9	-13,878,412	-17,437,092	-13,878,412	-17,437,092
Gain on sale of investment in equity designated at fair value other comprehensive income		174,766	-	174,766	-
Gain on remeasurements of defined benefit plans	18	-	3,211,959	-	5,702,865
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	22.3	2,775,682	2,845,026	2,775,682	2,346,845
Total components of other comprehensive income that will not be reclassified to profit or loss, net of tax		<u>-10,927,964</u>	<u>-11,380,107</u>	<u>-10,927,964</u>	<u>-9,387,382</u>
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE) FOR THE YEARS		<u>-10,927,964</u>	<u>-11,380,107</u>	<u>-10,927,964</u>	<u>-9,387,382</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		<u>702,216,742</u>	<u>632,238,473</u>	<u>689,186,646</u>	<u>676,585,790</u>
PROFIT (LOSS) ATTRIBUTABLE TO:					
Owners of parent		713,163,734	643,634,339	700,114,610	685,973,172
Non-controlling interests		-19,028	-15,759	-	-
		<u>713,144,706</u>	<u>643,618,580</u>	<u>700,114,610</u>	<u>685,973,172</u>
TOTAL COMPREHENSIVE INCOME (EXPENSE) ATTRIBUTABLE TO:					
Owners of parent		702,235,770	632,254,232	689,186,646	676,585,790
Non-controlling interests		-19,028	-15,759	-	-
		<u>702,216,742</u>	<u>632,238,473</u>	<u>689,186,646</u>	<u>676,585,790</u>
BASIC EARNINGS PER SHARE					
Profit attributable to owners of parent (Baht per share)	23	0.90	0.81	0.88	0.87
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (SHARES)		<u>792,000,000</u>	<u>792,000,000</u>	<u>792,000,000</u>	<u>792,000,000</u>

Notes to the financial statements form an integral part of these financial statements

UNIT: BAHT

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MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

SEPARATE FINANCIAL STATEMENTS											UNIT: BAHT
	Notes	Other components of shareholders' equity							Total shareholders' equity		
		Issued and paid-up share capital	Premium on share capital	Appropriated Statutory reserve	Unappropriated	Loss on investment in equity designated at fair value through other comprehensive income	Gain on remeasurement of defined benefit plans	Total other components of shareholders' equity			
Balance as at July 1, 2022		396,000,000	2,824,925,638	40,000,000	252,116,373	-474,099	23,218,525	22,744,426	3,535,786,437		
Profit for the year		-	-	-	685,973,172	-	-	-	685,973,172		
Loss on investment in equity designated at fair value through other comprehensive income		-	-	-	-	-13,949,674	-	-13,949,674	-13,949,674		
Gain on re-measurements of defined benefit plans		-	-	-	-	-	4,562,292	4,562,292	4,562,292		
Total comprehensive income for the year		-	-	-	685,973,172	-13,949,674	4,562,292	-9,387,382	676,585,790		
Dividend paid	26	-	-	-	-578,157,200	-	-	-	-578,157,200		
Balance as at June 30, 2023		396,000,000	2,824,925,638	40,000,000	359,932,345	-14,423,773	27,780,817	13,357,044	3,634,215,027		
Balance as at July 1, 2023		396,000,000	2,824,925,638	40,000,000	359,932,345	-14,423,773	27,780,817	13,357,044	3,634,215,027		
Profit for the year		-	-	-	700,114,610	-	-	-	700,114,610		
Loss on investment in equity designated at fair value through other comprehensive income		-	-	-	-	(10,927,964)	-	-10,927,964	-10,927,964		
Gain on sale of investment in equity designated at fair value through other comprehensive income		-	-	-	1,594,622	(1,594,622)	-	(1,594,622)	-		
Total comprehensive income for the year		-	-	-	701,709,232	(12,522,586)	-	-12,522,586	689,186,646		
Dividend paid	26	-	-	-	(681,120,000)	-	-	-	-681,120,000		
Balance as at June 30, 2024		396,000,000	2,824,925,638	40,000,000	380,521,577	-26,946,359	27,780,817	834,458	3,642,281,673		

Notes to the financial statements form an integral part of these financial statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2024

UNIT: BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expenses		896,870,241	796,555,683	871,783,181	823,915,678
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation of fixed assets and right-of-use asset and amortization of intangible assets	12, 13, 14	411,357,533	386,627,670	409,524,694	383,749,922
Finance income		-8,665,988	-4,684,493	-9,391,759	-4,867,915
Finance costs		35,974,246	19,999,335	40,588,628	24,219,942
Non-current provisions for employee benefit expenses		5,383,286	5,680,509	2,894,907	2,497,909
Share of loss from investment in joint ventures accounted for using equity method	11.2	1,113,793	2,355,406	-	-
Unrealized gain from changes in fair value of other current financial assets	8	-16,943,414	-8,246,651	-16,943,414	-8,246,651
Unrealized gain on exchange rates	9	-1,888,650	-449,250	-1,888,650	-449,250
Reversal loss on expected credit losses	6	-4,054,439	-2,884,329	-4,054,439	-2,884,329
Loss on expected credit losses from a short-term loan	4	405,000	-	-	-
Allowance for diminution in value of inventories (reversal)	7	6,443,362	-7,778,149	19,844,882	15,358,964
Loss on sales of property, plant and equipment		3,889,571	343,116	3,889,571	343,815
Provision impairment of deposits (reversal)		(8,386,339)	8,386,339	(8,386,339)	8,386,339
Dividend income		(2,668,074)	(1,569,474)	(2,668,074)	(124,572,700)
Impairment loss on assets	11.1	7,098,040	-	-	-
Gain from liquidation of a subsidiary	10	-	-	(50,066,810)	-
Differences from the termination of lease agreements		(6,425,335)	(1,644,125)	(6,425,335)	(1,644,125)
The differences from lease discount	5.3	-130,688	-10,840,040	-130,688	-10,840,040
Profit from operating activities before changes in operating assets and liabilities		1,319,372,145	1,181,851,547	1,248,570,355	1,104,967,559
Operating assets (increase) decrease					
Trade and other current receivables		4,444,764	-711,489	306,689	12,266,578
Inventories		30,459,160	-86,243,773	73,564,496	-44,637,784
Other current assets		-2,830,468	58,949	-2,606,233	21,881
Rental deposits		4,773,416	-4,252,593	4,773,416	-4,252,593
Other non-current assets		-146,292	-529,162	-156,292	-529,162
Operating liabilities increase (decrease)					
Trade and other current payables		-226,005,015	-25,639,781	-230,165,405	-19,091,280
Current contracts liabilities		9,707,201	(1,463,033)	9,707,201	(1,463,033)
Other current liabilities		8,141,814	60,329	8,219,748	-1,923,957
Other non-current liabilities		-1,935,507	12,901,861	-1,776,429	12,866,784
Cash provided by operating activities		1,145,981,218	1,076,032,855	1,110,437,546	1,058,224,993
Cash paid for acquisition of other current financial assets	8	-1,537,156,083	-1,832,853,363	-1,537,156,083	-1,832,853,363
Cash received from sale of other current financial assets	8	1,496,579,489	1,636,114,579	1,496,579,489	1,636,114,579
Cash paid for employee benefits obligation	18	(10,244,690)	(7,186,327)	(5,253,873)	(6,618,267)
Cash paid for corporate income tax		(158,392,409)	(132,184,080)	(158,068,737)	(131,784,626)
Net cash provided by operating activities		936,767,525	739,923,664	906,538,342	723,083,316

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024

UNIT: BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2024	2023	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from finance income		6,421,266	3,804,812	7,147,036	3,988,235
Cash paid for acquisition of property, plant and equipment	5.2	-90,278,513	-400,050,566	-90,261,393	-400,048,757
Proceeds from sales of property, plant and equipment		3,306,282	202,133	3,306,282	202,133
Cash paid for acquisition of intangible assets	5.2	-10,692,364	-3,995,237	(6,547,729)	(3,995,237)
Cash paid for short-term loans to related parties	4	-	-100,000	(198,286,144)	(155,438,392)
Cash received from short-term loans to related parties	4	695,000	-	207,090,112	146,542,167
Cash paid for acquisition of other non-current financial assets	9	(31,461,237)	(65,624,404)	(31,461,237)	(65,624,404)
Cash received from sales other non-current financial assets	9	14,160,236	-	14,160,236	-
Cash received from liquidation of a subsidiary		-	-	300,063,810	-
Cash received from dividend income		2,668,074	1,569,474	2,668,074	124,572,700
Net cash used in investing activities		-105,181,256	-464,193,788	207,879,047	-349,801,555
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for finance costs		-35,974,246	-19,999,335	-40,588,628	-24,219,942
Cash paid for capital reduction in a subsidiary to non-controlling interest	1	-903,025	-2,700,075	-	-
Cash paid for dividend		-681,859,144	-582,488,302	-681,098,211	-577,971,403
Cash paid for payment of lease liabilities	5.3	-163,257,223	-144,283,298	-163,257,223	-144,283,298
Proceeds from short-term loan from related parties	4	-	-	232,939,410	426,580,215
Repayment of short-term loan from related parties	4	-	-	-212,776,345	-504,042,587
Net cash used in financing activities		-881,993,638	-749,471,010	-864,780,997	-823,937,015
Net (decrease) increase in cash and cash equivalents		-50,407,369	-473,741,134	249,636,392	-450,655,254
Cash and cash equivalents as at July 1,		482,184,689	955,925,823	170,292,800	620,948,054
Cash and cash equivalents as at June 30,		431,777,320	482,184,689	419,929,192	170,292,800

Notes to the financial statements form an integral part of these financial statements

MC GROUP PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1. GENERAL INFORMATION AND OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES

MC Group Public Company Limited (the “Company”) is a public company incorporated and domiciled in Thailand. Its registered address is located at 448, 450, On-Nut Road, Kwang Pravet, Khet Pravet, Bangkok.

As at June 30, 2024 and 2023, the Company’s major shareholder is Khun Sunee Seripanu who holds 46.03 % of total shares.

The principal businesses of the Company and its subsidiaries, together referred to as the “Group”, are manufacturing and distribution management of clothing and accessories.

Details of the subsidiaries as at June 30, are as follows:

Subsidiaries	Type of business	Country of incorporation	Ownership interest (%) 2024	2023
Direct subsidiaries				
P.K. Garment (Import-Export) Co., Ltd.*	Manufacturing of clothing	Thailand	-	99.99
Mc Jeans Manufacturing Co., Ltd.	Manufacturing of clothing	Thailand	99.97	99.97
Winner Man Co., Ltd.	Staff personnel services to the Group	Thailand	99.97	99.97
WoWme Limited	Distribution of goods and service via online channel	Thailand	99.99	99.99
Look Balance Co., Ltd.	Holdings company	Thailand	99.98	99.98
MC Jeanious Co., Ltd.	Holdings company	Thailand	99.99	99.99
Indirect subsidiaries				
(Held by Look Balance Co., Ltd.)				
Aromatique Active Co., Ltd. **	Distribution of skincare and aromatic products	Thailand	-	54.99

* See Note 10

** On October 26, 2022, the Annual General Meeting of shareholders No. 1/2022 of Aromatique Active Co., Ltd. had unanimous resolved to reduce the registered share capital from Baht 8,000,000 to Baht 2,000,000 by reducing the par value from Baht 100 per share to Baht 25 per share in order to be in line with business operation and return capital to shareholders which divided into equity attributable to owners of the Company by Baht 3.30 million and non-controlling interests by Baht 2.70 million. The capital reduction does not affect the percentage of investment of the Company.

On November 9, 2023, the Board of Directors’ meeting No. 2/2023 and on November 29, 2023, the meeting of Extra Ordinary General of the Shareholders No. 1/2023 of Aromatique Active Co., Ltd. approved the dissolution of the business. Aromatique Active Co., Ltd. registered its dissolution with the Department of Business Development Ministry of Commerce on November 30, 2023. Therefore, Aromatique Active Co., Ltd. has changed the basis for the preparation of the financial statements for the period from July 1, 2023 to November 30, 2023 from a going concern basis to a net realizable value basis.

Subsequently, on May 21, 2024, Aromatique Active Co., Ltd. has repaid in excess profit to shareholders in proportion to Look Balance Co., Ltd. by Baht 0.45 million which Look Balance Co., Ltd. recorded a transaction as other income and on June 10, 2024, Aromatique Active Co., Ltd. has repaid shareholders in proportion to their shareholding by Baht 1.10 million for the equity of the parent company and Baht 0.90 million for non-controlling interests. Aromatique Active Co., Ltd. completed its liquidation registration on June 28, 2024.

The Company has extensive transactions and relationships with its related parties. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

- 2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.
- 2.2 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements" and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding "The Brief Particulars in the Financial Statement (No.3) B.E. 2562" dated December 26, 2019.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies (see Note 3).
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the year, the Group has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

- 2.5 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2024, onwards

The revised TFRSs are mostly the revision of wording and terminology and clarification of accounting requirements. TFRSs which have been amended and are relevant to the Group are as follows:

Thai Accounting Standard No.1 “Presentation of Financial Statements”

The amendments change the requirements regarding the disclosure of accounting policies from “significant accounting policies” to “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Thai Accounting Standard No.8 “ Accounting Policies, Changes in Accounting Estimates and Errors”

The amendments change the definition of accounting estimates to be “monetary amounts in financial statements that are subject to measurement uncertainty”, to help an entity to be able to segregate the difference of “change in accounting estimates” from “change in accounting policies”.

Thai Accounting Standard No.12 “Income Taxes”

The amendments add the requirements for the initial recognition of deferred tax, which give rise to equal taxable and deductible temporary differences such as right-of-use assets and lease liabilities and decommissioning obligation. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. At the beginning of the earliest comparative period, an entity recognizes a deferred tax asset, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and a deferred tax liability for all deductible and taxable temporary differences associated with such transactions.

In addition, such amendments also add the exemption for the International Tax Reform - Pillar Two Model. An entity should not recognize and not disclose the deferred tax assets and deferred tax liability which are relevant to Pillar Two income tax.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The English version of the consolidated and separate financial statements have been prepared from the Thai version of the consolidated and separate financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version consolidated and separate financial statements in accordance with the Thai law is superseded.

The financial statements have been prepared under the measurement basis of historical cost except as disclosed in the significant accounting policies as follows:

3.1 Basis of preparation of consolidation financial statements

The Consolidated financial statements comprise of the Company and its subsidiaries' financial statements and the Group's interest in associates and joint ventures.

Business combinations

The Group applies the acquisition method for all business combinations except for the business combination under common control.

The Group's control is achieved when the Group (1) has power over the investee (2) is exposed, or has rights, to variable returns from its involvement with the investee and (3) has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Goodwill is measured at the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. If the net realized amount (fair value) of identifiable assets acquired and liability assumed is higher than the fair value of the consideration transfer, the Group will recognize the surplus as gain in statement of profit or loss and other comprehensive income.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognized as other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree or measures using the fair value.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are recognized as expenses when incur.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period

presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group controlling shareholder's consolidated financial statements. Surplus arising from business combination under common control represents the difference between the cost of the combination and the carrying amounts of net identifiable assets at the date of combination. The difference arising from common control transactions is recognized under shareholders' equity until disposal of the investment.

Transactions eliminated on consolidation financial statements

Significant intra-group balances and transactions have been eliminated in the preparation of the consolidated financial statements. The consolidated financial statements for the years ended June 30, 2024 and 2023 were prepared by using the financial statements of its subsidiaries, associates and joint ventures as of the same date.

