

SUCCESSMORE BEING PUBLIC COMPANY LIMITED

SCM THE SECOND WAVE

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Part1

Business Operations and Results

1. Company Group Structure and Operation

1.1 Policy and Business Operation Overview

Business Operation Overview

Successmore Being Public Company Limited (“Company”) or (“SCM”) was founded on 8th November 2012 by Dr. Sitthawee Kriatchawanun and Mr. Noppakrit Nitilertvijit, to operate the business of selling consumer products, both domestically and internationally in the network marketing “MLM”. The company transformed into a public company on 6th March 2019 and was listed on the Stock Exchange of Thailand on 8 September 2020.

At present, the company has registered capital 447,800,000 Baht and paid-in capital of 301,430,202.50 Baht, divided into 895,600,000 common stocks with a par value of 0.50 baht per share. The company has 4 subsidiary companies, Chadhai Leasing Co., Ltd. (**“CHL”**), Success Spirit Co., Ltd. (**“SPT”**), SCM Spirit (Myanmar) Co., Ltd. (**“SPM”**) and SCM Innovative Co., Ltd. (**“SMI”**) (collectively referred to as the “Group of Companies”)

Main Business Operations of the groups of companies can be divided into 4 businesses which are

1. Network Marketing

Networking business to distribute nutritional products and consumer products both domestically and internationally which is the main business of the group of companies. The company group will focus on operating a network business with a compensation policy in an appropriate **“Compensation Business Plan”** form and focuses on the development of businessmen. At present, the company has consumer products that are distributed which can be classified into 6 product groups, including

1. Nutrinal
2. Body Cheer
3. Neatly Home
4. S Mone’
5. Growing More
6. Smart Creation

The company which is in the group of companies that operates a networked business is SCM

2. Consulting Services Business in Networking Business Operation and Seminar Organization

Consulting services business in operating networking business is operated by SPT and SPM. SPT and SPM have personnel with knowledge and ability to provide network business-related advice such as general management, businessmen management, marketing, accounting, tax planning, information technology system, etc. At present, SPT provides services within the group of companies and all foreign distributors except those in Myanmar where SPM is the service provider.

For seminar organization business, the business is also operated by SPT which will provide seminar services according to the specified company's curriculum. The service will serve only businessmen from Successmore and distributors in foreign countries.

3. Manufacturing Business

The company, therefore, considers a joint venture with an external supplier. To operate as a new manufacturing plant of the company, the company has acquired shares from the existing shareholder SCM Innovative Company Limited ("SMI") which is registered in Thailand by purchasing shares from a group of existing shareholders Zen Biotech Co., Ltd. ("ZEN") in the proportion of 55 % of SMI's issued and paid-up share capital, equal to 115 million Baht. This venture will help the company reduce the cost of production in the long run due to the scale (Economy of scale) increasing flexibility in production planning and management. This helps reducing dependence on outsourcing contractors. Moreover, ZEN also has experience and expertise in the production of the company's main products.

4. Leasing Business

The company operates the leasing business under newly established company called "Chadhai Leasing Co.,Ltd (CHL)" This new leasing company mainly provides hire purchase for pre-owned car and secured loan which includes car loan, land and building mortgages. In the initial stage, we will focus on hire purchase for pre-owned car targeting primarily to our SCM members by using our nationwide branches as distribution channels towards our members.

1.1.1 Vision, Objectives, Goals, Strategies

The Group of Companies intend to operate a stable networking business and to have a high standard that can deliver sustainable success to business people by providing distribution services of consumer products that have been selected of excellent qualities and high standards from all over the world. With a "Cycle Matching" business plan which is an innovative compensation plan of the era. This makes the company's businessmen able to generate a stable and sustainable income. Also, the group of companies intends to focus on inspiring people to become successful businessmen, achieve a financial goal, staying physically and mentally healthy through the process of learning and taking an action.

Resolution

We aim to keep the spirits up, develop and transform the people's lives to the fullest under the philosophy of "Inspiration for your Being -- Inspiration that changes your life" by offering opportunities with quality products carefully selected by medical specialists and effective human potential development system to make you reach your fullest potential because we believe every change will lead to success in improving financial status, happiness, and achieving the life goals to share worth lives towards a sustainable society.

Vision

Successmore Being is one of the most reliable direct network companies. We are willing to provide the finest products in people's life. We are known as the inspirer of the spirit with a strong intention to develop and change people's life to a high quality of living.

Mission

We aim to continually develop our organization, high-quality products, and a more efficient recruitment system to provide opportunities for our members and consumers to be “Successmore”.

Values

We are the company being together with an emphasis on five values which are

1. Focus on success
2. Continuous on self-development
3. Be trusted and fair hearted
4. Work as a team
5. Care about others and be generous

1.1.2 Changes and Developments

Backgrounds and significant developments of the group of companies can be summarized as follows

- 2012**
 - Registered a company established by Dr. Sitthawee Kriatchawanun and Mr. Noppakrit Nithilertvijit with a registered capital of 10 million Baht, divided into 1 million shares with a par value of 10 Baht to operate high a standard networking business to distribute products in consumer products both domestically and internationally.
- 2013**
 - Licensed by the Office of the Consumer Protection Board to register direct sales operations under the Direct Selling and Direct Marketing Act B.E. 2545
 - Launched the company's first product line which is Nutrinal and Body Cheer personal care products - to meet the needs of health-conscious people and can be generally used in daily life.
 - Launched the Phytovy brand, a dietary supplement that helps excretory system, under the Nutrinal product line. Phytovy is currently the company's best-selling product.
 - Launched household products “Neatly Home”
- 2014**
 - Launched skincare and cosmetics products S Mone’
 - Registered Successmore Being Laboratory Company Limited (“**SML**”), a subsidiary within the group of companies, with a registered capital of 1 million Baht to operate a manufacturing plant and to distribute dietary supplement and cosmetics products in the group of companies.
- 2015**
 - Increased registered capital from 10 million Baht to 20 million Baht to be used for business expansion and working capital within the business.
 - Launched an agricultural product “Growing More”
 - Increased registered capital from 20 million Baht to 40 million Baht for a branch expansion venture and inventory reserves.

- 2016**
- Established a subsidiary company in Vietnam under the name Successmore Being Vietnam Co., Ltd. with registered capital of 11,000 million VND to start a direct sales networking business in Vietnam along with expanding the consumer and businessmen base to Vietnam.
 - Established a subsidiary company in Cambodia under the name Successmore Being (Cambodia) Co., Ltd. with registered capital of 200,000 USD to start a direct sales networking business in Cambodia along with expanding consumer and business base to Cambodia.
 - Officially appointed a distributor in Myanmar, Successmore Being Yangon Trading Co., Ltd., a company established in Myanmar, to distribute products under the company's brand and to expand the customer base abroad by acting to manage businessmen in the country (Originally the company has sold products to Myanmar for such distributor since 2015 but has not been appointed as an official distributor.)
 - Increased the registered capital from 40 million Baht to 100 million baht for a branch expansion venture and inventory reserves. Issuing 6 million additional common stocks with a par value of 10 per share, called for a payment of 2.50 Baht per share, amounting to 15 million Baht.
- 2017**
- Appointed a distributor in Laos, Success More-Laos Sole Co., Ltd., a company established in Laos, to distribute products under the company's brand and to expand the customer base abroad by managing businessmen in the country.
 - Reconstructed the group of companies by selling all shares of Successmore Being (Cambodia) Co., Ltd. and Successmore Being Vietnam Co., Ltd. to third parties who have no connection with the company due to reasons of management and the uncertainty of the direct sales network marketing license in the country.
 - Registered Success Spirit Company Limited ("**SPT**"), a subsidiary company in the group of companies with a registered capital of 10 million Baht to operate a business of researching and developing food supplements and cosmetics products, to provide training and service seminars, and to consult about direct sales network marketing.
- 2018**
- Appointed overseas product distributors in Cambodia and Vietnam to distribute products under the company's brand and to expand the customer base abroad by managing businessmen in the country.
 - Established SCM Spirit (Myanmar) Co., Ltd. ("**SPM**") in Myanmar, a subsidiary within the Group. With a registered capital of \$50,000 to engage in a human resource service business and organizing seminars in Myanmar.
 - Obtained approval for a request to establish tax measures to promote the establishment of international headquarters (IHQ) to receive tax benefits.
 - Increased the registered capital from 100 million Baht to 225 million Baht in preparation for listing on the Stock Exchange of Thailand by increasing the number of ordinary shares of 12.5 million shares at a par value of 10 Baht per share, calling for a payment of 4 baht per share, equal to 50 million baht.
 - Launched Smart Creation technology products.

- 2019**
- Converted Successmore Being Company Limited into Successmore Being Public Company Limited company and had its common stocks been a listed company on the Stock Exchange of Thailand.
 - Changed the par value of the company's shares from the value of 10 Baht per share to 0.50 Baht per share for convenience and flexibility in trading and calculating the share value.
 - Increased the company's registered capital from the amount of 225 million Baht to 300 million Baht by adding 150 million new common stocks at the par value of 0.50 Baht per share and approved the allocation of 150 million newly issued ordinary shares at a par value of 0.50 Baht per share.
 - Appointed product distributors in Malaysia and Singapore to distribute products under the company's brand and to expand the customer base abroad by managing businessmen in the country.
- 2020**
- Invested in acquiring shares of SCM Innovative Company Limited ("**SMI**"), a company registered in Thailand from existing shareholders in the total number of 5,499,998 shares or equivalent to 55 percent of SMI's issued and paid-up capital, amounting to 115.01 million Baht.
 - On March 10, 2020, the company already acquired shares of SCM Innovative Company Limited ("**SMI**"), a company registered in Thailand from existing shareholders in the total number of 5,499, 998 shares or equivalent to 55 percent of SMI's issued and paid-up capital, amounting to 115.01 million Baht.
 - Raised capital through the sale of 150 million ordinary shares to the public for the first time (IPO) at the par value of 0.50 Baht per share or 25 percent of the company's paid-up capital. The IPO price is set at 1.90 Baht/share, which is 13.86 times the P/E ratio before the capital increase.
 - On September 8, 2020, the company had the shares traded in the Stock Exchange of Thailand under the name "**SCM**", makes the first Thai direct seller that was listed on the Stock Exchange. Its strength is that it has a network of over 180,000 people across the country and dealers in 6 countries of Southeast Asia.
- 2021**
- Increase the registered capital of the Company from 300 million baht to 400 million baht by issuing 200 million new ordinary shares with a par value of 0.50 baht per share for underlie the exercise of rights under the Warrant No. 1 (SCM-W1) at 2 years, which is allocated to the existing shareholders of the Company according to the shareholding ratio in the ratio of 3 existing ordinary shares per 1 unit of warrant free of charge, the exercise price is 9 baht.
- 2022**
- Successmore Being Laboratory Co., Ltd., a subsidiary, change the company name to Chadhai Leasing Co., Ltd. and change the business objectives to be the company operating leasing business.
 - The company expanded its market to Philippines which considered to expand the business to one more country.

2023

- Increase the registered capital of the Company from 400 million baht to 447.80 million baht by issuing 95.60 million new ordinary shares with a par value of 0.50 baht per share for underlie the exercise of rights under the Warrant No. 2 (SCM-W2) amount 80 million shares, at 2 years, which is allocated to the existing shareholders of the Company according to the shareholding ratio in the ratio of 7.50 existing ordinary shares per 1 unit of warrant free of charge, the exercise price is 2 baht and the adjustment of rights of the Warrants No. 1 (SCM-W1) amount 15.60 million shares.
- The Share Repurchase program for financial management purpose (Treasury Stock) with the number of shares to be repurchased not exceeding 8,800,000 shares or equal to the amount of not exceeding 1.46 % of the total issued shares within the limit not exceeding 30 million baht. The Share Repurchase will be conducted through the Stock Exchange of Thailand for 6 months.
- Launched an agricultural product “Growing More”, dietary supplement food product “Nutrinal”, product used in daily life “Body Cheer” and skincare for the face products “S Mone”

1.1.3 Fundraising Expenses

The company offers shares to the public offering to trade in the Stock of Exchange for the first time (“IPO”) up to 150,000,000 shares or 25 percent of the company’s paid-up capital after the offering of new ordinary shares of the company at an offering price of 1.90 Baht per share. The offering period is 27, 28, 31 August, and 1 September 2020.

(1) The details of the expenses from of new ordinary share for purposes are as follows

Purposes	Approximate Expenses (Million Baht)	Approximate Duration (Year)	Balance As of 31 December 2022 (Million Baht)
To be used as an investment in a branch expansion and renovating some branches that are currently renting	36.00	2020 - 2023	0.00
To be used as working capital in the business	236.11	2020 - 2023	0.00
Total	272.11		0.00

(2) Governing Law

The company has no bond offering.

1.1.4 An obligation that is pledged by the company in the registration statement and/or the office's approval conditions (if any) and/or SET's listing conditions (if any), including regulations to comply with the obligation or condition in subsequent years

According to the regulations of the Stock Exchange of Thailand, Accepting Ordinary Shares or Preferred Shares as Listed Securities 2558 B.E. (2015) dated 11th May 2015 (amendment included), prohibit any participants in the administration and/or other shareholders from bringing their ordinary shares together equal to 55 percent of the paid-up capital after the offering of the newly issued ordinary shares to be issued within 1 year from the date that the company's shares start trading on the stock market. After the date of the company's shares trading on

the stock market for 6 months, banned individuals will be able to sell 25 percent of the total shares or securities that have been prohibited, and will be able to sell the rest of the whole after the expiration of 1 year.

Present, the company has complied with the following requirements: prohibiting any participants in the management and/or other shareholders from selling the shares that they hold within the specified time by strictly following the regulations of the Stock Exchange of Thailand.

1.1.5 General Information

Company Name	:	Successmore Being Public Company Limited
Registration Number	:	0107562000041
Registered Capital	:	447,800,000 Baht
Issued and Paid-up Capital	:	301,430,202.50 Baht
Par	:	0.50 Baht
Nature of Business	:	Operate consumer products distribution in form of a direct sale network marketing and sell consumer products to the dealers
Headquarters Location	:	10/1-2Ratchadapisek Road, Chatuchak Sub-District, Chatuchak District, Bangkok 10900
Telephone	:	0-2511-5955
Fax	:	0-2511-5944
Website	:	http://www.successmore.com

1.2 Nature of Business

The group of Companies conducts the business of distributing products in the consumer products group in the form of a network (Multi-level Marketing or “MLM”), the company, SCM, will distribute products through a network of business people and distributors, both inside and outside Thailand and leasing business. There are four subsidiaries of the company, where Chadhai Leasing Co.,Ltd (CHL) thatl operate leasing business, SCM Innovative Co., Ltd. (SMI) that operates a factory for production and distributes products to companies in the group of companies, while Success Spirit Co., Ltd. (SPT) and SCM Spirit (Myanmar) Co., Ltd. (SPM) will operate a business consulting service in network business operations and organizing seminars both in Thailand and abroad.

The company group has various distribution channels for both domestic and international, including distributing through the company's direct sales businessmen, which is a type of direct sales network. There are 22 branches of distribution centers across the country. Besides, the group has appointed foreign distributors to expand markets in the South East Asia region. The overseas dealers will manage the overseas branches and businessmen by themselves. At present, there are 7 countries, Myanmar, Cambodia, Vietnam, Laos, Malaysia, Singapore and Philippines. Moreover, the company plans to increase foreign distributors to increase the capability of the company in the future.

For consulting services business about business operations and hosting seminars, is operated by SPT and SPM which are subsidiaries of the company's group. SPT and SPM have personnel with knowledge and capabilities in various areas such as general management, marketing, accounting, tax planning, information technology

system (IT) in a form of services. It will be a long-term contract with both providing customer service in the group of companies and all foreign distributors. For business hosting seminars, SPT will serve both customers in the company group and foreign distributors with the course content to improve MLM business skills as well as stimulate the self-development of the seminar participants. The service contract is charged according to the program provided, depending on the number of times organized each year.

For leasing business under newly established company by CHL. This new leasing company mainly provides hire purchase for pre-owned car and secured loan which includes car loan, land and building mortgages. In the initial stage, we will focus on hire purchase for pre-owned car targeting primarily to our SCM members by using our nationwide branches as distribution channels towards our members.

1.2.1 Income Structure

The group of companies has an income structure that can be classified by products categories sold as in the following table:

List	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
1) Income from selling products through businessmen						
Nutrinal	389.95	43.17	501.18	47.37	672.52	60.47
Body Cheer	95.95	10.62	100.71	9.52	104.43	9.39
Growing More	327.91	36.30	370.40	35.01	243.48	21.89
S Mone	53.94	5.97	52.33	4.95	49.00	4.41
Neatly Home	16.93	1.87	21.07	1.99	22.50	2.02
Smart Creation	18.62	2.06	11.08	1.05	18.89	1.70
Multi Potential	-	-	-	-	1.38	0.12
SCM Café	-	-	0.12	0.01	-	-
OEM	-	-	1.23	0.10	-	-
Total income from selling products through businessmen	903.30	100.00	1,058.12	100.00	1,112.20	100.00
2) Income from selling products through product distributors						
Nutrinal	7.32	53.02	11.93	19.75	31.46	39.18
Body Cheer	2.85	20.69	9.57	15.84	7.50	9.34
Growing More	1.82	13.20	35.97	59.54	35.70	44.46
S Mone	0.97	7.00	1.55	2.56	2.76	3.44
Neatly Home	0.77	5.58	1.13	1.87	2.56	3.19
Smart Creation	0.07	0.50	0.26	0.44	0.31	0.39

List	2023		2022		2021	
	Million Baht	%	Million Baht	%	Million Baht	%
<i>Total income from selling products through product distributors</i>	<i>13.80</i>	<i>100.00</i>	<i>60.41</i>	<i>100.00</i>	<i>80.29</i>	<i>100.00</i>
Total income from selling products	917.10	-	1,118.53	-	1,202.49	-

1.2.2 Product Information

1. Product Information, Service, and Innovation Development

Product and Service Information

(1) Network Marketing

The main business of the group of companies is the network business to distribute products in supplementary food products and consumer products both in the country and abroad.

The group of companies is motivated to develop products of the best quality, with particular regards for the needs and the safety of consumers. Every product has been carefully looked after from a recipe development process, a selection of quality materials, a selection of standardized and innovative production plants, and evaluation of results from the use of products from representative sample until the product become the highest quality, a beautiful and modern packaging design as well as the product pricing that consumers can afford to make customers satisfied, recognize the value, and have a strong bond with products, brands, and organizations that will bring consumers back to purchase again.