3.2 Foreign currencies

Transactions in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized as profit or loss in statement of profit or loss and other comprehensive income.

Non-monetary assets and liabilities measured at historical cost in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities for which settlement is neither planned nor likely to occur in a foreseeable future is treated as part of net investment in the foreign operation of the Group. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g. consolidated financial statements when the foreign operation is a subsidiary), such exchange differences shall be recognized initially in other comprehensive income and reclassified from equity to profit or loss on a disposal of the net investment.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances, all deposits at banks with the original maturities of three months or less and highly liquid short-term investments, excluding cash at banks used as collateral.

3.4 Trade and other current receivables

Trade receivables and other receivables are stated at their invoice value less allowance for expected credit losses.

The allowance for expected credit losses has disclosed in Note 3.7.

3.5 Inventories

Finished goods and work in process are valued at the lower of cost under the weighted average method and net realizable value. The cost of inventories is measured using standard cost method, which approximates actual cost and includes production costs and attributable factory overheads.

Raw materials are valued at the lower of average cost or net realizable value and are charged to production costs whenever consumed.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.6 Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures in the separate financial statements of the Company are accounted for using the cost method. Investments in associates and joint ventures in the consolidated financial statements are accounted for using the equity method.

An associate is an entity which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses of a joint venture equals or exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognizing its share of further losses. Additional

losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately as profit or loss in the statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held-for-sale.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. No re-measurement upon such changes in ownership interests is required.

When the Group reduces its ownership interest in a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss for the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest in the statement of profit or loss and other comprehensive income if that gain or loss would be reclassified to profit or loss upon the disposal of the related assets or liabilities.

When the Group transacts with a joint venture, profits and losses resulting from such transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the joint venture that are not related to the Group.

3.7 Financial Instruments

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset. The Group may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (2) below).

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the "finance income" line item.

(ii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "finance income" line item in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

(iii) Financial assets at FVTPL

Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss.
- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 2 years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

The Group derecognizes financial liabilities, only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

3.8 Property, plant and equipment

Recognition and measurement

Property is measured at cost less allowance for impairment losses, if any.

Plant and equipment are measured at cost less accumulated depreciation and allowance for impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The cost also includes the costs of dismantling and removing the items and restoring the site on which they are located and

capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately by major components.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net as profit or loss in the statement of profit or loss and other comprehensive income.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in statement of profit or loss and other comprehensive income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvement	5 to 20 years
Building	20 years
Building and leasehold improvement	3 to 20 years
Machinery	5 years
Tools and equipment factory	5 to 10 years
Fixtures and office equipment	3 to 15 years
Vehicles	5 to 10 years

The Group does not charge depreciation for land and assets under installation and construction.

Depreciation methods, useful lives and residual values are reviewed at the least of each financial year-end and adjusted if appropriate.

3.9 Intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and allowance for impairment losses, if any.

Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use.

The estimated useful lives are as follows:

Computer software	3 to 15 years
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Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.10 Impairment

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized as an expense in the statement of profit or loss and other comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to statement of other comprehensive income.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the higher of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized as an expense in the statement of profit or loss and other comprehensive income.

Impairment losses recognized in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized.

3.11 Provision

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

3.12 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labour law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The Group calculates obligation under the defined benefit plans is determined by a professionally qualified independent actuary based on actuarial techniques, using the Projected Unit Credit Method.

Actuarial gains or losses arising from defined benefit plans in other comprehensive income.

Past service cost related to the plan amendment is recognized as an expense or income in the statement of profit or loss when the plan amendment is effective.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted cash flow basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.13 Revenue recognition

Sales of goods

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting the estimation of returns and discounts.

When a contract provided a customer with a right to exchange the goods, the Company recognizes the amount ultimately expected they will be returned from customers as a refund liability which presented as a part of "Contract liabilities" in the statement of financial position and recognizes the right to receive the goods expected to be returned by customers as goods expected to be returned which presented as a part of "Inventories" in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Service income

Service revenue is recognized in the amount to which the Company has a right to invoice as it corresponds directly with the value to the customer.

Dividends

Dividends are recognized as income when the right to receive the dividends is established.

Finance income

Finance income is recognized using the effective interest method.

Other income

Other income is recognized on an accrual basis.

3.14 Expense recognition

Expenses are recognized on an accrual basis.

3.15 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

3.16 Lease

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (which includes tablets, personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

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

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under TAS 37 - Provisions, Contingent Liabilities and Contingent Assets. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as expenses in the period in which the event or condition that triggers those payments occurs and are included in the line "Administrative expenses" in profit or loss.

As a practical expedient, TFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more

additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3.17 Income tax expense

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expense in the statement of profit or loss and other comprehensive income except to the extent that they relate to a business combination, or items recognized directly in shareholders' equity or other comprehensive income.

Current tax is the expected tax payable or receivable derived from a computation of profit or loss using tax rates enacted and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction in the consolidated financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

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 reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period when such a determination is made.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the Company and its subsidiaries intend to settle its current tax assets and liabilities on a net basis.

A deferred tax asset is recognized 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 each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be

realized. The Company recognizes deferred tax liabilities for all taxable temporary differences in the consolidated and separate financial statements.

3.18 Earnings per share

The calculations of basic earnings per share for the year are based on the profit for the year attributable to equity holders divided by the weighted-average number of ordinary shares held by outsiders outstanding during the year. The calculations of diluted earnings per share for the year are based on the weighted-average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.19 Fair value measurements

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement, which are as follows:

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

3.20 Accounting estimates and source of estimation uncertainty

(1) Use of management's judgments

The preparation of financial statements in conformity with TFRSs requires the Group's management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

Critical judgments in applying accounting policies are as follows:

Reclassification of investment in a joint venture

The management of the subsidiary determined whether the subsidiary has joint control over the investee company by considering proportion of voting rights and other relevant conditions as specified in the shareholder agreement. The subsidiary is to classify investment the investee company as investment in a joint venture when the subsidiary and the other shareholders have joint control over this company, whereby shareholders of one party are not entitled to direct significant activities of the investee company without the consent from shareholders of the other party.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred to the Group, taking into consideration terms and conditions of the arrangement.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future taxable profits.

Property, plant and equipment and depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Group considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 18.

Past service cost related to the plan amendment is recognized as an expense in the statement of comprehensive income when the plan amendment is effective.

Contract liabilities

Major of contract liabilities is liabilities from obligation to customers with respect to exchange of goods after sales to customers. The management is required to use judgment regarding experience of the goods exchange which the amount is variable based on sales volume of each period. Moreover, contract liabilities are consist of marketing support that the Company expected to have obligation under contracts to local credit customers. The management estimates from the past experience and related information of marketing promotion.

(2) Key sources of estimation uncertainty

Calculation of expected credit loss

When measuring expected credit losses, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Percentage of loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of defaults is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Reduce cost to net realizable value of inventories

In determining a reduce cost to net realizable value of inventories, the management needs to make judgement in estimating the losses that will be incurred on the sale of the inventories, taking into account net realizable value, aging profile of outstanding inventories, the stock-keeping conditions and business situation, etc.

Impairment of investments

The Company and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

4. RELATED PARTY TRANSACTIONS

Related person or parties of the Company are defined as persons or entities that control the Company or are controlled by the Company, whether directly or indirectly or are under the same control as the Company including holding companies. In addition, related person or parties also include individuals owning an interest in the voting shares of the Company, directly or indirectly, and have significant influence over the Company, key management personnel, directors or officers of the Company. This also applies to the close members of the family of such individuals and companies associated with these individuals.

In considering each possible related person or parties relationship, attention is directed to the substance of the relationship, over the legal form.

Transactions with related person or parties are conducted at market prices or, where no market price exists, at contractually agreed prices.

The relationship between the Company and the related parties which had significant business transactions for the years ended June 30, 2024 and 2023 are as follows:

Name of related parties	Country of incorporation	Nature of relationships
P.K.Garment (Import-Export) Co., Ltd	Thailand	Subsidiary Company, completed its liquidation registration on June 25, 2024
Mc Jeans Manufacturing Co., Ltd.	Thailand	Subsidiary Company
Winner Man Co., Ltd.	Thailand	Subsidiary Company
WoWme Limited	Thailand	Subsidiary Company
Look Balance Co., Ltd.	Thailand	Subsidiary Company
MC Jeanious Co., Ltd.	Thailand	Subsidiary Company
Aromatique Active Co., Ltd.	Thailand	Subsidiary Company (held by a subsidiary), completed its liquidation registration on June 28, 2024
TOP T 2015 Co., Ltd.	Thailand	Joint venture (held by a subsidiary)
Mcmillion (Thailand) Co., Ltd.	Thailand	Joint venture (held by a subsidiary)
Millenium (1975) Co., Ltd.	Thailand	Common major shareholders and directors
S.S.Challenge Co., Ltd.	Thailand	Common major shareholders
Data Hunter Co., Ltd.	Thailand	Common shareholder
Nature Touch International Co., Ltd.	Thailand	Common directors and shareholder with a subsidiary
JCP International Company Limited	Thailand	Common directors with a subsidiary
S.C. Law Office Co., Ltd.	Thailand	Common directors
Vulcan X Co., Ltd.	Thailand	Common directors
Vulcan Coalition Co., Ltd.	Thailand	Common directors

Name of related parties	Country of incorporation	Nature of relationships
Sataporn Co., Ltd.	Thailand	Shareholder and director is family member of the Company's director
Techforge Global Co., Ltd. (formerly called Tyche Co., Ltd.)	Thailand	Common directors and shareholder with a joint venture
Head One Hundred Co., Ltd.	Thailand	The executive's close relatives are directors and shareholders.
Bangkok FC Management Co., Ltd.	Thailand	The executive's close relatives are directors and shareholders.
Director and key management of the Company	-	Management personnel

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Revenue from sales	Contractual price
Rendering of services	Contractual price
Purchase of goods / raw materials / services	Contractual price
Sale / purchase of property, plant and equipment	Contractual price
Purchase of intangible assets	Agreed price
Finance income	Effective interest rate
Rental and service fee	Contractual price
Dividend received / paid	As declared

During the years ended June 30, the Company and its subsidiaries had significant business transactions with related personnel or parties. Such transactions arise in the ordinary course of business and are concluded on commercial terms and bases agreed upon between the Company and those related personnel or parties are summarized below:

Unit : Thousand Baht

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<u>Transactions with subsidiaries (Eliminated from the consolidated financial statements)</u>				
Revenue from rendering of services	-	-	1,245	1,245
Dividend income	-	-	-	123,003
Other income	-	-	509	477
Finance income	-	-	772	218
Other expenses	-	-	2,310	2,483
Commission expenses	-	-	111,571	108,269
Finance costs	-	-	4,614	4,221
Personnel service expenses	-	-	353,427	355,882
<u>Transactions with joint ventures</u>				
Revenue from sales	-	27	-	27
Revenue from rendering of services	120	120	120	120
Other expenses	4,408	16,319	4,408	16,319
<u>Transactions with personnel and related parties</u>				
Purchase of goods	-	5	-	5
Other expenses	13,283	25,326	12,412	20,855
<u>Transactions with key management personnel</u>				
Key management personnel compensation				
Short-term benefits	48,240	38,608	48,240	38,608
Post-employment benefits	1,138	1,682	1,138	1,682
Total key management personnel compensation	49,378	40,290	49,378	40,290

The balances of the accounts as at June 30 between the Company and those related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Trade and other current receivables (see Note 6)				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	7	616
Joint ventures	-	36	-	33
Total trade and other current receivables	-	36	7	649
Short-term loans to related parties				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	1,750	10,553
Joint ventures	-	1,100	-	-
Total short-term loans to related parties	-	1,100	1,750	10,553
Other current assets				
Related companies	13	1,649	-	-
Other non-current assets				
Related companies	954	954	954	954
Trade and other current payables (see Note 15)				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	47,377	48,414
Joint ventures	-	2,489	-	2,489
Related companies	1,092	1,005	1,058	1,005
Total trade and other current payables	1,092	3,494	48,435	51,908
Short-term borrowings from related parties				
Subsidiaries (Eliminated from the consolidated financial statements)	-	-	125,035	104,873

Short-term loans to related parties

The balance of short-term loans to related parties as at June 30, and the movement for the year then ended, are as follows:

Unit : Thousand Baht					
As at June 30, 2024		Consolidated financial statements			
		Balance as at		(Allowance	Balance as at
	Interest rate	July 1,		for	June 30,
Borrower	(% per annum)	2023	(Decrease)	expected credit losses)	2024
Joint venture					
McMillion (Thailand) Co., Ltd.	4.02-4.27	1,100	(695)	(405)	-
		1,100	(695)	(405)	-
Unit : Thousand Baht					
As at June 30, 2023		Consolidated financial statements			
		Balance as at			Balance as at
	Interest rate	July 1,			June 30,
Borrower	(% per annum)	2022	Increase	(Decrease)	2023
Joint venture					
McMillion (Thailand) Co., Ltd.	2.47-4.02	1,000	100	-	1,100
		1,000	100	-	1,100
Unit : Thousand Baht					
As at June 30, 2024		Separate financial statements			
		Balance as at			Balance as at
	Interest rate	July 1,			June 30,
Borrower	(% per annum)	2023	Increase	(Decrease)	2024
Subsidiary					
Mc Jeans Manufacturing Co., Ltd.	4.02-4.27	1,706	44	-	1,750
Winner Man Co., Ltd.	4.02-4.27	8,847	198,243	(207,090)	-
		10,553	198,287	(207,090)	1,750
Unit : Thousand Baht					
As at June 30, 2023		Separate financial statements			
		Balance as at			Balance as at
	Interest rate	July 1,			June 30,
Borrower	(% per annum)	2022	Increase	(Decrease)	2023
Subsidiary					
Mc Jeans Manufacturing Co., Ltd.	2.47-4.02	1,657	49	-	1,706
Winner Man Co., Ltd.	2.47-4.02	-	155,389	(146,542)	8,847
		1,657	155,438	(146,542)	10,553

Short-term loans to related parties are unsecured loans and repayable at call.

Short-term borrowings from related parties

The balance of short-term borrowings from related parties as at June 30, and the movement for the year then ended, are as follows:

		Unit : Thousand Baht			
As at June 30, 2024		Separate financial statements			
Lender	Interest rate (% per annum)	Balance as at July 1, 2023	Increase	(Decrease)	Balance as at June 30, 2024
Subsidiaries					
Winner Man Co., Ltd.	4.02-4.27	-	222,939	(210,590)	12,349
WoWme Limited	4.02-4.27	19,739	-	-	19,739
Look Balance Co., Ltd.	4.02-4.27	65,134	10,000	(2,186)	72,948
Mc Jeanious Co., Ltd.	4.02-4.27	20,000	-	-	20,000
		<u>104,873</u>	<u>232,939</u>	<u>(212,776)</u>	<u>125,036</u>
		Unit : Thousand Baht			
As at June 30, 2023		Separate financial statements			
Lender	Interest rate (% per annum)	Balance as at July 1, 2022	Increase	(Decrease)	Balance as at June 30, 2023
Subsidiaries					
Winner Man Co., Ltd.	2.47-4.02	28,938	379,760	(408,698)	-
WoWme Limited	2.47-4.02	31,770	-	(12,031)	19,739
Look Balance Co., Ltd.	2.47-4.02	44,627	46,820	(26,313)	65,134
Mc Jeanious Co., Ltd.	2.47-4.02	77,000	-	(57,000)	20,000
		<u>182,335</u>	<u>426,580</u>	<u>(504,042)</u>	<u>104,873</u>

Short-term borrowings from related parties are unsecured borrowings and repayable at call.