At present, the company focuses on hiring external manufacturers to produce products under their brands (Original Equipment Manufacturer: OEM) and reduce manufacturing products by themselves. The company has consumer products for sale on the website of the company www.successmore.com which can be classified into 6 product groups as follows

1. Nutrinal



Our dietary supplementary products are the new healthcare alternative that can meet every healthcare needs. Valuable nutrients gathered from premium sources all over the world as well as innovative production processes make these products safe and results are noticeable after use.

2. Body Cheer



Our diverse group of daily use products for body cleansing and skin nourishment is suitable for any gender and age. The products are safe to use and produce clear, noticeable results. Also, the quality received is worth the price paid.

3. Neatly Home

Our home products emphasize the use of gentle, safe, eco-friendly, and high-quality materials at reasonable prices. The products are highly concentrated, so they are worthwhile to use. They are also trusted by most housewives who always keep their homes well stocked.

4. S Mone'

Our facial skin products include a full range of products from cleaning products to skincare and cosmetic products. The ingredients used are nature-derived and contain substances harmful to health to meet the needs of every skin type and help women to beautify themselves safely and boost their personalities and confidence.

5. Growing More

The plant supplementary products help in the improvement of agricultural productivity. The natural ingredients are chemical-free and can be used with all types of plants. The products are considered as an alternative for farmers who want to grow chemical-free vegetables or reduce production costs and raise crop yield.




6. Smart Creation



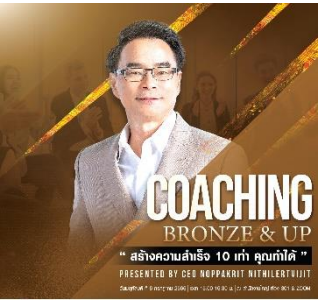
The modern innovative products meet the needs of modern lifestyles to improve quality of life.




(2) Consulting Services Business in Network Marketing Operation and Seminar Organization




Consulting services business in operating networking business is operated by SPT and SPM. SPT and SPM have personnel with knowledge and ability to provide network business-related advice such as general management, businessmen management, marketing, accounting, tax planning, information technology system, etc. At present, SPT provides services within the group of companies and all foreign distributors except those in Myanmar where SPM is the service provider.

For seminar organization business, the business is also operated by SPT which will provide seminar services according to the specified company's curriculum with a purpose to develop network marketing skills, understanding of the company's products, inspiring to the success as well as to stimulate the self-development of the seminar participants. The information of all courses that the SPT offers are as follows.

No.	Curriculum	Information
1.	The Success	<p>A seminar for successful businessmen from all over the country annually held every year to honor business people who have achieved Platinum and higher levels with special guests from both domestic and international. There will be a new product launch at the event.</p> 
2.	Start Your Business with WHY	<p>A seminar with course content that is inspired from world-class seminar courses to motivate business people to question and find their life goals to develop the potential of business people to achieve their goals through various activities which are held continuously both in the country and abroad. The seminar is hosted by Mr. Noppakrit Nithilertvijit, Chief Executive Officer.</p> 
3.	Inspiration	<p>A seminar for businessmen of the company in each region held to honor successful businessmen in Bronze, Silver, and Gold levels with special guests at Diamond level and above to convey real work experience and tactic of elevating positions to the next level.</p> 

No.	Curriculum	Information
4.	The 5 Levels of Leadership	<p>A seminar with course content to develop leadership skills at 5 levels to bring participants to the advance "Leadership" that influences people to change their lives. In other words, leaders must have the skills and abilities to connect people, inspire, and be able to help others develop themselves to become leaders in the future. The seminar is hosted by Mr. Noppakrit Nithilertvijit, Chief Executive Officer.</p> 
5.	Platinum & Up Meet CEO	<p>Training and seminars for MLM businessmen who hold Platinum level and up, to create a step-by-step leadership development system. Each topic is designed for businessmen and leaders to learn, cultivate and create leaders to pass on their work skills and inspiration to their organization and their line of work. The seminar is hosted by Mr. Noppakrit Nithilertvijit, Chief Executive Officer. The event is every other month.</p> 
6.	Coaching Bronze & Up	<p>A Seminar that is held to provide working knowledge from basic to intermediate level and to teach about concepts, attitudes, human management principles, and general business that can be further developed in corporate management for Successmore's businessmen holding Bronze level positions or above. The seminar is hosted by Mr. Noppakrit Nithilertvijit, Chief Executive Officer. The event is every other month.</p> 

No.	Curriculum	Information
7.	President Talk	<p>A seminar held to raise the level of confidence in the company by Dr. Sitthawee Kriatchawanun, Chairman of the Executive Committee, to talk about business opportunities and the support from the company that can be a tool to enable people to enhance their success in lives. The event is regularly held monthly.</p> 
8.	SCM Leaders Forum	<p>A Seminar that is held to provide working knowledge from basic to intermediate level and to teach about concepts, attitudes, human management principles, and general business that can be further developed in corporate management for Successmore's businessmen holding Bronze level positions or above. The seminar is hosted by Dr. Sitthawee Kriatchawanun, Chairman of the Executive Committee. The event is every other month.</p> 
9.	Diamond Forum	<p>A training seminar that aims at providing ideas, knowledge, and methods of successful work in higher-level positions and conveying knowledge by Dr. Sitthawee Kriatchawanun, Chairman of the Executive Committee and Mr. Noppakrit Nithilertvijit, Chief Executive Officer, for businessmen of the company who are in a Diamond position or higher by being held regularly every year.</p> 

No.	Curriculum	Information
10.	Product Insight	<p>A Seminar that aims at providing knowledge of products from the company's experts or speakers from outside with health expertise. In the event, there will be businessmen of the company sharing the experiences of product use. It is regularly held monthly, both in the country and abroad.</p> 
11.	Shortcuts to Success with NLP	<p>Shortcut training for success under the topic "Principles of NLP Positive Thinking" to create members and leaders with skills. To present and close deals with new prospects. This will lead to sales generation and increase the number of new members in the organization. Members of all levels can participate in training.</p> 
12.	Success Night Party	<p>Businessman Thank You Party that is held to honor and celebrate the success of the company's businessmen in the new Platinum level positions, under the official gala dinner</p> 

Also, the company has policies to consider organizing seminars and training courses other than the above, depending on the appropriate time for the event. All course materials will be developed and updated regularly to help business people develop their new knowledge and update the new information consistently with the constantly changing environment and consumer behaviors in the society.

(3) Manufacturing Business

The company, therefore, considers a joint venture with an external supplier. To operate as a new manufacturing plant of the company, the company has acquired shares from the existing shareholder SCM Innovative Company Limited ("SMI") which is registered in Thailand by purchasing shares from a group of existing shareholders Zen Biotech Co., Ltd. ("ZEN") in the proportion of 55% of SMI's issued and paid-up share capital, equal to 115 million Baht. This venture will help the company reduce the cost of production in the long run due to the scale (Economy of scale) increasing flexibility in production planning and management. This helps reducing dependence on outsourcing contractors. Moreover, ZEN also has experience and expertise in the production of the company's main products.

(4) Leasing Business

The company operates the leasing business under newly established company called "Chadhai Leasing Co.,Ltd (CHL)" This new leasing company mainly provides hire purchase for pre-owned car and secured loan which includes car loan, land and building mortgages. In the initial stage, we will focus on hire purchase for pre-owned car targeting primarily to our SCM members by using our nationwide branches as distribution channels towards our members.

Research and Development

The company emphasizes research and product development by foreseeing the benefits of development in terms of adding benefits to the original products, help to reduce production cost as well as developing new product formulas to present to the consumers. The company's product development team, therefore, is working closely with the marketing team, the sales department, the production department, as well as the product research and development team of the contractor. Moreover, the company aims to launch five new products every year.

At present, the company has its product development department. The product development team knows food science and food recipes. The company's product development department will work with the product development department of the manufacturer who has been preliminarily selected, to work together to develop the product formulas and improve the quality to the best, before testing the sample to present to the consumers.

In March 2020, the company has invested in a new manufacturing plant to increase the production capacity of products and increase the efficiency of the production process. Also, there is a research and development room for high-quality products in the factory. This will help promote the quality of the company's research, innovate, and develop new products of the company in the future as well.

2. Marketing and Development**(1) MLM (Multi-level Marketing) Business Operation Strategy**

The company conducts the business by recommending products or soliciting from one person and forwarding it to one person in a network form, endlessly. This comes up with the result of the wide expanse of the number of consumers and businessmen. The company will focus on both consumers who are

interested in the products and business people who help to expand the consumer groups and businessmen network. The details of the network marketing of the company are as follows:

1. Application to be a Businessman

Subscription as a business person of the company has only one application form. Everyone who applies in any way will get equal benefits, be able to conduct various transactions with the company as specified in the Businessman Handbook in all respects.

Qualifications

- Applicants must be 18 years old or over. In case that the applicants are less than 20 years old, they must obtain consent from parents or legal guardians by attaching both a copy of the national ID card with a certified true copy of both the parents and the applicants.
- In the case of husband and wife, either married (by law) or not registered a marriage certificate (de facto) are considered as the same person and must apply in the same code only.
- Applicants must accept and follow the rules and regulations, as well as agreements on Successmore operation and the company's cycle matching plan in all respects.
- The subscription fee for being a Successmore businessman is 300 Baht.

Note: Application can have one person for one code only (husband and wife are considered the same person).

Application Submission

The application submission can be submitted in two ways, a general application and an online application.

The general application can be submitted at the Successmore Being service center or any branches operating nationwide on business days and hours or can be sent by post to head office only. Once the employee receives the application form together with supporting documents and verifies that it is correct and complete, then they will enter the information into the system. For online applications, businessmen can use an application from the company or print it form online to enter the information of the completed application form into the online system all day and then submit the application including application documents to the company within 30 days. The application form and supporting documents can be submitted at a Successmore Being Service Center or any branches operating nationwide or mailing to the head office only.

Applied Assemble Foundation

General People

1. A copy of valid national ID cards of the primary applicant and joint applicant (if any) with certified true copies
2. A copy of only the primary applicant's savings bank account book
3. A copy of the parent's national ID card (Parents / legal guardian) in case the applicant is less than 20 years old

Corporation

The company does not accept applications on behalf of a juristic person if only business people can apply to change the status of the application from an individual to a legal entity by filling out a change request form. In this regard, to request to change the status from an ordinary person to a juristic

person, it must be a limited company or limited partnership juristic person only, and Successmore businessman which is a primary applicant must have the name of the authorized director of a limited company or a limited partnership and having shareholder's name more 90% or over. The documents must be certified true copy and stamped of a limited company or partnership are as follows:

1. Copies of national ID cards of the main applicant and joint applicants (if any) that are not expired with a certified true copy
2. A copy of house registration of the main applicant with a certified true copy
3. A copy of limited company certificate or a limited partnership with purposes
4. A copy of the bank account book of a limited company or limited partnership
5. For VAT registration (if any), a copy of the VAT registration must be submitted by the 25th of every month. Additional documents to be added are as follows:
 - Copy of VAT Registration form under the Revenue Code (Phor Phor 01)
 - Copy of VATRegistration certificate (Por Por 20)

2. Benefits

1. An application set consisted of a catalog, a Businessmanual, receipt, and normal Order Forms
2. Success Magazine throughout the membership duration
3. Training under the company's conditions
4. Income and compensation under Cycle Matching Business Plan
5. Accident insurance covering accident, death, loss of organs, loss of eyesight, or permanent disability with the coverage of 100,000 Baht for each member and 50,000 Baht for each member for co-applicants under the conditions of accident welfare. This welfare will be started from the 1st day of the next month of the date of applying.

3. Membership Renewal

1. Successmore businessmen will have the status of Successmore businessmen for 1 year from the date of the application.
2. The renewal fee of Successmore businessmen is 150 Baht per year. The members can renew 90 days before the expiration date, annually only.
3. The company has a grace period after the expiration of the membership for 90 days. The company is still transferring the commission as usual if that member still has other qualifications in receiving the commission according to the criteria of the company. On the other hand, the company will clear the commission of that member from the system after the grace period has passed.
4. Members who do not renew their membership can still be able to purchase products but will not be paid any bonus. according to the company's marketing plan. For members who have expired membership, the remaining PV will not be carried over.
5. Any member who can complete renewal within the grace period will get a new membership for 1 year from the expiration date of the former members. However, if the membership is renewed after the grace period, a new membership period will be commenced from the renewal date.

6. During the period after the expiration of membership without any renewal, Successmore's businessmen shall not receive any accident welfare in the event of death, loss of organs, and permanent disability as defined in the conditions of accident insurance defined by the company and shall not receive any Success magazine until the renewal is completed.
7. Members can renew the membership at the branch or online.
8. Our company reserves the right in considering accepting or denying any person who applies for a businessman of Successmore without giving any reason to such person in all cases whether such person has ever applied for a businessman of Successmore. To apply for a businessman of Successmore, the complete status of Successmore's businessman will be gained after recording data of the Application Form in the computer system and completeness of such application form and other documents shall be inspected completely by the company's staffs. Sending any application form or document to the company via mail or in-person is not considered as completion of the application.
9. Our company would like to reserve the right to consider accepting or denying any renewal of membership of any businessman in all cases if such businessman performs any action that is contrary to the code of conduct of perform any business under the improper guidelines or ignores the warning of the company and pays no attention to changing his/her business operation to base on good principles.
10. To cancel member code, our company will cancel member code in the following cases:
 - If the member has already applied for the membership but fails to send a copy of his/her ID Card later than 2 months of the applying date.
 - If the member fails to purchase any product consecutively over than 3 years from the last order.

4. Resignation from Business

1. Successmore businessman can apply for resignation from the business at any time by sending a written letter of intent to resign, with a copy of a national ID card signed to certify a true copy to the company's head office.
2. Businessmen who have already resigned can apply to be a new businessman again once the following conditions are met.
 - If the original application has no documents and evidence to be submitted yet, a businessman can apply for a new application immediately, after the company approves the resignation of the original application.
 - If the original application has no purchase of any company's products continuously for 6 months, a businessman can apply for a new application immediately after the company Approved the resignation of the original application.
3. Businessmen who apply for resignation within 30 days from the date of application must fill out the "Resignation Form" along with attaching a copy of the national ID card that is certified true copy and must return all the application documents together as of the resignation date. You will receive a full refund of the application fee. If there is a product that you want to return, a businessman is

required to complete the return following the conditions of returning the product before resignation. The company will refund the purchase price of the product once deducting discounts and compensation that the company had paid to business people.

(2) Strategy and Policy of Cycle Matching Compensation

To achieve the goals, the company has set a suitable compensation plan for both business people and companies called "Compensation Business Plan", an innovative compensation plan that enables network marketing businessman to succeed easily, to be able to generate a stable income and to achieve financial goals through the process of active learning. The details of the compensation business plan are as follows:

1. Type of Businessman

Can be divided into 3 types depending on PV (Point Value) within the specified period

- Member Level: Members who accumulate less than 750 PV points in 60 days from the application date or in each month
- Supervisor Level: Members who accumulate more than 750 PV points in 60 days from the application date or in each month
- Executive Level: Member who accumulate more than 3,000 PV points in 60 days from the application date or in each month
- To renewal membership, members at Supervisor or Executive level must accumulate more than 250 PV points per month from purchases to receive the benefits.

The level of the businessman will matter to the calculation of compensation that the businessman will receive. To be explained in the section.

Example

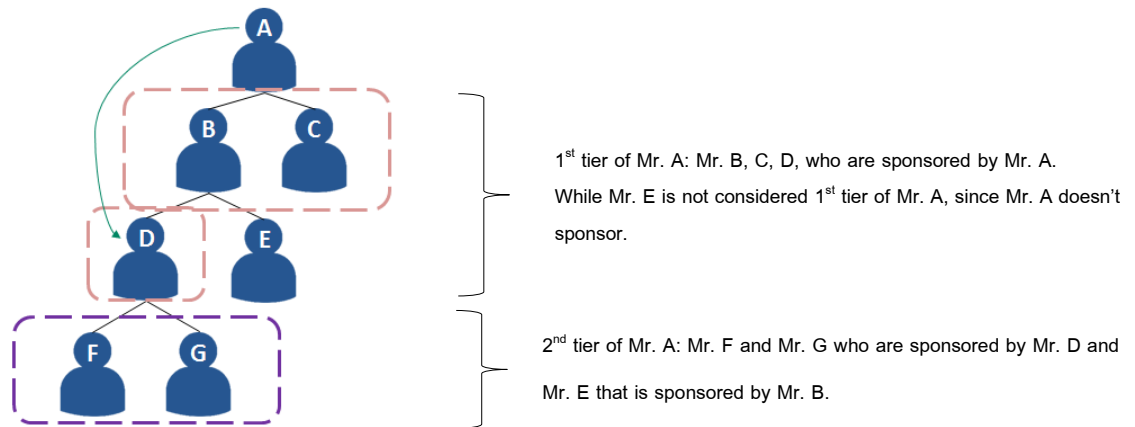
- Mr. A became a businessman on 15th January 201x. If Mr. A purchases the product and accumulates more than 3,000 PV points by March 16, 201x, Mr. A will become an Executive level.
- Mr. B became a businessman on 15th January 201x and has never made any purchases. If Mr. B starts purchasing the product for the first time on August 10, 201x, Mr. B will become the Supervisor in case he has more than 750 PV points by 31 August 201x.
- Mr. C became a businessman and accumulates more than 3,000 PV points for purchases within 60 days from the date of application, Mr. C will become Executive level. In case that Mr. C has less than 250 PV points from purchasing in the following month, Mr. C will remain in the Executive position but will not be eligible for compensation in that month.
- Mr. D becomes a businessman with more than 750 PV points from the purchase within 60 days from the date of application, Mr. D will become the Supervisor. If Mr. D has extra purchases making the PV points exceed 3,000 PV points within one month, Mr. D will be promoted to Executive level.

2. Definitions

- Sponsor: Businessmen who open up business opportunities of the company to another person until that person has completely applied to be a businessperson of the company.

- Upline: Businessman who is next to that person at the upper level of the organizational chart.
- Downline: A child businessperson attached to that person in the organizational chart or a business person who is a sponsor.

Example



According to the example, if Mr. A is introducing Mr. B, C, D as a Successmore businessman, Mr. A will be considered a sponsor of Mr. B, C, D (child class), but only Mr. B and C will be upline of Mr. D and Mr. E will be uplines of Mr. B according to the organizational chart. Mr. D, who is sponsored by Mr. A, sponsors Mr. F and Mr. G, Mr. F and G, therefore will be the grandson of Mr. A. In other words, the organization chart is different by counting the hierarchies to pay compensation.