Significant agreements with related parties

Warehouse rental and services agreements

On February 1, 2023, the Company entered into a warehouse rental and service agreement with a subsidiary at the total rental and service rate of Baht 0.3 million per annum. The term of this agreement is for a period of 3 years and is renewable for a further 3 years upon agreement of both parties in writing. Under this agreement, only the lessor has the right to terminate this warehouse agreement before the end of the rental term. In case the warehouse rental agreement is terminated, the service agreement will be terminated also.

Office rental and services agreements

The Company has entered into office rental and service agreements with related companies at the rental and service rate as agreed in the period of contracts.

Personnel service agreement

On July 1, 2023, the Company has entered into personnel service agreement with a subsidiary whereby such subsidiary has agreed to provide staffs to the Company to work for sale personnel and warehouse personnel in the agreed rates as specified in the agreement.

Management service agreements

1. The Company has entered into management services agreements with related companies whereby the Company will provide service relating to accounting and taxation, financial, purchasing services, etc. at the service rate as agreed in the period of contracts.

Subsequently, the Company made the amendment to the management services agreements with a subsidiary whereby the subsidiary will provide service relating to system platform, selling products on a platform, marketing and customer relations. In consideration thereof, charged the monthly service fee in the certain rate of net sale amount, as agreed in the period of contracts.

2. On February 17, 2017, the Company has entered into management services agreements-distributor with a subsidiary whereby the Company will provide service relating to management as distributor. In consideration thereof, the subsidiary agreed to pay service fees in the certain rate, as agreed, of net sales amount. Both parties can agree to terminate the agreement by giving written notice or one party giving written notice to another party 30 days in advance.
3. On September 21, 2018, the Company entered into warehouse management and delivery services agreements with a joint venture whereby the joint venture agrees to provide services relating to warehouse management, goods packing, goods delivery, labor sourcing, material, equipment, tools supplying as well as providing computer operating systems to manage goods and efficient warehouses management. The Company agrees to pay monthly service fees based on the number of shipments at the agreed rates. The period of the agreements is 1 year and are renewable for successive periods with the same conditions upon a written notification provided at least 45 days in advance.

On September 24, 2019, the term of this agreement has a period of 1 year and is renewable with the same after the effective date of these agreements, both shall have no right to terminate these agreements unless both parties are agrees and made the written cancellation document or one party giving written notice to another party 30 days in advance. Such joint venture registered with the Department of Business Development Ministry of Commerce on June 28, 2024. As a result, the contract was terminated.

5. ADDITIONAL CASH FLOW INFORMATION

5.1 Cash and cash equivalents

Cash and cash equivalents as at June 30, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Cash on hand	4,900	5,165	4,728	4,993
Cash at banks - Current accounts	426,877	477,020	415,201	165,300
Total	431,777	482,185	419,929	170,293

5.2 Non-cash transactions of property, plant and equipment and intangible assets for the years ended June 30, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Payables-assets acquisition brought forward	76	3	81	8
<u>Add</u> Purchases of property, plant and equipment	90,266	400,124	90,245	400,122
<u>Add</u> Purchases of intangible assets	10,692	3,995	6,547	3,995
<u>Less</u> Cash paid for acquisition of property, plant and equipment	(90,278)	(400,051)	(90,261)	(400,049)
<u>Less</u> Cash paid for acquisition of intangible assets	(10,692)	(3,995)	(6,547)	(3,995)
Payables-assets acquisition carried forward	64	76	65	81

5.3 Movements of interest-bearing liabilities arising from financing activities.

Movements of interest-bearing liabilities arising from financing activities for the years ended June 30, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Lease liabilities as at July 1,	983,527	860,276	983,527	860,276
Non-cash flows items				
Addition	564,690	742,271	564,690	742,271
Finance costs	35,974	19,999	35,974	19,999
Reduction of lease fee	(131)	(10,840)	(131)	(10,840)
Debts that were due but not yet paid	(182,562)	(483,896)	(182,562)	(483,896)
Total non-cash flows items	417,971	267,534	417,971	267,534
Cash flows item:				
Repayments	(163,257)	(144,283)	(163,257)	(144,283)
Total cash flows items	(163,257)	(144,283)	(163,257)	(144,283)
Lease liabilities as at June 30,	1,238,241	983,527	1,238,241	983,527

The Company does not have non-cash transactions that related to short-term borrowings from financial institutions during the years ended June 30, 2024 and 2023.

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at June 30, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Trade receivables - related parties (see Note 4)				
Aged on the basis of due dates				
Not yet due	-	33	-	33
Total trade receivables - related parties	-	33	-	33
Trade receivables - other parties				
Aged on the basis of due dates				
Not yet due	138,533	133,117	137,004	133,028
Past due				
Less than 3 months	17,895	17,132	17,810	17,132
3 - 6 months	426	80	426	80
6 - 12 months	448	89	448	89
Over 12 months	4,322	8,262	4,322	8,262
Total	161,624	158,680	160,010	158,591
Less Allowance for expected credit losses	(5,150)	(9,205)	(5,150)	(9,205)
Total trade receivables - other parties - net	156,474	149,475	154,860	149,386
Total trade receivables - net	156,474	149,508	154,860	149,419
Other receivables				
Other receivables - related parties (see Note 4)	-	3	7	616
Other receivables - other parties	17,606	27,650	-	-
Interest receivables	3,416	1,172	3,416	1,172
Prepaid expenses	19,906	21,575	19,545	20,988
Accrued income	1,625	40	862	40
Advance payment	1,232	2,958	1,232	1,729
Total other receivables - net	43,785	53,398	25,062	24,545
Total trade and other current receivables - net	200,259	202,906	179,922	173,964

The following table shows the movement in lifetime ECL that has been recognized for trade receivables in accordance with the simplified approach set out in TFRS 9 for the years ended June 30, are as follows:

	Unit: Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
Balance as at July 1, 2023	(9,205)	(9,205)
Net remeasurement of loss allowance	4,055	4,055
Balance as at June 30, 2024	(5,150)	(5,150)

	Unit: Thousand Baht	
	Consolidated	Separate
	financial statements	financial statements
Balance as at July 1, 2022	(12,089)	(12,089)
Net remeasurement of loss allowance	2,884	2,884
Balance as at June 30, 2023	(9,205)	(9,205)

7. INVENTORIES

Inventories as at June 30, were as follows:

	Unit: Thousand Baht					
	Consolidated financial statements					
	Allowance of diminution in value to					
	Cost		net realizable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	1,179,000	1,237,834	(39,128)	(32,673)	1,139,872	1,205,161
Work in process	56,038	40,697	-	-	56,038	40,697
Raw materials	65,576	51,086	(4,000)	(4,012)	61,576	47,074
Goods in transit	-	1,457	-	-	-	1,457
Total	1,300,614	1,331,074	(43,128)	(36,685)	1,257,486	1,294,389

	Unit: Thousand Baht					
	Separate financial statements					
	Allowance of diminution in value to					
	Cost		net realizable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	1,272,444	1,374,415	(75,513)	(55,656)	1,196,931	1,318,759
Work in process	56,038	40,697	-	-	56,038	40,697
Raw materials	63,205	48,682	(4,000)	(4,012)	59,205	44,670
Goods in transit	-	1,457	-	-	-	1,457
Total	1,391,687	1,465,251	(79,513)	(59,668)	1,312,174	1,405,583

Allowance of diminution in value to net realizable value which were recognized as expenses and included in the cost of sales for the years ended June 30, consisted of the following:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Record (Reversal) of allowance for diminution				
in value of inventories during the years	6,443	(7,778)	19,845	15,359
	6,443	(7,778)	19,845	15,359

As at June 30, 2024 and 2023, finished goods in consolidated and separate financial statements composed of inventories which the Company expected to be returned amounting of Baht 19.57 million and Baht 18.77 million, respectively.

The right to returned goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's policy. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

8. OTHER CURRENT FINANCIAL ASSETS

Other current financial assets as at June 30, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Fixed deposits at financial institutions	404,651	200,792	404,651	200,792
Financial assets measured at fair value through profit or loss				
- Unit trusts held for trading	888,046	1,039,779	888,046	1,039,779
- Investment in equity instruments	9,314	3,920	9,314	3,920
Total	1,302,011	1,244,491	1,302,011	1,244,491

Movements during the years ended June 30, of other current financial assets are as follows:

As at June 30, 2024	Unit: Thousand Baht Consolidated financial statements / Separate financial statement				Balance as at June 30, 2024
	Balance as at July 1, 2023	Purchases	Sales	Valuation adjustments	
Fixed deposits at financial institutions	200,792	404,868	(201,009)	-	404,651
Unit trusts held for trading	1,039,779	1,119,678	(1,288,985)	17,574	888,046
Investment in equity instruments	3,920	12,610	(6,586)	(630)	9,314
Total	1,244,491	1,537,156	(1,496,580)	16,944	1,302,011

As at June 30, 2023	Unit: Thousand Baht Consolidated financial statements / Separate financial statement				Balance as at June 30, 2023
	Balance as at July 1, 2022	Purchases	Sales	Valuation adjustments	
Fixed deposits at financial institutions	100,000	651,422	(550,630)	-	200,792
Unit trusts held for trading	939,505	1,159,671	(1,067,671)	8,274	1,039,779
Investment in equity instruments	-	21,761	(17,814)	(27)	3,920
Total	1,039,505	1,832,854	(1,636,115)	8,247	1,244,491

9. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets as at June 30, are as follows:

	Unit: Thousand Baht Consolidated financial statements / Separate financial statements	
	2024	2023
Financial assets measured at fair value through other comprehensive income		
- Unit trusts held until maturity	53,411	49,109
- Investment in equity instruments	52,639	51,630
Total	106,050	100,739

Movements during the years ended June 30, of other non-current financial assets are as follows:

	Unit: Thousand Baht Consolidated financial statements / Separate financial statement				
As at June 30, 2024	Balance as at July 1, 2023	Purchases	Sales	Gain (Loss) on measuring financial assets Exchange rate adjustment s	Balance as at June 30, 2024
Unit trusts held until maturity	49,109	-	(1,775)	4,188	53,411
Investment in equity instruments	51,630	31,461	(12,385)	(18,067)	52,639
Total	100,739	31,461	(14,160)	(13,879)	106,050

	Unit: Thousand Baht Consolidated financial statements / Separate financial statement				
As at June 30, 2023	Balance as at July 1, 2022	Purchases	Loss on measuring financial assets	Exchange rate adjustments	Balance as at June 30, 2023
Unit trusts held until maturity	52,103	-	(3,443)	449	49,109
Investment in equity instruments	-	65,624	(13,994)	-	51,630
Total	52,103	65,624	(17,437)	449	100,739

10. INVESTMENTS IN SUBSIDIARIES

Details of investments in subsidiaries as presented in the separate financial statements as at June 30, are as follows:

Company	Separate financial statements						Dividend received for the years ended June 30,	
	Paid-up capital		Investments percentage		Investment - cost			
	2024	2023	2024	2023	2024	2023		
			(%)	(%)				
P.K. Garment (Import-Export) Co., Ltd.*	-	250,000	-	99.99	-	249,996	-	-
Mc Jeans Manufacturing Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	-
Winner Man Co., Ltd.	1,000	1,000	99.97	99.97	1,000	1,000	-	52,834
WoWme Limited	19,000	19,000	99.99	99.99	19,000	19,000	-	12,730
Look Balance Co., Ltd.	213,000	213,000	99.98	99.98	212,957	212,957	-	-
MC Jeanious Co., Ltd.	16,000	16,000	99.99	99.99	16,000	16,000	-	57,439
Total investments in subsidiaries					249,957	499,953	-	123,003
Less Allowance for impairment loss					(200,999)	(200,999)	-	-
Investments in subsidiaries - net					48,958	298,954	-	123,003

Unit: Thousand Baht

Unit: Thousand Baht

* On August 29, 2019, the Board of Directors' meeting of P.K. Garment (Import-Export) Co., Ltd. approved the transfer of P.K. Garment (Import-Export) Co., Ltd.'s entire business to the Company. P.K. Garment (Import-Export) Co., Ltd. transferred all of its assets and liabilities at the net book value as at the transfer date. This entire business transfer was completed on November 1, 2019, and registered its dissolution with Ministry of Commerce on the same date.

Subsequently, on April 10, 2024, P.K. Garment (Import-Export) Co., Ltd. has repaid in excess profit to shareholders in proportion to their shareholding by Baht 50.07 million which the Company recorded a transaction as other income and on June 5, 2024, P.K. Garment (Import-Export) Co., Ltd. has repaid shareholders in proportion to their shareholding by Baht 250.00 million. P.K. Garment (Import-Export) Co., Ltd. completed its liquidation registration on June 25, 2024.

11. INVESTMENT IN JOINT VENTURES

11.1 Details of joint ventures

Investments in joint ventures represent investment in entities which are jointly controlled by the subsidiary and other companies. Details of these investments as at June 30, are as follow:

Unit: Thousand Baht										
Joint ventures	Nature of business	Country of incorporation	Consolidated financial statements							
			Issued and paid-up		Percentage of		Cost		Carrying amounts based on	
			share capital		investment				the equity method	
			2024	2023	2024	2023	2024	2023	2024	2023
					(%)	(%)				
TOP T 2015 Co., Ltd.	Trading	Thailand	1,875	1,875	51.00	51.00	956	956	10,269	10,011
McMillion (Thailand) Co., Ltd.	Service and warehouse management	Thailand	5,000	5,000	45.00	45.00	11,250	11,250	7,098	8,470
							12,206	12,206	17,367	18,481
Less Allowance for impairment									(7,098)	-
Total investments in joint ventures - net									10,269	18,481

The investments in Top T 2015 Co., Ltd. and McMillion (Thailand) Co., Ltd. are treated as investments in joint venture since this company is jointly controlled by the subsidiary and another shareholder.

On June 27, 2024, at the Extraordinary General Meeting of Shareholders No. 1/2024 of McMillion (Thailand) Co., Ltd. approved the dissolution of the business. McMillion (Thailand) Co., Ltd. registered its dissolution with the Department of Business Development Ministry of Commerce on June 28, 2024. For the year ended June 30, 2024, the Group recorded loss from the impairment of investment in joint ventures by Baht 7.10 million in the profit and loss statement.

11.2 Details of investments in joint ventures

Share of gain (loss) and dividend received from investments in joint ventures for the years ended June 30, are as follows:

Unit: Thousand Baht			
Consolidated financial statements			
	Share of gain (loss) from investments		Dividend received
	2024	2023	2024
TOP T 2015 Co., Ltd.	258	(970)	-
McMillion (Thailand) Co., Ltd.	(1,372)	(1,385)	-
	(1,114)	(2,355)	-

During the years ended June 30, 2024 and 2023, the subsidiary did not recognized its share of other comprehensive income from investments in joint ventures.