Details of the company's compensation plan to receive benefits are as follows:

1. Profit from retailing

A businessman can purchase products from the company at a lower price than the general selling price. The businessman, therefore, profits from retailing 5-30 percent on average.

2. First Order Bonus

The referrer will receive 30 percent of the PV points of the child class. This reward will be awarded once per referral. There is a ceiling for the calculation of returns not more than 4,000 points per referral. However, if the referrer is at the Executive level, the referrer will receive 10% additional compensation of the grandchildren level. The referrer will also receive additional compensation in the case that the referral is promoted from Supervisor to Executive for the first time. The referrer will receive 30 percent of PV points that the referrals are promoted to the Executive level (but not more than 4,000 points) subtracting from the PV points previously earned.

Condition

The referrer must be at the supervisor level or above and accumulates a minimum of 250 PV points for the calculation. The referrals must be the Supervisor Level for the first time (minimum 750 PV points within 60 days from the date of application or accumulate a minimum of 750 PV points within that month).

Example

Mr. A is an Executive Businessperson, Mr. B's sponsor, and Mr. B has purchased the product until he has accumulated 2,500 points within a month after the first purchase and became a Supervisor level. Mr. B recommends Mr. who earns 1,000 points. Mr. A will receive $(0.3 \times 2,500) = 750$ Baht, plus $0.1 \times 1,000 = 100$ Baht, total 850 Baht.

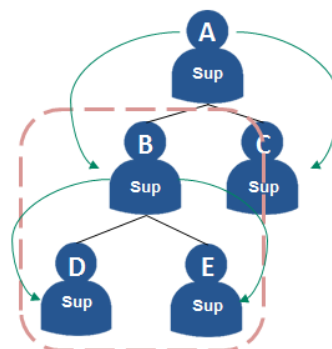
However, in the next calculation round, if Mr. has 3,900 PV points within that month (first raised to Executive level), Mr. A will receive additional compensation equal to $[(3,900 - 2,500) \times 0.3] = 420$ Baht.

3. Star Maker Bonus

It means the bonus paid for the development of membership in the organization to have knowledge and understanding of the products for the benefits of their consumption or distribution to other consumers. In addition to product knowledge, we develop people in the organization to have knowledge and understanding of how to recommend to others, by mainly using information from the products.

Conditions

- Having a Supervisor status with a minimum of 250 PV points within the calculation round.
- The newly introduced members are being introduced and developed to have a Supervisor status with a minimum of 250 PV points within the calculation cycle, at least 2 lines of work.
- The newly introduced members will be trained to recommend new members to have Supervisor status and have a minimum of 250 PV points within the calculation round, at least 2 lines of work.

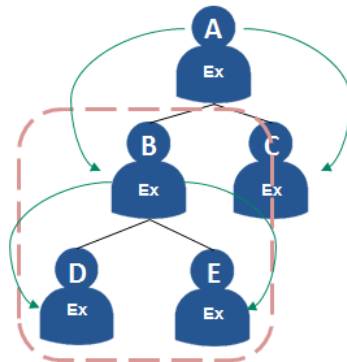
Example**Scenario 1 Supervisor level and accumulating a minimum of 250 PV points within the calculation cycle**

When Mr. A maintains Supervisor status within the calculation cycle, then Mr. A introduces Mr. B and Mr. C to become a new member. Mr. B and C have Supervisor status within the calculation cycle. Then Mr. A helps develop Mr. B, making Mr. B can introduce Mr. D and Mr. E as new

members who can go up to the Supervisor level. In this case, Mr. A will receive a bonus equal to 400 Baht per line development.

However, Mr. A has the right to receive additional compensation if he can develop himself, Mr. B, Mr. C, Mr. D, and Mr. E until reaching the level of Executive. Mr. A will receive additional compensation equal to 800 Baht per line development, but will not be eligible for a career development bonus in scenario 2 below

Scenario 2 Executive level and accumulating a minimum of 250 PV points within the calculation cycle



Once Mr. A maintains the Executive status within the calculation cycle, then Mr. A recommends Mr. B and Mr. C, who is in Executive status within the calculation cycle, to become a new member. Mr. A then helps develop Mr. B's work making Mr. B can introduce Mr. D and Mr. E as new members and can go up to the Executive level. In this case, Mr. A will receive a bonus equal to 1,800 Baht per line development.

4. Bonus Paid According to the numbers of rounds calculated from the weak and strong side (Cycle Bonus)

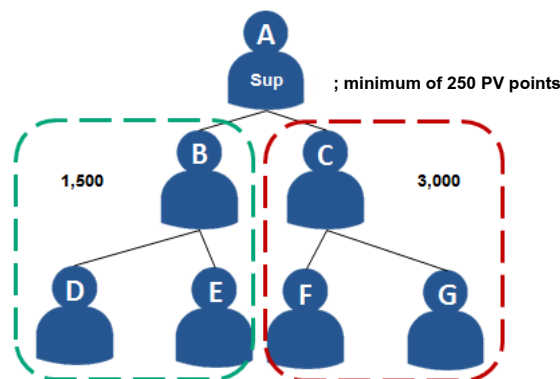
Bonus paid based on the calculation of units in around. The calculation round is derived from accumulated points from the points of organization members on both the left and right side, by using the weak side score of 1,500 points and strong side 2,250 points for 1 round. The company will pay compensation of 600 Baht per cycle for Supervisor businessmen and 720 Baht per round for Executive businessmen.

Conditions

- Supervisor member who has a minimum of 250 PV points for the calculation round will be eligible to receive a bonus according to the amount of 600 Baht per round.
- The executive member who has a minimum of 250 PV points for the calculation round will be eligible to receive a bonus according to the amount of 720 Baht per round.
- The maximum number of payments is 1,600 rounds per month, equal to 1,152,000 Baht per month.
- The remaining points from the equivalent of 1,500 and 2,250 points will be carried over to both sides. However, the maximum points will be raised not more than 2,400,000 points per side.

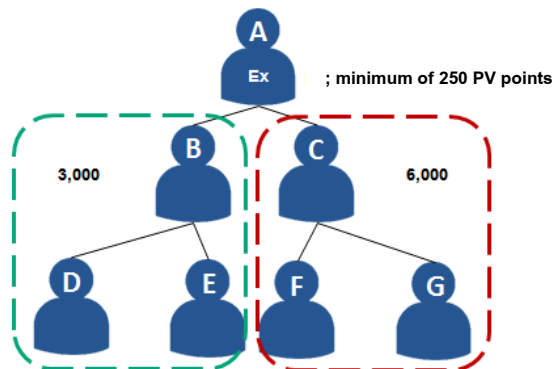
Example

Case 1 Mr. A has a Supervisor level and accumulating a minimum of 250 PV points within the calculation cycle



Mr. A has a supervisor level with a minimum of 250 PV points in the calculation round with 1,500 weak line points and 3,000 strong line points, Mr. A will receive a bonus equal to 1 round, and a reward of 600 Baht while the remaining points of 750 on the strong line will be carried over in next round

Case 2 Mr. A has an Executive level and accumulating a minimum of 250 PV points within the calculation cycle



Mr. A has a supervisor level with a minimum of 250 PV points in the calculation round with 3,000 weak line points and 6,000 strong line points, Mr. A will receive a bonus equal to 2 rounds of 720 $\times 2 = 1,440$ Baht and the remaining points of 1,500 on the strong line will be carried over to the next round

5. 3 Level Matching Bonus (Generation Matching Bonus)

The rewards are tied to Cycle Bonus rewards (according to no. 4), where the businessperson will receive the highest three rank of the next member in the organization. However, the rate of return depends on the position of the business person.

Order	Position	Direct Line	Weak and Strong PV		Or Only Weak PV	Matching Bonus			Qualification
			Weak Side	Strong Side		1 st tier	2 nd tier	3 rd tier	
	StartBusiness (Sup/Ex)	-	-	-	-	10%	-	-	-
1	Bronze	1:1	10,000	15,000	12,500	15%	-	-	-
2	Silver	2:2	20,000	30,000	25,000	20%	-	-	-
3	Gold	3:3	30,000	45,000	37,500	20%	10%	-	-
4	Platinum	1B:1B	60,000	90,000	75,000	20%	15%	5%	2 times in 6 months
5	Pearl	1B:1B	100,000	150,000	125,000	20%	20%	10%	2 times in 6 months
6	Ruby	1B:1B	150,000	225,000	187,000	20%	20%	10%	2 times in 6 months
7	Sapphire	1B:1B	200,000	300,000	250,000	20%	20%	10%	2 times in 6 months
8	Emerald	1B:1B	300,000	450,000	375,000	20%	20%	10%	2 times in 6 months
9	Diamond	1P:1P	400,000	600,000	500,000	20%	20%	10%	2 times in 6 months
10	Blue Diamond	2P:2P	800,000	1,200,000	1,000,000	20%	20%	10%	2 times in 6 months
11	Black Diamond	3P:3P	1,500,000	2,250,000	1,875,000	20%	20%	10%	2 times in 6 months
12	Crown Diamond	5P:3P	3,000,000	4,500,000	3,750,000	20%	20%	10%	2 times in 6 months
13	Imperial Diamond	7P:3P	6,000,000	9,000,000	7,500,000	20%	20%	10%	2 times in 6 months
14	Presidential Diamond	9P:3P	12,000,000	18,000,000	15,000,000	20%	20%	10%	2 times in 6 months
15	Royal Diamond	11P:3P	20,000,000	30,000,000	25,000,000	20%	20%	10%	2 times in 6 months

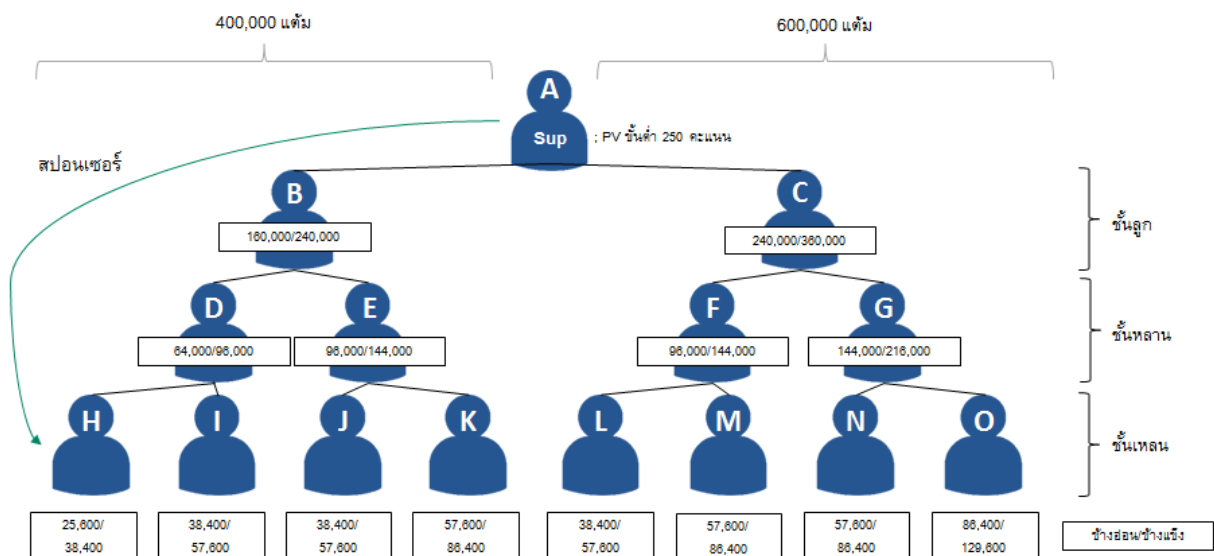
Note: B = Bronze, P = Platinum, Ex. Black Diamond Level must be a platinum member for at least 3 people per line

If a businessman has taken that position but the total points don't meet the qualifications of that position, the businessman will receive compensation according to the position in that month. The position on behalf will not be downgraded, for example, the Emerald position will receive a return of Platinum position if the position in that month is Platinum.

Example

Details of Mr. A are as follows:

- Mr. A has 400,000 points on the weak side and 600,000 on the strong side.
- Mr. A has the above score for the 2nd month in the past 6 months.
- Mr. A has a businessman in the 1st tier, 2nd tier, and 3rd tier, who have a Platinum position in the weak leg and strong leg, more than one person per leg.



According to the information, Mr. A has the right to receive the rewards at the Diamond level, which will receive 20 percent Generation Matching Bonus and 10 percent of the Cycle Bonus return (according to item 4) of their 1st tier, 2nd tier, 3rd tier respectively. The return of Cycle Bonus that Mr. A will receive can be calculated as follows:

A Table showing Generation Matching Bonus Calculation of Mr. A

Name	Generation	Leg	Weak Leg	Strong Leg	Cycle	Cycle Bonus	Matching Bonus	Amount
B	G1	Weak	160,000	240,000	106	76,320	20%	15,264
C	G1	Strong	240,000	360,000	160	115,200	20%	23,040
D	G2	Weak	64,000	96,000	42	30,240	20%	6,048
E	G2	Weak	96,000	144,000	64	46,080	20%	9,216
F	G2	Strong	96,000	144,000	64	46,080	20%	9,216
G	G2	Strong	144,000	216,000	96	69,120	20%	13,824
H	G1 (Sponsor)	Weak	25,600	38,400	17	12,200	20%	2,440
I	G3	Weak	38,400	57,600	25	18,000	10%	1,800
G	G3	Weak	38,400	57,600	25	18,000	10%	1,800
K	G3	Weak	57,600	86,400	38	27,360	10%	2,736
L	G3	Strong	38,400	57,600	25	18,000	10%	1,800
M	G3	Strong	57,600	86,400	38	27,360	10%	2,736
N	G3	Strong	57,600	86,400	38	27,360	10%	2,736
O	G3	Strong	86,400	129,600	57	41,040	10%	4,104
Compensation Plan from Matching Bonus								96,760

6. One Time Leadership Bonus

- When members accumulate points until having the specified level 2 times in 6 months.
- Eligibility to receive One Time Leadership Bonus once a member holds new positions 6 times in 12 months and can suit "Elite" qualification. "Elite" qualification is for Diamond position and higher positions. When qualifying for that position 6 times in any 12 months, the position name is added with the word Elite at the end, e.g. Diamond Elite.
- One Time Leadership Bonus is a payment based on the achievement level, not all positions. That is, even if members hold qualifications at a higher reward level than the first level, they will be awarded the first level first.
- It is a first-time bonus that is qualified and paid only once

Order	Position	Qualification	Elite	One Time Bonus(Baht)
	Start Business	-	-	-
1	Bronze	-	-	-
2	Silver	-	-	-
3	Gold	-	-	-
4	Platinum	According to the specified conditions	-	-
5	Pearl	According to the specified conditions	-	-

Order	Position	Qualification	Elite	One Time Bonus(Baht)
6	Ruby	According to the specified conditions	-	-
7	Sapphire	According to the specified conditions	-	-
8	Emerald	According to the specified conditions	-	-
9	Diamond Elite	According to the specified conditions	6 times in 12 months	200,000
10	Blue Diamond Elite	According to the specified conditions	6 times in 12 months	300,000
11	Black Diamond Elite	According to the specified conditions	6 times in 12 months	600,000
12	Crown Diamond Elite	According to the specified conditions	6 times in 12 months	1,200,000
13	Imperial Diamond Elite	According to the specified conditions	6 times in 12 months	2,400,000
14	Presidential Diamond Elite	According to the specified conditions	6 times in 12 months	5,000,000
15	Royal Diamond Elite	According to the specified conditions	6 times in 12 months	10,000,000

In summary, the criteria for considering the calculation of return from the compensation business plan are as follows:

1. The only businessman who is in Supervisor or Executive level with a minimum of 250 PV points within the calculation round will be eligible for the calculation and payment of the compensation under the business plan (Being a Supervisor and Executive Businessperson which means achieving 750 points per month and 3,000 points respectively, in 60 days from the date of application or within one month)
2. Cycle Bonus (rewards in no. 4) pays the maximum amount not more than 1,600 rounds or 1,152,000 Baht per month and the points will be carried over to both sides, accumulating not more than 2,400,000 points per side.
3. Referral bonus and the bonus paid by round (Returns in items 2 and 4) will be paid twice a month. The contributions from the 1st - 15th of the month will be paid at the end of the same. The contributions from the 16th to the end of the month will be paid on the 15th of the following month.
4. Job development bonus, 3 Level Matching Bonus and One Time Leader Bonus (Returns in no. 3, 5, and 6) will be paid once a month on the 15th day of the following month.
5. If the transfer date to the bank account falls on a holiday or official holidays, the company will postpone the transfer of money faster.
6. The company will deduct the transfer fee from the bonus balance of the businessman. If the bonus amount is less than 300 Baht, the company will accumulate the balance until reaching the threshold and then transfer money to the businessman's account.

(3) Businessman and Distributor Management Strategies

According to the company's primary business operation to distribute consumer products in the MLM style, therefore, the company gives priority to channel management, with a strategy for managing businessmen and dealers to operate smoothly and efficiently as follows:

1. Businessman

The company will set regulations and business ethics for business people appropriately and practically. It will be in the same standard in every country for business people to strictly follow the guidelines, to facilitate control and management as well as reducing problems or corruption that may occur. The company will determine the compensation in the form of PV points to be appropriate and fair, which is the amount that the company considering that is reasonable for both the company and the businessmen and will regularly monitor whether it is reasonable or not together with comparing with competitors and the current market conditions to assess the situation of the company and help the businessmen to build trust and love in the organization.

The company will focus on the development of business people as a priority, that is, the company will develop the leadership potential of business people through training courses, seminars, and advice from experts, to create a stable network as well as to help develop new leaders to be the main force in driving the business in the future.

The company also attaches great importance to effective marketing and management tools since the company believes that a suitable marketing tool will help the management to be more efficient, including compensation calculation system, interesting advertising media, training courses, and seminars that are quality and up to date.

2. Distributors

The company pays attention to dealers as well because it is another distribution channel that helps to expand the consumer and business base overseas. It also has a lower risk than self-marketing. The distributor has to distribute the company's products in overseas branches, supervises, and manages businessmen in that country, including organizing seminars, providing product usage information as well as supervising the businessmen. The company will provide consulting services in operating network business, information technology system service as well as bringing high-level personnel of the company goes to organize seminars for businessmen of foreign dealers occasionally.

The company will select distributors in countries where is expected that consumers will have high purchasing capabilities and have an opportunity to expand the business by considering the expertise and experience in operating a network marketing including financial status and trade credit. The dealer contract will be in the form of Non-exclusive, that is, not only an exclusive distributor. The company can consider adding distributors depending on the company. However, the company's distributor is not a person with a connection to the company.