12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as at June 30, were as follows:

Unit: Thousand Baht

As at June 30, 2024	Consolidated financial statements				
	Balance July 1, 2023	Additions	Disposals/ Write off	Transfer in / (out)	Balance June 30, 2024
Cost					
Land	253,470	-	-	-	253,470
Land improvement	11,828	-	-	7,760	19,588
Building	211,746	-	-	196,449	408,195
Building and leasehold improvement	502,367	-	(62,336)	30,652	470,683
Machinery	175,296	136	(3)	-	175,429
Tools and factory equipment	60,153	72	(22,594)	-	37,631
Fixture and office equipment	320,051	14,459	(8,129)	52,318	378,699
Vehicle	97,956	8,384	(4,370)	-	101,970
Total cost	<u>1,632,867</u>	<u>23,051</u>	<u>(97,432)</u>	<u>287,179</u>	<u>1,845,665</u>
Accumulated depreciation					
Land improvement	(4,720)	(1,064)	-	-	(5,784)
Building	(174,266)	(12,822)	-	-	(187,088)
Building and leasehold improvement	(416,229)	(39,406)	57,847	-	(397,788)
Machinery	(172,435)	(64)	4	-	(172,495)
Tools and factory equipment	(52,386)	(2,891)	19,930	-	(35,347)
Fixture and office equipment	(263,433)	(28,849)	8,100	-	(284,182)
Vehicle	(76,631)	(6,514)	4,357	-	(78,788)
Total accumulated depreciation	<u>(1,160,100)</u>	<u>(91,610)</u>	<u>90,238</u>	<u>-</u>	<u>(1,161,472)</u>
Property, plant and equipment - net	472,767				684,193
Assets under installation and construction	223,928	67,215	-	(287,179)	3,964
Total property, plant and equipment	<u>696,695</u>				<u>688,157</u>
As at June 30, 2023	Consolidated financial statements				
	Balance July 1, 2022	Additions	Disposals/ Write off	Transfer in / (out)	Balance June 30, 2023
Cost					
Land	143,470	110,000	-	-	253,470
Land improvement	11,569	-	-	259	11,828
Building	211,746	-	-	-	211,746
Building and leasehold improvement	468,013	192	(18,676)	52,838	502,367
Machinery	174,996	300	-	-	175,296
Tools and factory equipment	59,846	75	-	232	60,153
Fixture and office equipment	291,210	11,273	(4,595)	22,163	320,051
Vehicle	88,316	179	(352)	9,813	97,956
Total cost	<u>1,449,166</u>	<u>122,019</u>	<u>(23,623)</u>	<u>85,305</u>	<u>1,632,867</u>
Accumulated depreciation					
Land improvement	(4,283)	(437)	-	-	(4,720)
Building	(171,188)	(3,078)	-	-	(174,266)
Building and leasehold improvement	(404,553)	(29,825)	18,149	-	(416,229)
Machinery	(172,283)	(152)	-	-	(172,435)
Tools and factory equipment	(48,156)	(4,230)	-	-	(52,386)
Fixture and office equipment	(250,377)	(17,633)	4,577	-	(263,433)
Vehicle	(70,393)	(6,590)	352	-	(76,631)
Total accumulated depreciation	<u>(1,121,233)</u>	<u>(61,945)</u>	<u>23,078</u>	<u>-</u>	<u>(1,160,100)</u>
Property, plant and equipment - net	327,933				472,767
Assets under installation and construction	31,128	278,105	-	(85,305)	223,928
Total property, plant and equipment	<u>359,061</u>				<u>696,695</u>

Depreciation for the years ended June 30,

2024

Thousand Baht

91,610

2023

Thousand Baht

61,945

Unit: Thousand Baht

As at June 30, 2024

	Separate financial statements				Balance June 30, 2024
	Balance July 1, 2023	Additions	Disposals/ Write off	Transfer in / (out)	
Cost					
Land	253,470	-	-	-	253,470
Land improvement	11,828	-	-	7,760	19,588
Building	204,518	-	-	196,449	400,967
Building and leasehold improvement	487,711	-	(62,336)	30,652	456,027
Machinery	97,696	136	(3)	-	97,829
Tools and factory equipment	56,156	72	(22,594)	-	33,634
Fixture and office equipment	289,419	14,439	(8,097)	52,318	348,079
Vehicle	80,733	8,384	(4,370)	-	84,747
Total cost	<u>1,481,531</u>	<u>23,031</u>	<u>(97,400)</u>	<u>287,179</u>	<u>1,694,341</u>
Accumulated depreciation					
Land improvement	(4,720)	(1,064)	-	-	(5,784)
Building	(172,413)	(12,460)	-	-	(184,873)
Building and leasehold improvement	(403,526)	(39,274)	57,847	-	(384,953)
Machinery	(97,248)	(203)	4	-	(97,447)
Tools and factory equipment	(48,566)	(2,885)	19,930	-	(31,521)
Fixture and office equipment	(232,984)	(28,835)	8,068	-	(253,751)
Vehicle	(67,077)	(6,610)	4,357	-	(69,330)
Total accumulated depreciation	<u>(1,026,534)</u>	<u>(91,331)</u>	<u>90,206</u>	<u>-</u>	<u>(1,027,659)</u>
Property, plant and equipment - net	454,997				666,682
Assets under installation and construction	223,928	67,214	-	(287,179)	3,963
Total property, plant and equipment	<u>678,925</u>				<u>670,645</u>

As at June 30, 2023

	Separate financial statements				Balance June 30, 2023
	Balance July 1, 2022	Additions	Disposals / Write off	Transfer in / (out)	
Cost					
Land	143,470	110,000	-	-	253,470
Land improvement	11,569	-	-	259	11,828
Building	204,518	-	-	-	204,518
Building and leasehold improvement	453,357	192	(18,676)	52,838	487,711
Machinery	97,396	300	-	-	97,696
Tools and factory equipment	55,851	73	-	232	56,156
Fixture and office equipment	260,576	11,273	(4,593)	22,163	289,419
Vehicle	71,093	179	(352)	9,813	80,733
Total cost	<u>1,297,830</u>	<u>122,017</u>	<u>(23,621)</u>	<u>85,305</u>	<u>1,481,531</u>
Accumulated depreciation					
Land improvement	(4,283)	(437)	-	-	(4,720)
Building	(169,696)	(2,717)	-	-	(172,413)
Building and leasehold improvement	(392,217)	(29,458)	18,149	-	(403,526)
Machinery	(96,957)	(291)	-	-	(97,248)
Tools and factory equipment	(44,362)	(4,204)	-	-	(48,566)
Fixture and office equipment	(220,069)	(17,490)	4,575	-	(232,984)
Vehicle	(60,744)	(6,685)	352	-	(67,077)
Total accumulated depreciation	<u>(988,328)</u>	<u>(61,282)</u>	<u>23,076</u>	<u>-</u>	<u>(1,026,534)</u>
Property, plant and equipment - net	309,502				454,997
Assets under installation and construction	31,128	278,105	-	(85,305)	223,928
Total property, plant and equipment	<u>340,630</u>				<u>678,925</u>

Depreciation during the years ended June 30,

2024

Thousand Baht 91,331

2023

Thousand Baht 61,282

As at June 30, 2024 and 2023, the Company had certain items of plant and equipment that were fully depreciated but are still in use. The gross carrying amounts before deducting accumulated depreciation of those assets amounted to approximately Baht 875.02 million and Baht 808.60 million, respectively.

13. RIGHT-OF-USE ASSETS

Right-of-use assets as at June 30, were as follows:

As at June 30, 2024	Unit: Thousand Baht			
	Consolidated / Separate Balance as at July 1, 2023	Additions	Decreases	Balance as at June 30, 2024
Cost				
Buildings	141,115	10,506	-	151,621
Warehouse	79,949	-	(79,949)	-
Leasehold right	1,591,616	548,445	(53,867)	2,086,194
Other right	38,712	3,376	(5,996)	36,092
Vehicles	12,111	2,363	(3,473)	11,001
Total cost	<u>1,863,503</u>	<u>564,690</u>	<u>(143,285)</u>	<u>2,284,908</u>
Accumulated depreciation				
Buildings	(29,639)	(10,021)	-	(39,660)
Warehouse	(77,788)	(2,161)	79,949	-
Leasehold right	(749,960)	(283,120)	29,698	(1,003,382)
Other right	(24,984)	(2,970)	5,598	(22,356)
Vehicles	(6,934)	(3,162)	3,443	(6,653)
Total accumulated depreciation	<u>(889,305)</u>	<u>(301,434)</u>	<u>118,688</u>	<u>(1,072,051)</u>
Total right-of-use assets	<u>974,198</u>			<u>1,212,857</u>

As at June 30, 2023	Unit: Thousand Baht			
	Consolidated / Separate Balance as at July 1, 2022	Additions	Decreases	Balance as at June 30, 2023
Cost				
Buildings	125,107	16,008	-	141,115
Warehouse	122,489	-	(42,540)	79,949
Leasehold right	1,180,209	712,979	(301,572)	1,591,616
Other right	34,567	9,300	(5,155)	38,712
Vehicles	11,437	3,984	(3,310)	12,111
Total cost	<u>1,473,809</u>	<u>742,271</u>	<u>(352,577)</u>	<u>1,863,503</u>
Accumulated depreciation				
Buildings	(19,684)	(9,955)	-	(29,639)
Warehouse	(52,495)	(25,293)	-	(77,788)
Leasehold right	(517,534)	(260,370)	27,944	(749,960)
Other right	(20,764)	(5,136)	916	(24,984)
Vehicles	(6,938)	(3,311)	3,315	(6,934)
Total accumulated depreciation	<u>(617,415)</u>	<u>(304,065)</u>	<u>32,175</u>	<u>(889,305)</u>
Total right-of-use assets	<u>856,394</u>			<u>974,198</u>
Depreciation for the years ended June 30,				
2024			Thousand Baht	<u>301,434</u>
2023			Thousand Baht	<u>304,065</u>

The Group leases several assets including buildings, warehouse, stores, vehicles, leasehold right and other rights. The average lease term is 1 - 20 years.

The Group has options to purchase certain vehicles for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The maturity analysis of lease liabilities is presented in Note 17.

	Unit: Thousand Baht	
	Consolidated/Separate	
	Financial statements	
	2024	2023
Amounts recognized in profit or loss		
Depreciation on right-of-use assets	301,434	304,065
Interest expense on lease liabilities	35,974	19,999
Expense relating to leases of low value assets	2,583	3,129
Expense relating to variable lease payments not included in the measurement of the lease liability	241,183	207,811

At June 30, 2024 and 2023, the Group has some of the property leases in which the Group is the lessee contain variable lease payment terms that are linked to sales generated from the leased stores. Variable payment terms are used to link rental payments to store cash flows and reduce fixed cost. The breakdown of lease payments for these stores are as follows:

	Unit: Thousand Baht	
	Consolidated/Separate	
	Financial statements	
	2024	2023
Fixed payments	163,257	144,283
Variable payments	241,183	207,811
Total payments	<u>404,440</u>	<u>352,094</u>

Overall the variable payments for the years ended June 30, 2024 and 2023 constitute up to 60% and 59% of the Group's entire lease payments, respectively. The Group expects this ratio to remain constant in future years. The variable payments depend on sales and consequently on the overall economic development over the next few years. Taking into account the development of sales expected over the next 1 - 6 years, variable rent expenses are expected to continue to present a similar proportion of store sales in future years.

For the years ended June 30, 2024 and 2023, the total cash outflow for leases amount to Baht 404.44 million and Baht 352.09 million, respectively.

There are no termination options on the lease.

14. INTANGIBLE ASSETS

Intangible assets as at June 30, were as follows:

Unit: Thousand Baht					
As at June 30, 2024					
	Consolidated financial statements				
	Balance as at July 1, 2023	Additions	Disposals/ Write off	Transfer in / (out)	Balance as at June 30, 2024
Cost					
Computer software	295,579	-	-	3,945	299,524
Leasehold right	688	-	-	-	688
Total cost	<u>296,267</u>	<u>-</u>	<u>-</u>	<u>3,945</u>	<u>300,212</u>
Accumulated amortization					
Computer software	(191,324)	(18,314)	-	-	(209,638)
Leasehold right	(688)	-	-	-	(688)
Total accumulated amortization	<u>(192,012)</u>	<u>(18,314)</u>	<u>-</u>	<u>-</u>	<u>(210,326)</u>
Intangible assets under installation	-	10,692	-	(3,945)	6,747
Total intangible assets	<u>104,255</u>				<u>96,633</u>
Unit: Thousand Baht					
As at June 30, 2023					
	Consolidated financial statements				
	Balance as at July 1, 2022	Additions	Disposals/ Write off	Transfer in / (out)	Balance as at June 30, 2023
Cost					
Computer software	288,613	-	-	6,966	295,579
Leasehold right	688	-	-	-	688
Total cost	<u>289,301</u>	<u>-</u>	<u>-</u>	<u>6,966</u>	<u>296,267</u>
Accumulated amortization					
Computer software	(170,706)	(20,618)	-	-	(191,324)
Leasehold right	(688)	-	-	-	(688)
Total accumulated amortization	<u>(171,394)</u>	<u>(20,618)</u>	<u>-</u>	<u>-</u>	<u>(192,012)</u>
Intangible assets under installation	2,971	3,995	-	(6,966)	-
Total intangible assets	<u>120,878</u>				<u>104,255</u>
Amortization for the years ended June 30,					
2024				Thousand Baht	<u>18,314</u>
2023				Thousand Baht	<u>20,618</u>

		Unit: Thousand Baht			
As at June 30, 2024		Separate financial statements			
	Balance as at July 1, 2023	Additions	Disposals/Write off	Transfer in / (out)	Balance as at June 30, 2024
Cost					
Computer software	280,763	-	-	3,945	284,708
Leasehold right	385	-	-	-	385
Total cost	<u>281,148</u>	<u>-</u>	<u>-</u>	<u>3,945</u>	<u>285,093</u>
Accumulated amortization					
Computer software	(178,349)	(16,760)	-	-	(195,109)
Leasehold right	(385)	-	-	-	(385)
Total accumulated amortization	<u>(178,734)</u>	<u>(16,760)</u>	<u>-</u>	<u>-</u>	<u>(195,494)</u>
Intangible assets under installation	-	6,547	-	(3,945)	2,602
Total intangible assets	<u>102,414</u>				<u>92,201</u>

		Unit: Thousand Baht			
As at June 30, 2023		Separate financial statements			
	Balance as at July 1, 2022	Additions	Disposals/Write off	Transfer in / (out)	Balance as at June 30, 2023
Cost					
Computer software	273,797	-	-	6,966	280,763
Leasehold right	385	-	-	-	385
Total cost	<u>274,182</u>	<u>-</u>	<u>-</u>	<u>6,966</u>	<u>281,148</u>
Accumulated amortization					
Computer software	(159,945)	(18,404)	-	-	(178,349)
Leasehold right	(385)	-	-	-	(385)
Total accumulated amortization	<u>(160,330)</u>	<u>(18,404)</u>	<u>-</u>	<u>-</u>	<u>(178,734)</u>
Intangible assets under installation	2,971	3,995	-	(6,966)	-
Total intangible assets	<u>116,823</u>				<u>102,414</u>

Amortization for the years ended June 30,

2024	Thousand Baht	<u>16,760</u>
2023	Thousand Baht	<u>18,404</u>

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Trade payables - related parties (see Note 4)	-	2,489	-	2,489
Trade payables - other parties	117,183	202,801	117,183	202,801
Other payables - related parties (see Note 4)	1,050	1,005	48,393	49,419
Other payables - other parties	56,202	26,275	52,188	25,477
Accrued expenses - a related party (see Note 4)	42	-	42	-
Accrued expenses - other parties	131,812	184,148	111,148	163,362
	<u>306,289</u>	<u>416,718</u>	<u>328,954</u>	<u>443,548</u>

16. CURRENT CONTRACT LIABILITIES

Current contract liabilities as at June 30, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Liabilities from goods return	39,364	37,533	39,364	37,533
Liabilities from marketing support to customer				
according to contracts	43,383	35,506	43,383	35,506
Total current contract liabilities	<u>82,747</u>	<u>73,039</u>	<u>82,747</u>	<u>73,039</u>

17. LEASE LIABILITIES

Lease liabilities as at June 30, were as follows:

	Unit: Thousand Baht Consolidated / Separate financial statements	
	2024	2023
Maturity analysis:		
Year 1	339,074	296,911
Year 2 - 5	887,009	630,613
Over 5 years	116,026	115,281
Total	1,342,109	1,042,805
<u>Less</u> Unearned interest	(103,868)	(59,278)
Net	<u>1,238,241</u>	<u>983,527</u>
 Analyzed as:		
Non-current	932,711	705,908
Current	305,530	277,619
Total	<u>1,238,241</u>	<u>983,527</u>

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Additionally, for the year ended June 30, 2024 and 2023, the Group has benefited from a lease payment. The payment reduces in statement of profit or loss and other comprehensive income by Baht 0.13 million and Baht 10.84 million, respectively.

18. PROVISIONS FOR EMPLOYEE BENEFITS

Provisions for employee benefits as at June 30, which consist long-term compensation payable to employees after they retire. Movements in the present value of the defined benefit obligations, are as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
As at July 1,	47,513	52,230	21,023	30,846
Recognized in profit or loss:				
Current service cost	4,272	4,637	2,392	2,027
Interest cost	1,111	1,044	503	471
Recognized in other comprehensive income				
Actuarial gains	-	(3,212)	-	(5,703)
Benefit payment during the years	(10,245)	(7,186)	(5,254)	(6,618)
As at June 30,	42,651	47,513	18,664	21,023
Analyzed as:				
Current provisions for employee benefits	4,854	6,924	3,480	4,556
Non-current provisions for employee benefits	37,797	40,589	15,184	16,467
Total	42,651	47,513	18,664	21,023

The Group recognized expenses in the statement of profit or loss and other comprehensive income for the years ended June 30, as follows:

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Cost of sales	1,601	3,119	28	100
Selling and administrative expenses	3,782	2,562	2,867	2,398

Principal actuarial assumptions as at June 30,

	Consolidated financial statements		Unit: percent per annum Separate financial statements	
	2024	2023	2024	2023
Discount rate	2.63 - 3.96	2.29 - 3.96	2.92	2.39
Salary increase rate	3.5	3.5	3.5	3.5
Turnover rate	0 - 63	0 - 63	0 - 63	0 - 63
Mortality rate	Thai mortality Table 2017	Thai mortality Table 2017	Thai mortality Table 2017	Thai mortality Table 2017

Significant actuarial assumptions for the determination of the defined employee benefits obligations were discount rate and expected salary increase rate. The sensitivity analysis below was determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

The impact of changes of significant actuarial assumptions to the present value of the non-current provisions for employee benefits as at June 30, were as follows:

	Unit: Million Baht			
	As at June 30, 2024			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(1)	1	(1)	1
Salary increase rate	2	(2)	1	(1)
Turnover rate	(3)	3	(1)	2

	Unit: Million Baht			
	As at June 30, 2023			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>	<u>Increase 0.5%</u>	<u>Decrease 0.5%</u>
Discount rate	(1)	1	(1)	1
Salary increase rate	2	(1)	1	(1)
Turnover rate	(3)	3	(1)	1

The sensitivity analysis presented above might not be representative of the actual change in the defined employee benefits obligations as it was unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions might be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefits obligations was calculated using the Projected Unit Credit Method at the end of the report period, which was the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

19. SHARE PREMIUM

Section 51 of the Public Limited Companies Act B.E. 2535, requires a company to set aside share subscription monies received in excess amount of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

20. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The legal reserve is not available for dividend distribution.

As at June 30, 2024 and 2023, the Company's legal reserve equaled to one-tenth of the registered share capital.

21. EXPENSES BY NATURE

Significant expenses classified by nature for the years ended June 30, were as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2024	2023	2024	2023
Purchases goods, raw materials and supplies	1,274,455	1,140,339	1,309,418	1,174,738
Provision of diminution in value and stock loss	4,807	(3,364)	18,499	17,881
Employee benefits expenses	793,568	732,787	447,809	397,781
Personnel services fees	-	-	358,514	357,337
Depreciation and amortization	411,358	386,627	409,525	383,750
Advertising expenses	82,824	94,471	82,814	94,540
Rental and service expenses	88,073	78,542	87,303	76,504
Professional fees	25,894	40,634	24,367	39,367

22. INCOME TAX EXPENSES

22.1 Deferred tax assets

Deferred tax assets as at June 30, were as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2024	2023	2024	2023
Deferred tax assets	142,962	137,998	122,240	109,960

Movements of deferred tax assets during the years were as follows:

As at June 30, 2024	Unit: Thousand Baht			
	Consolidated financial statements			
	As at	Recognized	Recognized in	As at
	July 1,	in profit or	other	June 30,
	2023	loss	comprehensive	2024
			income	
Expected credit loss	1,841	(811)	-	1,030
Inventories	32,663	(3,005)	-	29,658
Right-of-use assets	12,874	2,440	-	15,314
Rental deposits	1,677	(1,677)	-	-
Provision for long-term employee benefits	6,901	(978)	-	5,923
Consignment sales	63,876	4,261	-	68,137
Others	18,166	1,958	2,776	22,900
Deferred tax assets - net	137,998	2,188	2,776	142,962

		Unit: Thousand Baht		
As at June 30, 2023		Consolidated financial statements		
	As at July 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2023
Expected credit loss	2,418	(577)	-	1,841
Inventories	40,018	(7,355)	-	32,663
Right-of-use assets	11,202	1,672	-	12,874
Rental deposits	-	1,677	-	1,677
Provision for long-term employee benefits	7,844	(301)	(642)	6,901
Consignment sales	60,545	3,331	-	63,876
Others	12,996	1,683	3,487	18,166
Deferred tax assets - net	135,023	130	2,845	137,998

		Unit: Thousand Baht		
As at June 30, 2024		Separate financial statements		
	As at July 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2024
Expected credit loss	1,841	(811)	-	1,030
Inventories	7,462	3,810	-	11,272
Right-of-use assets	12,874	2,440	-	15,314
Rental deposits	1,677	(1,677)	-	-
Provision for long-term employee benefits	4,059	(472)	-	3,587
Consignment sales	63,876	4,261	-	68,137
Others	18,171	1,953	2,776	22,900
Deferred tax assets - net	109,960	9,504	2,776	122,240

		Unit: Thousand Baht		
As at June 30, 2023		Separate financial statements		
	As at July 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	As at June 30, 2023
Expected credit loss	2,418	(577)	-	1,841
Inventories	4,391	3,071	-	7,462
Right-of-use assets	11,202	1,672	-	12,874
Rental deposits	-	1,677	-	1,677
Provision for long-term employee benefits	6,023	(824)	(1,140)	4,059
Consignment sales	60,545	3,331	-	63,876
Others	12,996	1,688	3,487	18,171
Deferred tax assets - net	97,575	10,038	2,347	109,960

As at June 30, 2024 and 2023, the subsidiary has deductible temporary differences and unused tax losses totaling Baht 58.21 million and Baht 66.37 million, respectively, on which deferred tax assets have not been recognized as the subsidiary believes future taxable profits may not be sufficient to allow utilization of the temporary differences and unused tax losses.

Details of expiry date of unused tax losses are summarized as below:

	Consolidated		Unit: Million Baht	
	financial statements		Separate	
	2024	2023	2024	2023
June 30, 2024	3	3	-	-
June 30, 2025	8	8	-	-
June 30, 2026	-	-	-	-
June 30, 2027	-	1	-	-
June 30, 2028	1	1	-	-
June 30, 2029	-	-	-	-
	<u>12</u>	<u>13</u>	<u>-</u>	<u>-</u>

22.2 Income tax expenses

Income tax expenses for the years ended June 30, are made up as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2024	2023	2024	2023
Current income tax:				
Corporate income tax for the years	(183,914)	(153,067)	(181,173)	(147,981)
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>2,188</u>	<u>130</u>	<u>9,504</u>	<u>10,038</u>
Income tax expenses reported in the statements of profit or loss or other comprehensive income	<u>(183,726)</u>	<u>(152,937)</u>	<u>(171,669)</u>	<u>(137,943)</u>

22.3 The amounts of income tax relating to each component of other comprehensive income

The amounts of income tax relating to each component of other comprehensive income for the years ended June 30, were as follows:

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2024	2023	2024	2023
Deferred tax relating to				
Loss on investment in equity designated at fair value through other comprehensive income	2,776	3,488	2,776	3,488
Gain on remeasurements of defined benefit plans	-	(643)	-	(1,141)
Total income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	<u>2,776</u>	<u>2,845</u>	<u>2,776</u>	<u>2,347</u>

22.4 The reconciliation between income tax expense and accounting profit for the years ended June 30, are as follows;

	Consolidated		Unit: Thousand Baht	
	financial statements		Separate	
	2024	2023	2024	2023
Accounting profit before income tax expense				
- non-income tax exemption business	(896,870)	(796,556)	(871,783)	(823,916)
Applicable tax rate	20%	20%	20%	20%
Corporate income tax	(179,374)	(159,311)	(174,357)	(164,783)
Tax effects for:				
Non-deductible expenses	(120)	(533)	(118)	(533)
Additional expense deductions allowed	2,338	3,629	2,338	3,629
Tax exempted revenue	523	-	523	24,600
Others	(7,093)	3,278	(55)	(856)
Total	<u>(4,352)</u>	<u>6,374</u>	<u>2,688</u>	<u>26,840</u>
Income tax expenses reported in the Statements profit or loss and other comprehensive income	<u>(183,726)</u>	<u>(152,937)</u>	<u>(171,669)</u>	<u>(137,943)</u>

23. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average of ordinary shares in issue during the years.

BASIC EARNINGS PER SHARE

The calculations of basic earnings per share for the years ended June 30, are based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

Basic earnings per share for the years ended June 30,

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Profit attributable to owners of the Company (Thousand Baht)	713,164	643,634	700,115	685,973
Weighted average number of issued ordinary shares (Thousand shares)	792,000	792,000	792,000	792,000
Basic earnings per share (Baht)	0.90	0.81	0.88	0.87

24. SEGMENT INFORMATION

The Group organizes business units based on its products and services.

The Group has one reportable segment, clothing and accessories, which is the Group's business unit. For the strategic division, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis is Chief Executive Officer.

Revenue from contracts with customers

	Consolidated financial statements		Unit: Thousand Baht Separate financial statements	
	2024	2023	2024	2023
Type of goods or service:				
Revenue from sales	4,054,025	3,669,653	4,042,451	3,649,971
Revenue from services	120	120	1,365	1,365
Timing of revenue recognition:				
Revenue recognized at a point in time	4,054,025	3,669,653	4,042,451	3,649,971
Revenue recognized over time	120	120	1,365	1,365

Geographic information

The Group operates in Thailand only. As a result, all of revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers information

The Group has no major customer with revenue of 10 percent or more of an entity's revenues for the years ended June 30, 2024 and 2023.

25. PROVIDENT FUND

The Company and its employees, and the subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company, its subsidiaries and employees contribute to the fund monthly at the rate of 3 percent of basic salary. The funds, which is managed by an asset management company, will be paid to employees upon termination in accordance with the fund rules. The Group recognized contributions for the years ended June 30, 2024 and 2023 amounting to Baht 5.70 million and Baht 4.84 million, respectively, in consolidated and Baht 5.64 million and Baht 4.78 million, respectively, in separate financial statements.

26. DIVIDENDS PAID

Dividends paid for the years ended June 30, are as follow:

Dividends	Authorized by	Dividend paid Thousand Baht	Dividend paid (Baht per share)
Dividend for the annual operating result for the year 2023 during July 1, 2022 - June 30, 2023	Annual General Meeting 2023 of the Shareholders on October 26, 2023	285,120	0.36
Interim dividend for the operating result for the period of July 1, 2023 - December 31, 2023	Meeting of the Board of Directors February 13, 2024	396,000	0.50
		<u>681,120</u>	<u>0.86</u>
Interim dividend for the annual operating result for the period of July 1, 2021 - June 30, 2022	Annual General Meeting 2022 of the Shareholders on October 27, 2022	221,760	0.28
Interim dividend for the operating result for the period of July 1, 2022 - December 31, 2022	Meeting of the Board of Directors February 9, 2023	356,400	0.45
		<u>578,160</u>	<u>0.73</u>

27. FAIR VALUE OF FINANCIAL INSTRUMENT

Certain financial assets and financial liabilities of the Group are measured at fair value at the end of reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined.

As of June 30, the Group has the following assets that were measured at fair value using levels of inputs as follows:

		Unit: Million Baht			
As at June 30, 2024		Consolidated financial statements / Separate financial statement			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Unit trusts held for trading	-		888	-	888
Investment in equity instruments	9		-	-	9
Financial assets measured at fair value through other comprehensive income					
Unit trusts held until maturity	-		-	53	53
Investment in equity instruments	53		-	-	53

		Unit: Million Baht			
As at June 30, 2023		Consolidated financial statements / Separate financial statement			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss					
Unit trusts held for trading	-		1,040	-	1,040
Investment in equity instruments	4		-	-	4
Financial assets measured at fair value through other comprehensive income					
Unit trusts held until maturity	-		-	49	49
Investment in equity instruments	52		-	-	52

Fair value hierarchy

The table above analyzes recurring fair value measurements for financial assets. These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: other inputs 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.

Valuation techniques and inputs to valuations

The fair value of unit trusts held for trading has been determined by using the net asset value of the last working day of the reporting period as announced by the asset management company.

The fair value of unit trusts held until maturity is generally derived from quoted market prices or based on generally accepted pricing models when no market price is available.

During the period, there were no transfers within the fair value hierarchy.

28. FINANCIAL INSTRUMENTS

28.1 Financial risk management

The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group are exposed to credit risk primarily with respect to trade and other current receivables and short-term loans to related parties. The Group manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, the Group do not have high concentrations of credit risk since they have a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables and loans as stated in the statement of financial position.

Interest rate risk

As at June 30, 2024 and 2023, interest rate risk arises from the potential for a change in an interest rate which will have an adverse effect on the Group in the current reporting periods and future periods. The Group do not expect any material incremental effect on their interest expense because the loans of the Company and its subsidiaries are immaterial amounts.

28.2 Fair values of financial instruments

Since the majority of the Group's financial assets and liabilities which comprise deposit at financial institutions, trade and other current receivables, short-term loans to related parties, trade and other current payables, lease liabilities, and short-term borrowings from related parties are short-term in nature or bear floating interest rates, their fair values are not expected to be materially different from the amounts presented in the statements of financial position.

The fair value of investments in unit trusts has been determined from their net asset value as announced by Asset Management Company.

The fair value of investment in equity instruments has been determined from quoted share price in the Stock Exchange of Thailand.

During the current year, there were no transfers within the fair value hierarchy.

28.3 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest cash flows are floating rate, the undiscounted amount is derived from interest rate curves at the reporting date.