(4) Marketing and Sales Strategy

The company foresees the importance of marketing since a good marketing plan will help encourage consumers to become more interested in the product and allow business people to be able to present the product more easily. The details are as follows:

In terms of products, the company plans to release new products that have clear marketing guidelines which are consistent with the target group, that is, the company will plan the time to launch new products, not too

frequently or intermittently, to encourage consumers to know the new products as efficiently as possible. It will also plan new product releases to be balanced in every product group, not particularly focusing on only one product group in order to increase consumer choices and create awareness of a wide range of brands. The company will organize training and demonstrations on how to use the product for business people every time after a product launch to have expertise in new products and to be able to teach or educate consumers and/or other businessmen further. The company is also planning a promotion to promote products according to various festivals to stimulate sales periodically, such as New Year and Chinese New Year, etc.

The company uses seminar courses as part of the public relations and marketing of the company, that is, the company will organize seminars courses for free to attend the event for businessmen to make businessmen feel involved with activities organized by the company, to gain knowledge from seminars, to meet new career partners, to understand the company's products better, and to reward businessmen.

Also, the company plans to expand branches continuously to increase the distribution area for business people, helping to foster new businessmen and networking in the area, and to be a place for businessmen in the same line to meet and exchange knowledge and experiences with each other. The company has a strategy to select a branch area from an area that expects consumers to have high purchasing capabilities and has not yet marketed thoroughly. The branch will be planned to arrange the products at the store as efficiently as possible and to plan appropriate in-store sales promotions to create the participation of businesspeople in the area and become a quality network.

(5) Target Customer

Businessman

To be considered in terms of operations, businessmen are considered one of the Company's customers who need to be sensitively focused and considered. The company, therefore, has set target customer groups (businessmen) using all 4 criteria as follows:

- **Demographic Segmentation**

The company sets target customer groups according to demographic segmentation, which are individuals in the age of 20 years and over. Because the company runs the business intending to change people's quality of life for the better until success, the above age period is appropriate because it is the time of big changes to choose their path. Also, the people at this age mature enough to show leadership, to share knowledge, and to be ready to build a stable and sustainable network in their line of work.

- **Geographic Segmentation**

The company classifies the target customers based on geographical Segmentation, which can be divided into 3 areas as follows:

- Customers who live and reside in Bangkok and surrounding areas
- Customers who reside in upcountry areas
- Customers who reside in ASEAN countries

The target customer groups that the company has defined will cover all 3 groups because the company has branches in Bangkok and other provinces, including distributors with businesspeople reaching consumers in ASEAN countries including Myanmar, Laos, Cambodia, Vietnam, Malaysia, and Singapore.

- Behavior Segmentation

The company divided into 3 groups according to the behavior of consumers as follows:

- A group of customers with a behavior that is quickly connected to the social network (Tech-Savvy). The customer groups that always follow the news, always compare prices from other sources and give credibility to word of mouth from friends or trustworthy people or from their direct experience instead of trusting advertisement.
- Customers who regularly purchase consumer products. They make the purchase for themselves and are ready to make decisions when there are any discounts or other benefits are available with each purchase.
- Customers who want recognition and success in life. In normal terms of humanity, to be recognized or glorified and succeeded in life is something that everyone desires. This type of customer would do whatever it takes to be admired.

The target customers set by the company are (1) Tech-Savvy and (3) those who want to be successful in life. Because MLM is a business that relies on credibility, hearsay, or the experiences they encountered. They have a desire to transform themselves for a better quality of life and need a high level of acceptance in society. Therefore, the customer groups as above are suitable for the company.

- Social Class

The company classifies the target group by using the social class of consumers. It was found that the suitable target customers of the company are the middle class, whose characteristics are of great importance to the quality of products and services. They also need social acceptance and success in their work. Therefore, these customer groups are suitable for the company.

Consumer

Consumer groups of the company can be classified by product group as follows:

- Nutritional

Healthy people aged 20-60 years, both female and male who have health problems or want recovery from hard work or personality. This group also consists of the elderly group with health problems such as poor excretory system. Most of them live in Bangkok and perimeter and have a very hasty lifestyle. Lack of time to take care of yourself or not get enough rest and therefore rely on aids like supplements.

- S Mone'

Group of women aged 25 - 55 years who are interested in beauty and want to use safe products at reasonable prices, mainly for the maintenance and rejuvenation of their facial skin. Women in this group mostly are of working age.

- **Body Cheer**
The general group of people, not limited by age and genders that care about health, cleanliness and is meticulous in selecting products. They are willing to buy quality products at a reasonable price if the products are suitable for quality and price. This group of customers will use the product regularly and be brand loyal.
- **Neatly Home**
A group of working people living alone in a condominium or with a large family, aged 30 - 55 years. They have a healthy habit, care about cleanliness, considered smart housekeepers because the products in this group use gentle ingredients that are user safety and eco-safety.
- **Growing More**
A group of young farmers aged 30-60 who dare to change and try new things for better productivity. They give priority to health-conscious products, the environment, and society. They often live in other provinces where they can do agriculture.
- **Smart Creation**
A new generation who is conscious of technology between ages of 20-45, both male and female, who often live in Bangkok and its perimeter, having a working lifestyle. They are interested in health and technology and also want a better quality of life.

(6) Distribution and Distribution Channels

- Distribution through Direct Sales Businessman

Distribution through business people is the main distribution channel of the company. It is also the heart of the company's business operation that the business people will bring their products to consumers through MLM network marketing by recommending or soliciting from one person to another. That person will continue to slightly recommend more in-network manner. This results in the rapid expansion of the number of consumers and it will be a business endlessly.

There are two types of businessperson products order:

1. Normal Order ROC (Regular Order Channel)

It means that the Successmore Businessman purchase of goods, then get points (PV) products in the Code of this person immediately.

2. Special Orde BMC (Business Mobile Channel)

It means a special ordering where shoppers can place orders for distribution to other business people in their line to save time, to increase mobility, and to reduce the cost of traveling to pick up the product by yourself. PV points are distributed to the member encryption of the businessperson who continues shopping in the proportion of the purchase amount. The PV points from the purchase will be cut off the buyer's member encryption balance immediately at the end of every month to prevent stockpiling.

Businessmen can order products for distribution to consumers through the two company distribution channels as follows:

- To order at the counter (Counter Order)

The Successmore Businessmen can order the goods at headquarters of Successmore Being or service centers of all branches where it links to open the operation in the future around the country. On 31 December 2023, the company has 22 places as follows:

No.	Branch	Installation Year	Location
1.	Head Office / Ratchayotin	2014	10/1-2 Ratchadapisek Road, Chatuchak sub-district, Chatuchak District, Bangkok
2.	HatYai	2014	492/12-13 Petchkasem Road, Hat Yai sub-district, Hat Yai district, Songkhla
3.	Chiang Mai	2015	201/4 Mahidol Road, Haiya sub-district, Mueang Chiang Mai district, Chiang Mai
4.	Navanakorn	2015	430/14 Moo 13 Road, Khlong Nueng Sub-district, Khlong Luang District, Pathum Thani
5.	Ayutthaya	2015	139-139/1 Moo 3 Phai Ling Sub-district, Phra Nakhon Si Ayutthaya District, Phra Nakhon Si Ayutthaya
6.	Chanthaburi	2015	19/74-75 Thetsaban 2 Road, Wat Mai Sub-district, Chanthaburi District, Chanthaburi
7.	Mahachai	2015	99/16-17 Moo 4 Khok Kham Sub-district, Mueang Samut Sakhon District, Samut Sakhon
8.	Surat Thani	2015	142/215, 142/218 Moo 1 Wat Bang Pho Yai Road, Makham Tia Sub-district, Mueang Surat Thani District, Surat Thani
9.	KhonKaen	2016	567/3 Moo 8 Mittraphap Road, Mueang Kao Sub-district, Mueang Khon Kaen District, Khon Kaen
10.	Chumphon	2016	416 Pracha Uthit Road, ThaTaphao Sub-district, Mueang Chumphon District, Chumphon
11.	Nakhon Si Thammarat	2016	22/41-42 Sin Udom Shopping mall, Phatthanakan, KhuKhwang Road, Nai Mueang Sub-district, Mueang Nakhon Si Thammarat District, Nakhon Si Thammarat
12.	Phitsanulok	2016	260/10-12 Moo 4 Ban Khlong Sub-district, Mueang Phitsanulok District, Phitsanulok
13.	Rayong	2016	18/28 The Design, Ratchumpon Road, NoenPhra Sub- district, Mueang Rayong District, Rayong
14.	Ubon Ratchathani	2016	401/8-9 Moo 10 Bypass Road, Chaeramae Sub-district, Mueang Ubon Ratchathani District, Ubon Ratchathani
15.	Nakhon Sawan	2016	1102/118-119 Moo 10 Nakhon Sawan Tok Sub-district, Mueang Nakhon Sawan District, Nakhon Sawan

No.	Branch	Installation Year	Location
16.	Bang Bo	2017	320/9 Moo1 Bang Bo Sub-district, Bang Bo District, Samut Prakan
17.	Kanchanaphisek - Bang Bon	2017	53, 55, 57 Kanchanaphisek Road, Bang Bon Sub-district, Bang Bon District, Bangkok
18.	Pattaya	2017	47/8-9 Moo 9 Soi Pattaya Klang, Nong Prue Sub-district, Bang Lamung District, Chonburi
19.	Kamphaeng Phet	2017	87 Bypass Road, Nai Mueang Sub-district, Mueang Kamphaeng Phet District, Kamphaeng Phet
20.	Chon Buri	2018	90/351-352 Moo 3 Samed Sub-district, Mueang Chonburi District, Chonburi
21.	Udon Thani	2020	140/61 Lane Station Road, MakKhaeng Sub-district, Mueang Udon Thani District, Udon Thani
22.	Nakhon Ratchasima	2022	246/7-246/8 Pak Thong Cahi Road, Nai Mueang Sub-district, Mueang Nakhon Ratchasima District, Nakhon Ratchasima

- To order the goods online (Order Online)

The company increased the ease and speed of service for the purchase order for the Businessman Successmore by adding transaction purchase order products through the website www.successmore.com. This online system will help to manage the time, convenience, and accuracy of items ordered. The businessmen can collect the product at all Successmore Being Service centers nationwide or the company will deliver to the name and address specified in the membership application.