Unit: Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
As at June 30, 2024					
	Weighted average effective interest rate %	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Trade and other current payables	-	306,079	210	-	306,289
Current contract liabilities	-	82,747	-	-	82,747
Other current liabilities	-	35,077	-	-	35,077
Lease liabilities	2.24-4.24	305,530	825,875	106,836	1,238,241

Unit: Thousand Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
As at June 30, 2023					
	Weighted average effective interest rate %	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Trade and other current payables	-	416,508	210	-	416,718
Current contract liabilities	-	73,040	-	-	73,040
Other current liabilities	-	26,935	-	-	26,935
Lease liabilities	2.14	277,619	596,025	109,883	983,527

Unit: Thousand Baht					
SEPARATE FINANCIAL STATEMENTS					
As at June 30, 2024					
	Weighted average effective interest rate %	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Trade and other current payables	-	328,744	210	-	328,954
Current contract liabilities	-	82,747	-	-	82,747
Short-term borrowings from related parties	4.02-4.27	125,036	-	-	125,036
Other current liabilities	-	30,303	-	-	30,303
Lease liabilities	2.24-4.24	305,530	825,875	106,836	1,238,241

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS					
As at June 30, 2023					
	Weighted average effective interest rate %	Within 1 year	After 1 year but within 5 years	After 5 years	Total
Trade and other current payables	-	443,338	210	-	443,548
Current contract liabilities	-	73,040	-	-	73,040
Short-term borrowings from related parties	2.47-4.02	104,873	-	-	104,873
Other current liabilities	-	22,083	-	-	22,083
Lease liabilities	2.14	277,619	596,025	109,883	983,527

29. CAPITAL MANAGEMENT

The primary objective of the Company and its subsidiaries' capital management is to ensure that they have appropriate capital structure in order to support their business and maximize shareholder value. As at June 30, 2024 and 2023, the Group's debt-to-equity ratio was 0.49:1 and 0.44:1, respectively and the Company's was 0.53:1 and 0.48:1, respectively.

30. COMMITMENTS AND CONTINGENT LIABILITIES

30.1 Capital commitments

As at June 30, 2024 and 2023, the Group had outstanding commitments of Baht 2.31 million and Baht 0.45 million, respectively, in respect of construction of building improvement and purchase of intangible assets.

30.2 Guarantees

As at June 30, 2024 and 2023, the Company and subsidiaries have outstanding bank guarantees of Baht 9.96 million and Baht 10.16 million, respectively, issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

30.3 As at June 30, 2024 and 2023, the Group had unutilized credit facilities such as bank overdraft, promissory notes, bank guarantees, trust receipts and letters of credits amounting to Baht 1,171 million and Baht 1,021 million, respectively.

31. EVENTS AFTER THE REPORTING PERIOD

On August 26, 2024, the Board of Directors' Meeting No. 4/2024 approved the dividend payment to shareholders in amounting to Baht 0.40 per share, or a total of Baht 316.80 million from the operating results for the year 2024. And proposed to Annual General Meeting 2024. The dividend will be paid on November 22, 2024.

32. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issuance by the Company's Board of Directors on August 26, 2024.



Attachment 1

Details of directors, executives, controlling persons, the person assigned to take the highest responsibility in Accounting and Finance, the person assigned to take direct responsibility for accounting supervision and the Company's secretary

Directors

Mrs. Kaisri Nuengsigkapan

62 years old

Chairman of the Board of Directors

- **Date of Director**

21 April 2016

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : 2,534,500 shares (0.32%)
- Held by spouse or minor children : None

- **Education**

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

- **Training on the roles and duties of Thai Institute of Directors**

- Directors Certification Program (DCP) Class 0/2000 (Dry Run)
- Role of The Compensation Committee Program (RCC) Class 16/2013
- The role of The Chairman Program (RCP) Class 30/2013
- Advance Audit Committee Program (AACP) Class 36/2020
- Director Leadership Certification Program (DLCP) Class 0/2020 (Dry Run)

- **Other Training**

- Certified Public Accountant (CPA)
- Capital Market Academy Leadership Program, Class 3, Capital Market Academy
- Board Risks Governance Training, Control Risks in 2022

- **Other Current positions (Director / Executive)**

- **Listed Company (3 companies)**

- | | |
|------------|--|
| Since 2022 | Independent Director / Chairman of Audit Committee, Kasikornbank Pcl. |
| Since 2020 | Independent Director / Member of the Nomination, Compensation and Corporate Governance Committee / Member of Audit Committee, Indorama Ventures Plc. |
| Since 2019 | Independent Director / Chairman of Audit Committee, SCG Packaging Plc. |

- **Non-Listed Company / Other Organization**

- | | |
|------------|--|
| Since 2021 | Chairman of Appeal Committee, Stock Exchange of Thailand |
| Since 2018 | Chairman of the Board of Directors / Buono (Thailand) Plc. |
| Since 2016 | Director, TOP T 2015 Co., Ltd. |

- **Experiences**

- | | |
|-----------|--|
| 2018-2024 | Directors, Thai Institute of Directors Association |
| 2016-2022 | Member of Corporate Governance Committee, Bank of Thailand |
| 2016-2022 | Director / Treasurer, Rakkaew Foundation |
| 2018-2020 | Directors, P.K. Garment (Import-Export) Co., Ltd. |
| 2018-2019 | Independent Director / Member of Audit Committee, SCG Ceramics Plc |
| 2016-2017 | Advisor, Securities and Exchange Commission, Thailand (SEC) |
| 2010-2014 | Director, The Stock Exchange of Thailand (SET) |
| 2003-2015 | President, KPMG Phoomchai Holdings Company Limited |

Vice chairman / Chairman of Nomination and Remuneration / Chairman of Executive Committee / Risk Management and Sustainable Development Committee Member

- **Date of Director**

23 May 2012

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : 364,566,520 shares (46.03%)
- Held by spouse or minor children : None

- **Education**

- Master of Business Administration, Assumption University
- Bachelor of Accountancy, Chulalongkorn University

- **Training on the roles and duties of Thai Institute of Directors**

- Director Certification Program (DCP), Class 172/2013
- Director Accreditation Program (DAP), Class 98/2012

- **Other Training**

- Capital Market Academy Leadership Program, Class 15/2013, Capital Market Academy

- **Other Current positions (Director / Executive)**

- Listed Company : -None-
- Non-Listed Company / Other Organization

Since 2023	Director, Blue Solutions Pcl.
Since 2016	Chairman of Board of Directors, MC JEANIOUS Co., Ltd.
Since 2016	Chairman of Board of Directors, TOP T 2015 Co., Ltd.
Since 2014	Chairman of Board of Directors, Wow me Co., Ltd.
Since 2013	Chairman of Board of Directors, McJeans Manufacturing Co., Ltd.

- **Experiences**

- | | |
|-----------|--|
| 2019-2024 | Board of Directors, Mcmillion (Thailand) Co.,Ltd. |
| 2018-2023 | Chairman of Board of Directors, Aromatique Active Co., Ltd. |
| 2022-2023 | Director, Blue Solutions Co., Ltd. |
| 2014-2020 | Chairman of Board of Directors, Look Balance Co., Ltd. |
| 2014-2020 | Chairman of Board of Directors, Time Deco Corporation Co., Ltd. |
| 2012-2018 | President, Mc Group Foundation for Thai Society |
| 2013-2013 | Director, SS Challenge Co., Ltd. |
| 2004-2014 | Director, Amata Apparel Co., Ltd. |
| 2000-2020 | Director, Millennium (1975) Co., Ltd. |
| 2000-2020 | Chairman of Board of Directors, P.K. Garment (Import-Export) Co., Ltd. |
| 2000-2014 | Director, Na Yai Am Real Estate Co., Ltd. |

Director / Executive Committee Member / Chief Operation Officer

- **Date of Director**

23 May 2012

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : 15,000,000 shares (1.89%)
- Held by spouse or minor children : None

- **Education**

- Master of Business Administration, Assumption University
- Bachelor of Science in Pharmaceutical Sciences, Chulalongkorn University

- **Training on the roles and duties of Thai Institute of Directors**

- Director Certification Program (DCP), Class 155/2012

- **Other Current positions (Director / Executive)**

- Listed Company : -None-

- **Non-Listed Company / Other Organization**

Since 2019	Director, Top T 2015 Co., Ltd.
Since 2017	Director, MC JEANIOUS Co., Ltd.
Since 2015	Director, Wowme Co., Ltd.
Since 2014	Director, Mc Jeans Manufacturing Co., Ltd.
Since 2014	Director, Winnerman Co., Ltd.

- **Experiences**

2018-2024	Director, McMillion (Thailand) Co., Ltd.
2017-2023	Director, Aromatique Active Co., Ltd.
2019-2020	Director, Time Deco Corporation Co., Ltd.
2015-2020	Director, Look Balance Co., Ltd.
2014-2014	Director, P.K. Garment (Import-Export) Co., Ltd.
2012-2014	Director, P.K. Asset Plus Co., Ltd.
2003-2015	Director, Amata Apparel, Ltd.

Independent Director / Chairman of Audit Committee / Member of Nomination and Remuneration Committee

● **Date of Director**

1 January 2016

● **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : None
- Held by spouse or minor children : None

● **Education**

- Master's degree (MBA) Chulalongkorn University
- Bachelor's degree in accounting Chulalongkorn University

● **Training on the roles and duties of Thai Institute of Directors**

- Advanced Audit Committee Program (AACP) Class 51/2024
- Director Certification Program (DCP), Class 122/2009
- Director Accreditation Program (DAP), Class SCC/2004

● **Other Training**

- Certificate in Management Development Program, The Wharton School of the University of Pennsylvania
- Certificate in Inno - Leadership program, INSEAD University (France)
- Certificate "Executive development Program" Graduate School of business, Columbia University

● **Other Current positions (Director / Executive)**

● **Listed Company (2 companies)**

- | | |
|------------|--|
| Since 2023 | Lead Independent Director / Chairman of the Audit and Risk Management Committee, SCG Decor Plc. |
| Since 2021 | Corporate Governance and Sustainable Development Committee Member, Origin Property Plc. |
| Since 2014 | Chairman of the Board / Independent Director / Member of the Nomination and Remuneration Committee, Origin Property Plc. |

● **Non-Listed Company / Other Organization**

- | | |
|------------|--|
| Since 2022 | Advisor to Accounting Profession Committee, Federation of Accounting Professions (Under The Royal Patronage of His Majesty The King) |
| Since 2019 | Advisor and director to Tax Accounting, Federation of Accounting Professions (Under The Royal Patronage of His Majesty The King) |
| Since 2018 | Advisor, Securities & Exchange Commission |
| Since 2014 | Chairman of Audit Committee/ Member of the Nomination and Remuneration Committee, Buono (Thailand) Plc. |

● **Experiences**

- | | |
|-----------|--|
| 2020-2023 | Independent Director / Chairman of Audit Committee, SCG Ceramics Plc. |
| 2015-2016 | Independent Director, NokScoot Airlines Co., Ltd. |
| 2013-2020 | Director, SG Capital (Thailand) Co., Ltd. |
| 2013-2020 | Chairman of Audit Committee / Independent Director / Member of the Nomination and Remuneration Committee, Singer Thailand Plc. |
| 2013-2018 | Advisor to Vice President-Finance and Investment & CFO, The Siam Cement Plc. |
| 2013-2018 | Advisor, Central Marketing Group Company Limited, Central Group |
| 2005-2012 | Managing Director, SCG Accounting Company Limited |
| 2004-2005 | Corporate Accounting Director, The Siam Cement Plc. |

Independent Director

- **Date of Director**

29 October 2020

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : None
- Held by spouse or minor children : None

- **Education**

- Master of Business Administration Program Assumption University
- Bachelor of Business Administration Program Assumption University

- **Training on the roles and duties of Thai Institute of Directors**

- Corporate Governance for Capital Market Intermediaries (CGI)/ Class 4/2015
- Anti-Corruption for Executive Program (ACEP) Class 7/2013
- Director Certification Program (DCP)/ Class 143/2011
- Financial Statements for Directors (FSD) / Class 11/2011

- **Other Training**

- Certificate in Executive Program, Class 15, Capital Market Academy
- Certificate of Advanced Insurance Program, Class 6 (OIC),
Office of the Commission operate insurance business
- Certificate in Top Executive Program in Trade and Commerce,
Class 7 (TepCoT 7), University of the Thai Chamber of Commerce
- Certificate of Six Sigma Black Belt from General Electric Company
- Super Advanced Leadership Program (Super Vocational Certificate,
Class 1, Institute of Advanced Insurance Technology)

- **Other Current positions (Director / Executive)**

- Listed Company : - None -
- Non-Listed Company / Other Organization
 - Since 2023 Director, SCB-Julius Baer Securities Co., Ltd.
 - Since 2022 Director and Chief Executive Officer, Siam Commercial Bank Public Company Limited
 - Since 2015 Independent Director, Talis Asset Management Company Limited

- **Experiences**

- 2021-2022 Chief Executive Officer, AIA Thailand Co., Ltd.
- 2019-2022 Independent Director, Gunkul Engineering Public Company Limited
- 2017-2021 Life Insurance Agent Officer, AIA Thailand Public Company Limited
- 2016-2017 Executive Vice President, Thai Life Assurance Public Company Limited
- 2015-2015 Managing Director, Thai Cardiff Life Assurance Public Company Limited
- 2012-2015 Senior Executive Vice President, Krungsri Securities Public Company Limited
- 2010-2012 Director (Authorized Signatory), Bank of Ayudhya Public Company Limited

Independent Director / Member of Audit Committee / Member of Risk Management and Sustainable Development

- **Date of Director**

28 October 2021

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : None
- Held by spouse or minor children : None

- **Education**

- MBA, Business Communication, Bentley College, Boston
- BBA, Major in Marketing, Assumption Business Administration college
- MS 5, St. Joseph Convent School

- **Training on the roles and duties of Thai Institute of Directors**

- Risk Management Program for Corporate Leaders (RCL) class 34/2024
- Board Nomination and Compensation Program (BNCP) class 14/2022
- Advanced Audit Committee Program (AACP) class 44/2022
- Director Accreditation Program (DAP) class 189/2022

- **Other Training**

- Director's Briefing 12/2022: ESG as a vehicle for Business Transformation
- Director's Briefing 6/2022: Reimagining Boardroom in the Web 3.0 Era

- **Other Current positions (Director / Executive)**

- Listed Company : -None-
- Non-Listed Company / Other Organization
 - Since 2017 Chief Executive Officer, Retail business group Siam Piwat, Siam Piwat Retail Holding Co., Ltd.

- **Experiences**

2009-2017	SVP Beauty & Import Division, Central Marketing Group Co.,Ltd
2004-2008	VP Marketing, Robinson Pcl.
2000-2003	Consumer Insurance Marketing Head, Aydhya Capital Services Co.,Ltd
1999-2000	Account Director, Client Service Department, Wounderman Cato Johson

Independent Director / Member of Audit Committee

● **Date of Director**

13 May 2022

● **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : None
- Held by spouse or minor children : None

● **Education**

- Master of Business Administration, Thammasat University
- Bachelor of Engineering in Computer Engineering, Kasetsart University

● **Training on the roles and duties of Thai Institute of Directors**

- Director Accreditation Program (DAP) Class 19/2004
- Director Certification Program (DCP) Class 314/2022
- Board Nomination and Compensation Program (BNCP) 13/2022
- Director Leadership Certification Program (DLCP) Class 8/2023
- ESG in the Boardroom : A Practical Guide for Board (ESG) Class 3/2024
- Advance Audit Committee Program Class 53/2024
- Ethical Leadership Program Class 34/2024

● **Other Training**

- Certified Chief Master Coach (CCMC) ITD World 2023
- Professional Coach Certification (PCCP) by Thailand Coaching Institute Class 50/2023
- Gallup Global Strengths Coach (GGSC) by Thailand Coaching Institute Class 2020
- Tap the power of Mindfulness for your organization, Search Inside Yourself, 2020
- Corporate Coach, Coach U Institute (Australia) 2018
- Senior Organizational Leadership Course, Group M and Harvard 2015

● **Other Current positions (Director / Executive)**

● **Listed Company (1 company)**

Since 2022 Member of the Audit Committee, Independent Director
and Chairman of the Nomination and Remuneration Committee, Maguro Group Pcl.

● **Non-Listed Company / Other Organization**

Since 2023 Founder and Director, River Mersey Co., Ltd.
Since 2023 Chairman of the Nomination and Remuneration Committee,
Rise Accel Company Limited
Since 2017 Director, Jitta Wealth Asset Management Company Limited
Since 2022 Executive Coach, Speaker, Consultant, Leadership Skill Development
Since 2014 Co-founder and Lecturer of Digital Marketing, Bangkok University

● **Experience**

2022-2024 Independent Director, All Of Luck Co., Ltd.
2018-2024 Consultant, SIX Network Blockchain
2019-2021 Director, Kinnetic Worldwide (Thailand) Co., Ltd.
2017-2021 Chief Executive Officer, Group M (Thailand) Co., Ltd.
2017-2021 Director, Group M Proprietary Media Co., Ltd.
2017-2021 Director, Group M (Thailand) Co., Ltd.
2017-2021 Director, WPP (Thailand) Co., Ltd.
2017-2021 Director, Mediacom (Thailand) Co., Ltd.
2013-2021 Special Lecturer, Department of Advertising, Faculty of Communication Arts,
Chulalongkorn University
2012-2021 Director and President, Digital Advertising Association (Thailand)

● Date of Director

13 May 2022

● Shareholding as of 30 June 2024 (Ordinary Shares)

● Held personally : None

● Held by spouse or minor children : None

● Education

● Bachelor's degree in Computer Science, Assumption University

● Training on the roles and duties of Thai Institute of Directors

● Director Accreditation Program (DAP) Class 207/2024

● Other Training : -None-**● Other Current positions (Director / Executive)**

● Listed Company : -None-

● Non-Listed Company / Other Organization

Since 2024 CEO, Vulcan Coalition Company Limited

Since 2022 CEO, Avantis Laboratory (Thailand) Co.,Ltd.

Since 2022 CEO, Avareum (Thailand) Co.,Ltd.

Since 2021 CEO, Avareum Limited, Hong Kong

Since 2017 Group CEO, Ava Advisory Group

Since 2016 Advisor, Eva Alpha Laboratory

Since 2016 Director, Just for Paws Foundation

Since 2015 CEO, Market Anyware Company Limited

● Experience

2001-2015 President, Apricot Iron Company Limited

2006-2021 Chairman of Maxincube Publishing Company Limited

2009-2015 Director of MAXions

2006-2015 Methodologist Apricot Iron Laboratory

2000-2001 Senior System Engineer, Blue Wave E-Trade Company Limited

Executives

Mr. James Richard Amatavivadhana

61 years old

Chief Executive Officer

- **Date of appointment**

1 June 2021

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : None
- Held by spouse or minor children : None

- **Education**

- Master's degree in Economics, Maxwell School, Syracuse University, Syracuse, New York, United States
- Bachelor's degree in Economics, Maxwell School, Syracuse University, Syracuse, New York, United States

- **Training on the roles and duties of Thai Institute of Directors**

- -None-

- **Other Training**

- -None-

- **Other Current positions (Director / Executive)**

- Listed Company : -None-
- Non-Listed Company / Other Organization
 - 2018-Present Director, Scomadi (Thailand) Company Limited
 - 2018-Present Director, Scomadi Asia-Pacific Company Limited
 - 2018-Present Director, Marin Engineering Co., Ltd.

- **Experience**

- | | |
|----------------|--|
| 2018-June 2024 | Independent Director/Human Resources Committee, East-West Seed International Co., Ltd. |
| 2015-2021 | Chief Executive Officer, Minor International Plc. |
| 2004-2015 | Executive Director/Asia Pacific Leadership Team/ Managing Director North Asia / Group Managing Director Thailand and Indochina, Johnson & Johnson (Thai) Co., Ltd. |
| 1995-2005 | Deputy Division President/General Manage/Vice President, Coca-Cola Philippines Division, The Coca-Cola Company |
| 1988-1994 | Associate Marketing Director, Procter and Gamble Thailand |

Chief Financial Officer

● Date of appointment

1 November 2020

● Shareholding as of 30 June 2024 (Ordinary Shares)

- Held personally : None
- Held by spouse or minor children : None

● Education

- Master's degree in Economics Chulalongkorn University
- Bachelor's degree in Finance and Banking Chulalongkorn University

● Training on the roles and duties of directors - Thai Institute of Directors Association

- -None-

● Other Training

- TLCA CFO Professional Development Program (TLCA CFO CPD) 3/2024
- Insight in SET: Knowledge for growth and sustainability in the capital market, 2nd generation
- Chartered Financial Analyst (CFA) 2009 – 2021

● Other current position (Directors / Executives)

- Listed Company : -None-
- Non-Listed Company / Other Organization : -None-

● Experience

2017-2019	Regional Financial Controller-Greater Mekong Region, Kerry Logistics Network Limited.
2009-2017	Chief Financial Officer, Thai Hua Rubber Plc.
2007-2009	AVP Investment Analyst - Institutional Research Department, Maybank Securities (Thailand) Plc.
2004-2007	Credit Analyst Manager , Kiatnakin Phatra Bank Plc.

Chief Information Officer

● Date of appointment

15 April 2017

● Shareholding as of 30 June 2024 (Ordinary Shares)

- Held personally : None
- Held by spouse or minor children : None

● Education

- Master's degree in Information Technology (MSIT), Kasetsart University
- Bachelor's degree in Business Administration, Computer Science, Assumption University

● Training on the roles and duties of Thai Institute of Directors

- -None-

● Other Training

- Microsoft Certified Systems Engineer +Security +Messaging (MCSE+S+M)
- Certified Information Security Manager (CISM) Candidate
- Cisco Certified Network Associate (CCNA)
- Information Security Management Systems Auditor/ Lead Auditor (Based on ISO/IEC 27001:2013 standard)
- Digital Marketing Specialist (DMS by Steps Training)

● Other Current positions (Director / Executive)

- Listed Company : -None-
- Non-Listed Company / Other Organization
2016-Present Director, Wow me Co., Ltd.

● Experience

2019-2023	Director, Aromatique Active Co., Ltd
2018-2019	Director, Time Deco Corporation Co., Ltd.
2017-2019	Senior Director of Information Technology Department and Online Business Division, MC Group Plc.
2011-2016	VP Information Technology Department, KPMG Thailand

● Date of appointment

1 May 2018

● Shareholding as of 30 June 2024 (Ordinary Shares)

- Held personally : None
- Held by spouse or minor children : None

● Education

- Bachelor's degree in Business Administration, Computer Science, Sripatum University

● Training on the roles and duties of Thai Institute of Directors

- -None-

● Other Training

- The 7 Habits of Highly Effective People® | Pacrim Group.
- Business Analytics | Future Skill
- SCOR Model: Supply Chain Operation Reference (Kohler USA)
- (DFT) Demand Flow Technology (American Standard USA)
- The 4 ROLES of Leadership (Franklin Covey)
- LEADERSHIP (KOHLEK University)
- Cross-Cultural Management (Keys to Assertiveness & Accountability)
- Manager School Program CC Knowledge Base
- Champion & Yellow Belt Certification (Six sigma American Standard Thailand)
- SAP Certified Training all Module (PP, MM, FI, CO, EWM) SAP Thailand.

● Other Current positions (Director / Executive)

- Listed Company : -None-
- Board member / Management in Non-Listed Company / Other Organization
2020-Present Director, Look Balance Co., Ltd.

● Experience

2019-2024	Director, Mcmillion (Thailand) Co.,Ltd.
2015-2018	Warehouse and Shipping Management Director, MC Group Plc.
2014-2015	Supply Chain Director, Lixil Thailand Plc.
2005-2014	Manager of Production Planning/Warehouse and Shipping Management, Kohler Thailand Plc.

Chief Commercial Officer

● **Date of appointment:**

1 April 2023

● **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held Personally: 122,200 shares (0.02%)
- Held by spouse or minor children : -None-

● **Education**

- MBA, Major Emphasis: Marketing, City University of Seattle, WA, USA
- Bachelor of Science Degree, Major Emphasis: Statistics, Srinakharinwirot University Bangkok

● **Training on the roles and duties of Thai Institute of Directors**

- Director Certificate Program (DCP) Class 291-292/2020

● **Others Training**

- Leading in Disruptive World at Stanford University, USA (2023)
- Certified MLDP (Minor Leadership Development Program) (2020)
- Design Thinking (2019)
- Talent Management (2018)
- General Manager Development Program (2015-2017)
- Digital Marketing (September – November 2017)
- Translating Strategy into Results (November 2017)

● **Other current position (Directors / Executives)**

- Listed Company : -None-
- Non-Listed Company / Other Organization : -None-

● **ประสบการณ์**

2022-2023	Deputy Chief Executive Officer (D-CEO) at Kerry Express (Thailand) PCL
2018-2022	Chief Operating Officer (COO) at The Minor Food Group PCL
2012-2018	General Manager (Thailand, Maldives, and Myanmar) at Burger King (Thailand) Limited (The Minor Food)
2008-2012	Company Board of Director and Director of Operation at Boots Retail (Thailand) Limited (BRT)
1997-2003	Territory Manager at Esso (Thailand) PCL (an Exxon Mobil Affiliate)

Account Controller

Miss Gaysorn Srichoo

54 years old

Senior Director

- **Date appointment**

10 February 2014

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : None

- Held by spouse or minor children : None

- **Education**

- Bachelor's degree in Accounting, Rajamangala University of Technology Thanyaburi

- **Training on the roles and duties of Thai Institute of Directors**

- -None-

- **Other Training**

- -None-

- **Other current position (Directors / Executives)**

- Listed Company : -None-

- Non-Listed Company / Other Organization

2020-Present Director, Look Balance Co., Ltd.

- **Experience**

2014-Present Senior Director of Accounting and Finance Department, MC Group Plc.

Company Secretary

Mr. Pongsak Tanthanapipat

54 years old

Executive Vice President, Head of Business Transformation and Sustainability,
and Company Secretary

- **Date appointment**

1 February 2010

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally : None
- Held by spouse or minor children : None

- **Education**

- Master Degree in Business Administration, Chulalongkorn University
- Bachelor Degree in Engineering, Chulalongkorn University

- **Training on the roles and duties of Thai Institute of Directors**

- -None-

- **Other Training**

- Company Secretary Professional Development Program Year 2023 by Thai Listed Companies Association
- Practitioner Certificate Program in Sustainable Business Development Year 2022, Stock Exchange of Thailand

- **Other current position (Directors / Executives)**

- Listed Company : -None-
- Non-Listed Company / Other Organization
 - 2022-Present Director, TOP T 2015 Co., Ltd.
 - 2019-Present Director, Mc Jeanious Co., Ltd.
 - 2019-Present Director, WoWme Co., Ltd
 - 2019-Present Director, Mc Jeans Manufacturing Co., Ltd.
 - 2019-Present Director, Winnerman Co., Ltd.

- **Experience**

- | | |
|--------------|--|
| 2010-Present | Executive Vice President, Head of Business Transformation and Sustainability, and Company Secretary, MC Group Public Company Limited |
| 2008-2010 | Finance and Accounting Manager, S&P Syndicate Public Company Limited |
| 1995-2008 | Senior Vice President, Investment Banking, TISCO Securities Company Limited |
| 1992-1993 | Electrical Engineer, TPI Polene Public Company Limited |



Attachment 2

Details of Directors
of Subsidiaries

Details of the directors of the subsidiaries

Name of Director	Winnerman Co.,Ltd.	Mcjeans Manufacturing Co.,Ltd.	WoWme Co.,Ltd.	Look Balance Co., Ltd.	Mc Jeanious Co.,Ltd	Top T 2015 Co.,Ltd	Mc Million (Thailand) Co., Ltd.*
1. Mrs. Kaisri Nuengsigkapien						●	
2. Ms. Sunee Seripanu	●	●	●		●	●	●
3. Mr. Virach Seripanu	●	●	●		●	●	●
4. Ms. Jessuda Bualert				●			
5. Mr. Nopadol Tangdenchai			●				
6. Ms. Oraphan Assamongkol						●	
7. Mr. Vibul Tuangsitthisombat						●	
8. Ms. Petcharat Kongboonma						●	
9. Mr. Phantheep Chatnarat							●
10. Mr. Ekachai Yimphai							●
11. Miss Siriwan Sukanjanasiri							●
12. Mr. Seksan Seksiri				●			●
13. Mr. Pongsak Tanthanapipat	●	●	●		●	●	
14. Ms. Gaysorn Srichoo				●			
15. Mr. Viriya Phungsoonthorn							
16. Mr. Supasak Chirasavinuprapand				●			

Remarks : Chairman = ● Director = ●

● Mc Million (Thailand) Co., Ltd. * : On June 27, 2024, the Extraordinary General Meeting of Shareholders No. 1/2024 of McMillion (Thailand) Company Limited. There was a resolution to approve the dissolution of business. McMillion (Thailand) Company Limited has registered the dissolution of business with the Department of Business Development. Ministry of Commerce on June 28, 2024. Currently in the process of completing the liquidation.



Attachment 3

Detail of Head of Audit

Head of Internal Audit

Ms. Somporn U-In

41 years old

Assistant Vice President Internal Audit

- **Date of appointment**

27 August 2018

- **Shareholding as of 30 June 2024 (Ordinary Shares)**

- Held personally: None
- Held by spouse or minor children: None

- **Education**

- Master's degree in Accounting, Ramkhamhaeng University
- Bachelor's degree in Accounting, Phranakhon Rajabhat University

- **Training on the roles and duties of directors - Thai Institute of Directors Association**

- -None-

- **Other Training**

- ISO/IEC 27001:2022 (ISO/IEC 27001:2022 Requirement) - BSI Training Academy
- Certificate of Internal Auditor of Thailand (CPIAT 67) - Institute of Internal Auditors Thailand
- Risk Base Audit - Institute of Internal Auditors f Thailand
- Understanding and effective use of digital technology by Thailand Digital Government Academy, under the operation of Digital Government Development Agency (Public Organization)
- Information governance for executives of government organizations by Thailand Digital Government Academy, under the operation of Digital Government Development Agency (Public Organization)
- Examining the readiness of the Business to cope with Personal Data Protection Act E.A. 2562 Program, Dharmniti Seminar and Training Company Limited (Online Training)
- Audit Manager Tools and Techniques Program, the Institute of Internal Auditors of Thailand
- (Fraud Audit Program, the Institute of Internal Auditors of Thailand
- Creative Problem-Solving Techniques for Auditors Program, the Institute of Internal Auditors of Thailand
- COSO 2013 Program, Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- Standard of Internal Control Program, the Institute of Internal Auditors of Thailand

- **Other current position (Directors / Executives)**

- Listed Company : - None -
- Non-Listed Company / Other Organization : - None -

- **Experience**

2020-Present	AVP Internal Audit, MC Group Plc.
2018-2020	Internal Audit Manager, MC Group Plc.
2016-2018	Assistant Internal Audit Manager, MC Group Plc.
2015-2016	Head of Internal Audit Department, PTG Energy Plc.



Attachment 4

Business Assets and Details
on Asset Valuation

Assets used in business operations and details of property appraisals

1. The assets used in business operations

The details of assets used in business operations appears on page 38 item 4

2. The details of property appraisals

-None-



Attachment 5

Corporate Governance Policy,
Business Ethics and Supplier
Code of Conduct

The full version of Corporate Governance Policy, Business Ethics and Supplier Code of Conduct.

The Company has published important policies regarding Corporate Governance, Business Ethics and Supplier Code of Conduct on the Company's website which is available on

URL : <https://www.mcgroupnet.com/en/investor-relations/corporate-governance/policy>

The Company has published charter of the Board of Directors and charter of each sub-committees on the Company's website which is available on

URL : <https://mcgroupnet.com/en/investor-relations/corporate-governance/charter>



Attachment 6

- Report of the Audit Committee,
- Report of the Risk Management and Sustainable Development Committee,
 - Report of the Nomination and Remuneration Committee,
- Report of the Report of Responsibility of the Board to Financial Reports

Audit Committee Report

To: Shareholders of Mc Group Public Company Limited

The company's Audit Committee consists of three independent and qualified directors who meet the requirements set by the Stock Exchange of Thailand. The current members are Mr. Lucksananoi Punkrasamee, serving as Chairman of the Audit Committee, with Mrs. Usara Yongpiyakul and Mr. Siwat Chawareewong as members.

During the fiscal year 2024, the Audit Committee carried out its duties independently, in accordance with its charter and responsibilities as assigned by the Board of Directors. A total of four meetings were held, with all three committee members attending each meeting. The attendance details of the Audit Committee are as follows:

รายงาน	ตำแหน่ง	จำนวนครั้งประชุม
1. Mr. Lucksananoi Punkrasamee	Chairman of Audit Committee	4/4
2. Mrs. Usara Yongpiyakul	Audit Committee Member	4/4
3. Mr. Siwat Chawareewong	Audit Committee Member	4/4

During each meeting, the Audit Committee held discussions with the management team, the certified public accountant, and the internal auditor, engaging in relevant agenda items. Additionally, meetings with the certified public accountant were held without the presence of management to independently receive information and provide valuable feedback. The Audit Committee regularly reported its activities to the Board of Directors on a quarterly basis. The results of the Committee's work for the year are as follows:

1. Accuracy, Completeness, and Reliability of Financial Reports

The Audit Committee reviewed the quarterly financial statements, the 2024 annual financial statements, and the audit reports with management and the certified public accountant. The Committee examined the completeness and reliability of financial disclosures, risk factors, applicable accounting standards, changes in accounting standards, financial and accounting internal controls, and the information system.

The Audit Committee concurred with the certified public accountant that the company's quarterly and annual financial statements were prepared in accordance with generally accepted accounting principles, were accurate, complete, and reliable, with reasonable and appropriate accounting policies, and complied with financial standards with adequate disclosures.

2. Adequacy of Internal Control and Internal Audit Systems

The Audit Committee oversaw the internal audit to ensure compliance with both Thai and international internal audit standards, using risk-based audit methods and COSO (The Committee of Sponsoring Organizations of the Treadway Commission) internal control principles. A computer-assisted audit program was implemented to enhance the effectiveness of internal audit operations. The annual audit plan, based on risk factors, was also reviewed, as were the internal audit results and recommendations. The Committee regularly monitored management's implementation of improvements based on internal audit recommendations.

The Audit Committee concluded that the company's internal control system was sufficient and appropriate, with operations being monitored in line with good corporate governance principles. Internal audit was found to be independent and aligned with professional auditing standards.

3. Compliance with Laws and Regulations

The Audit Committee reviewed the company's compliance with securities and exchange laws, the Stock Exchange of Thailand's regulations, and other relevant business laws, as well as the company's compliance with its own requirements and obligations with external parties.

The Audit Committee opined that the company had complied correctly and completely with the securities and exchange laws, the Stock Exchange of Thailand's regulations, and other applicable business laws.

4. Related Party Transactions and Disclosure

The Audit Committee reviewed and examined related party transactions or potential conflict of interest transactions between the company and its subsidiaries with related parties. The Committee required the external auditor and internal auditor to audit and report their findings to ensure that the company operated transparently, under reasonable commercial terms, in compliance with the law and the Stock Exchange of Thailand's regulations. Disclosures in the financial statements were accurate and complete.

The Audit Committee concluded that the related party transactions reviewed were reasonable, fair, and in the company's best interest.

5. Good Corporate Governance

The Audit Committee promoted continuous improvement of the company's corporate governance practices, ensuring they were aligned with the Corporate Governance Code for listed companies 2017, which corresponds with the ASEAN CG SCORECARD standards. In 2023, the company was rated "Excellent" in the Corporate Governance Survey of Thai listed companies.

6. Selection and Appointment of the Auditor

The Audit Committee selected and determined the remuneration of the auditors from Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. The selection considered the auditors' qualifications, including their knowledge, skills, experience, reliability, and independence as per the Stock Exchange's requirements. The Committee also assessed the auditors' performance in the past year.

The Audit Committee concluded that the certified public accountant was highly knowledgeable, understood the company's business well, and was independent and trustworthy, with no relationships or conflicts of interest with the company. Therefore, the Committee was confident that the audit was complete, appropriate, conducted efficiently, and transparently, and proposed the auditor's appointment to the Board for approval at the shareholders' meeting.

7. Overall Opinions and Observations from Charter Duties

The Audit Committee conducted its annual self-assessment for 2024, which included reviewing the company's financial reporting, internal control, internal audit management, compliance with securities laws, and selecting an independent auditor. The Committee also reviewed related party transactions and potential conflicts of interest, as well as processes for handling complaints and preparing its reports. The self-assessment scored 99%, demonstrating compliance with the Audit Committee's manual, guidelines of the Securities and Exchange Commission (SEC), and the Audit Committee Charter.

Overall, the Audit Committee fully performed its duties as outlined in its charter, approved by the Board of Directors. The Committee found that the company had accurate, appropriate, and reliable financial reporting processes, along with suitable and effective internal control, internal audit, and risk management systems. The company complied with legal requirements, regulations, and obligations, and thoroughly reviewed related party transactions, reflecting adequate, transparent, and trustworthy corporate governance practices.

The Audit Committee continued to enhance the quality of its operations in line with the evolving business environment. In the past year, the Committee also reviewed both the Audit Committee Charter and the Internal Audit Charter.



(Mr. Lucksananoi Punkrasamee)

Chairman of Audit Committee

26 August 2024

Report of the Risk Management and Sustainable Development Committee

To: Shareholders of Mc Group Public Company Limited

The Risk Management and Sustainable Development Committee recognizes and emphasizes the importance of the organization's risk management, encompassing various risk factors, both internal and external to the organization, as well as new risk factors that may potentially impact the company. The committee oversees the management of uncertainties that may arise from these factors and works to mitigate potential impacts to ensure the business can continue its operations smoothly. Additionally, the committee oversees sustainable development and corporate governance. The Risk Management and Sustainable Development Committee has fulfilled its duties within the scope, authority, and responsibilities outlined in the committee's charter effectively and efficiently.

In the fiscal year 2024, the Risk Management and Sustainable Development Committee carried out its roles and responsibilities and held four meetings to consider various matters. All three committee members attended each meeting, achieving a 100% attendance rate as follows:

Risk Management and Sustainable Development Committee	Position	Meeting Attendance
1. Mr. Siwat Chawareewong	Chairman of Risk Management and Sustainable Development Committee	4/4
2. Ms. Sunee Seripanu	Risk Management and Sustainable Development Committee Member	4/4
3. Mrs. Usara Yongpiyakul	Risk Management and Sustainable Development Committee Member	4/4

The key performance outcomes for the fiscal year 2024 are summarized as follows:

Risk Management:

1. Establishing and reviewing the company's risk management framework to align with strategic plans and environmental conditions, as well as monitoring and reviewing management actions to ensure that risk management adheres to the company's control strategies. The Risk Management and Sustainable Development Committee presented key risk issues to the Board of Directors for acknowledgment each quarter.

2. Overseeing various company departments in analyzing potential risks, including strategic, operational, financial, regulatory, social, environmental, and corporate governance risks, as well as climate change impacts. The committee prioritized risks and developed appropriate risk management plans and control measures. In 2024, emphasis was placed on managing the risk of over-dependence on a few key suppliers by diversifying suppliers domestically and internationally to reduce potential impacts. Attention was also given to risks related to quality control and on-time product delivery, both of which are critical to the company's business.

3. Supporting and advising the risk management team and internal departments on the risk management process, continuously monitoring and evaluating the results, and reporting to the Risk Management and Sustainable Development Committee. In 2024, the committee emphasized enhancing risk management efficiency and supported the launch of the E-Learning course "BMD1010: Value and Resilience Through Risk Management" to increase risk knowledge among executives and employees.

4. Approving, reviewing, and updating the Risk Management and Sustainable Development Committee Charter and the risk management policy to ensure alignment with current operations and related regulations.

Sustainability Development:

1. Defining guidelines, supporting, and monitoring the progress of sustainability activities in the economic, social, and environmental dimensions, as well as supporting the company's participation in the 2024 SET ESG Ratings evaluation by the Stock Exchange of Thailand. Risk Management and Sustainable Development Committee presented the company's sustainability progress to the Board of Directors quarterly.

2. Supporting and advising the sustainability team and internal departments in ensuring continuous progress according to the sustainability plans, and reporting results to the Risk Management Committee as required.

3. Reviewing strategies and key sustainability issues to position the company as a sustainable business, which serves as a tool for managing stakeholder expectations.

4. Approving the creation, review, and updating of the sustainability policy, environmental policy, human rights policy, and stakeholder engagement policy to ensure the company's operations involve all stakeholders and foster participation.

In terms of sustainability performance, the company was rated "AA" in the 2023 SET ESG Rating by the Stock Exchange of Thailand and received the 2023 Sustainability Disclosure Acknowledgement award from the Thaipat Institute. The company also successfully renewed its CAC membership for the second consecutive time, reflecting its strong commitment to sustainability and social responsibility.

Corporate Governance:

1. Approving, reviewing, and regularly updating various policies to ensure good corporate governance practices align with laws, regulations, and company rules. These policies include the Code of Business Ethics, Corporate Governance Policy, Anti-Corruption Policy, Complaint Handling Policy, Conflict of Interest Prevention Policy, Tax Policy, Supplier Code of Conduct, and Information Security Policy.

2. Monitoring compliance with the company's corporate governance and business ethics policies and ensuring regular communication of these policies to employees. In 2024, the company launched an E-Learning course, "MC GROUP BUSINESS ETHICS COURSE," on business ethics, mandatory for all executives, employees, and new hires. Other governance-related policies were also communicated through the company's intranet and internal media.

For corporate governance performance in fiscal year 2024, the company participated in the Corporate Governance Report of Thai Listed Companies (CGR) under the supervision of the Thai Institute of Directors (IOD) and received an "Excellent" rating.

In conclusion, the Risk Management and Sustainable Development Committee believes that in fiscal year 2024, the company adhered to good governance principles, regularly monitored and managed risks, and was able to control risks to an acceptable level. Additionally, the company successfully implemented its sustainability plans, with governance, risk management, and sustainability performance details disclosed in the 56-1 One Report.



(Mr. Siwat Chawareewong)

Chairman of Risk Management
and Sustainable Development Committee

26 August 2024

Report of the Nomination and Remuneration Committee

To: The Shareholders of MC Group Public Company Limited

The Nomination and Remuneration Committee has performed the duty entrusted by the Board of Directors under the duties defined in the Charter of the Nomination and Remuneration Committee on determining the procedures and rules of the nomination for directors and Chief Executive Officer and selection of the persons who are appropriate to be nominated as the new directors, determining the rules and procedures of the payment of remuneration and any other benefits to the directors and sub-committee members, and considered budget relating to the yearly increase in salary and gratuity, welfare and any other benefits of Chief Executive Officer and the executives of the Company.

In the fiscal year 2024, the Nomination and Remuneration Committee held a total of 3 meetings, with 100% attendance by all committee members. The details of the attendance for the Nomination and Remuneration Committee meetings are as follows:

Name	Position	Meeting Attendance
1. Ms. Sunee Seripanu	Chairman of Nomination and Remuneration Committee	3/3
2. Mr. Lucksananoi Punkrasamee	Nomination and Remuneration Committee Member	3/3
3. Mr. Niran Pravithana*	Nomination and Remuneration Committee Member	3/3

The key performance outcomes for the fiscal year 2024 are summarized as follows:

1. The committee reviewed and nominated qualified individuals in accordance with the law and relevant regulations to replace directors whose terms had expired. The selection process considered qualifications, experience, and expertise (Board Skill Matrix), such as retail, information technology, finance, marketing, or real estate experience. It also considered past and present performance that could instill confidence among stakeholders. The nominations were then submitted to the Board of Directors and the Annual General Meeting of shareholders for further consideration. Additionally, shareholders were invited to propose candidates for directorships from May 14 to August 13, 2024, but no nominations were received.

2. The committee considered and established methods and criteria for determining the remuneration of directors and subcommittees.

3. The performance of the Chief Executive Officer was evaluated based on set goals to determine appropriate compensation.

4. The committee conducted a self-evaluation of its performance over the past year, concluding that it had effectively fulfilled its duties in accordance with its assigned responsibilities.

5. The committee reviewed and considered the budget for salary increases, annual bonuses, benefits, and other compensation for company employees and its subsidiaries, ensuring they were in line with the company's performance and market rates in the retail industry, as well as sufficient to meet the living needs of employees and their families.

6. The committee monitored and ensured that the company had a succession plan in place for senior executives and key positions to maintain continuity in business operations.

7. The committee provided consultation on human resources management and staff development.

8. The committee reviewed its charter for fiscal year 2024 and determined that no amendments were necessary, as the current charter remained comprehensive and appropriate.

The Nomination and Remuneration Committee carried out its duties prudently and responsibly, in accordance with principles of good corporate governance, always considering the best interests of the company and all stakeholders.



(Ms. Sunee Seripanu)

Chairman of Nomination
and Remuneration Committee

26 August 2024

Report of Responsibility of the Board to Financial Reports

The Board of Directors of MC GROUP Plc has prepared the Company's financial statements to show its financial status and performance for 2024 under the Public Company Limited Act of 1992, the Accounting Act of 2000, the Securities and Exchange Act of 1992 (Including with additional amendments), and the announcement of the Capital Market Supervisory Board concerning the criteria, conditions, and reporting method for the disclosure of information on financial status and performance of companies that issue securities.

The Board recognizes its duties and responsibility for directing a listed company, particularly the responsibility for financial statements of the Company and its subsidiaries – including financial information that appears in the annual report of 2024. Such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements. Adequate significant information has been disclosed in the notes to these financial statements for transparent use by shareholders and investors at large.

The Board has instituted and maintained effective risk management and internal control systems to become reasonably confident of accurate, complete, and adequate accounting information to retain Company assets and prevent frauds or significant anomalies in operation.

The Audit Committee, acting on behalf of the Board, has been assigned responsibility for the quality of financial reports and internal control system, and its opinions duly appear in its own report found in this publication.

It is our view that the Company's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of the Company and its subsidiaries ended June 30, 2024, are reliable under generally accepted accounting standards, legally sound, and acceptable to relevant regulations.



(Ms. Sunee Seripanu)

Director



(Mr. Virach Seripanu)

Director

Regarding this report

The company has included the sustainability report as part of the One Report and has not produced a separate sustainability report. In preparing the data for the sustainability section within the One Report, the company followed the "SET Sustainability Reporting Guide for listed companies", as provided by the Stock Exchange of Thailand.

MC GROUP
MC GROUP PUBLIC COMPANY LIMITED