However, each business person may consider selling different product types and products, depending on product expertise, economic conditions, and competitors in the business sector.

The number of businesspeople of the company as of 31 December 2019–31 December 2023 are as follows:

List	2023	2022	2021	2020	2019
A number of businessmen – Beginning	183,907	158,697	179,055	196,758	227,204
A number of new businessmen	133,472	112,618	77,099	72,676	81,604
A number of retired businessmen	169,465	87,408	97,457	90,379	112,050
Active members ⁽¹⁾	147,914	183,907	158,697	179,055	196,758

Note: 1. Business people who have active members status are businessmen who have not yet expired members, that is, new businessmen and business people who have renewed their membership in the past year.

- Distribution through Distributors

The company has appointed product dealers to be the distributors of the company both domestically and internationally. The company will distribute products to distributors with a commercial discount so that they can profit from the difference in selling price. There will be no compensation paid to distributors. The details of the distributions are as follows:

● Domestic Distributors

Agents will be in the form of general people with good distribution capability in certain areas which is the area that the company doesn't have sufficient expertise and/or have not established a branch in that area. The company has the policy to cancel domestic distributors because the businessmen of the company have a wider network and sufficient area expertise. To reduce the competition between businessmen and distributors, the company, therefore, has a conclusion to cancel its distribution channels through local distributors with the cancellation of the contract completed within January 2019.

● International Distributors

The company will appoint international distributors by giving rights to use the company's name and trademark in being product distributors abroad. They are responsible for managing businessmen in foreign countries, managing foreign branches, importing and distributing products to foreign businessmen, doing marketing in the country, and giving their businessmen in their country compensation according to the business plan. The company will appoint distributors in countries where consumers are expected to have high purchasing capabilities making opportunities to expand the business to reduce the risk of doing business by themselves. This is because the distributors have more expertise in conducting business in the country and reach consumers in those countries better than the company does.

The company will supervise foreign dealers closely to prevent the risk from the dealers' operations that may affect the reputation of the company. It will follow up with the dealers via online channels and other media presented by the representatives to mass media to monitor and verify whether the action is appropriate or not. The company has a sales department responsible for overseas distributors by meeting international dealers to summarize the past performance and to plan the future operations monthly.

A number of the company's distributors as of 31 December 2020 – 31 December 2023 are as follows:

Distributors (person)	2023	2022	2021	2020
International Distributors	7	7	7	7

At present, the company's foreign dealers are as follows.

No.	Name	Responsibility Area
1.	Successmore Being Yangon Trading Co., Ltd.	Myanmar ⁽¹⁾
2.	SCM Trading Co., Ltd.	Myanmar ⁽²⁾
3.	Success More-Laos Sole Co., Ltd.	Laos

No.	Name	Responsibility Area
4.	Successmore Being Vietnam Co., Ltd.	Vietnam
5.	Successmore Being (Cambodia) Co., Ltd.	Cambodia
6.	Successmore Being (Malaysia) Sdn. Bhd.	Malaysia
7.	Successmore Being (Singapore) Pte. Ltd.	Singapore

Notes: 1. SCM Trading Co., Ltd. is an importer of the company and resold to Successmore Being Yangon Co., Ltd., both of which have the same major shareholders.
2. The dealer is not a person who is related to the company.

(7) Relevant Laws

The company operates a distribution business in the form of MLM under the Direct Selling and Direct Marketing Act 2545, with relevant government agencies as the Consumer Protection Division for Direct Selling Business and Direct Marketing Office of the Consumer Protection Board (“OCPB”). Direct sales and direct marketing committee are responsible for overseeing direct sales operators and following up on the conduct of business, checking the compensation plan whether it has been followed through the CPB or not, as well as accepting grievances from consumers who have been suffered or damaged as a result of the actions of business people, dealers or business operators.

In the past, the company has never been reported from OCPB that consumers have suffered or damaged from the company's business operation.

(8) Industrial Condition

According to the Thai Direct Selling Association (TDSA), Asia is a region that is continuously growing in direct sales business especially the direct selling market in the ASEAN region, which is the target of foreign entrepreneurs. This is because of the population of more than 600 million people and the behavior of people starting to pay more attention to the selling business including traditions that are consistent with direct sales practices as well. This can be considered from many foreign direct sales companies operating in the ASEAN region.

At present, the ASEAN region has established an ASEAN Direct Selling Association, which is called ASEAN DSAs (Direct Selling Association), consisting of 6 countries: Malaysia, Thailand, the Philippines, Indonesia, Vietnam, and Singapore. There is no direct selling association and clear direct selling-related laws. The association of the ASEAN Direct Selling Association will help strengthen the cooperation of the associations in the ASEAN countries to exchange knowledge of personnel, to do marketing abroad, to frame the concept of business operation. They will jointly create benefits at the regional level to enable entrepreneurs to grow and expand their businesses in the regional level more conveniently and efficiently. They also help combat behaviors that make direct sales appear unreliable, such as chain sharing.

For Thailand, the total net market value of direct selling businesses in 2022 is 60,000 million Baht, A number of businessmen and members 10.90 million people (including business people with Active and Non-Active status). 29 companies are members of the Thai Direct Sales Association and have direct selling laws that need to apply for permission to do business. The overview of the direct sales industry is that it has been growing steadily since 2014, resulting in intense competition within the industry from its major competitors. This includes competition for the market share of new entrepreneurs because the direct selling industry is

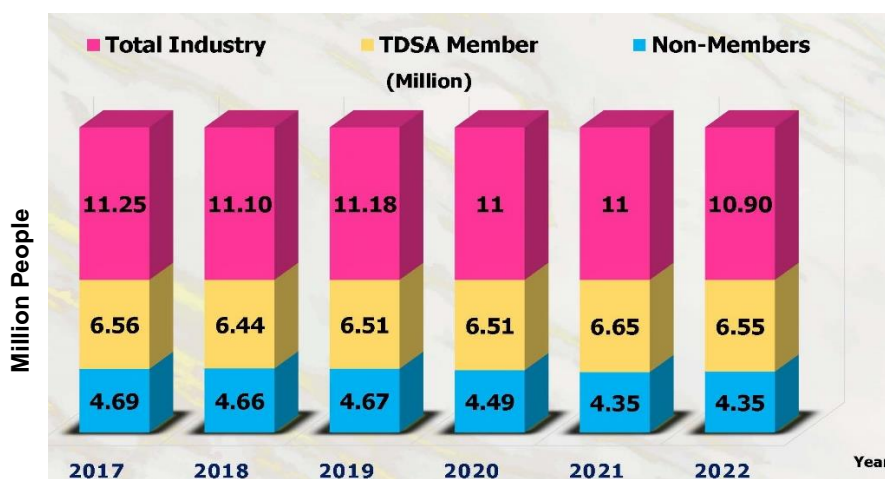
an industry that is easy to start and the products of each company is similar, along with a variety of substitute products. Therefore, companies in the industry must adapt to prepare for fierce competition in the future.

Net Market Value of Direct Selling Business in Thailand in 2017 - 2022



Source: Thai Direct Selling Association (TDSA)

A Number of Direct Selling Business people in Thailand 2017 - 2022



Source: Thai Direct Selling Association (TDSA)

For an overview of the dietary supplement industry which is the main product group of Nutrinal Company, it was found that the food supplement industry in Asia is the largest market in the world. The behavior of each consumer group may differ. They can be divided into two consumer groups which are expected to be the main target group of the dietary supplement industry.

The Elderly

From the changing structure of the Thai population to an aging society making it undeniable that the elderly will be the main target for this industry in the future because they need some health-maintenance products to help heal ailments, to facilitate lives, and to reduce the chance of illness. The key factor in reaching this consumer group is the quality and reliability of products and services, including the ways to present the

consumers. However, with the limitation of purchasing capability of the elderly that is not very high. It may also need to consider the purchasing power of the caregivers such as their children. Therefore, product offerings whing aiming at the elderly market may have to consider the satisfaction of the children who are the people who decide to shop for the elderly as well.

Young Generation

A new generation is a group of people who have grown up with the development of technology, the internet, and mobile phone. The group's age range is between 17 - 37 years, which is the main target of the company because the market is the largest and consumers in that age have a high purchasing capability To reach this group of customers, there will be differences from the elderly, ie, the new generation will have distinctive behaviors or lifestyles such as freedom and independence of thought, flexibility to adapt well to every situation and they do not like to be too obsessed with a particular product. Therefore, this group of people has a consumption behavior that is not attached to a particular brand but likes to change if they feel more satisfied with other brands. Moreover, the younger generation also has behaviors that are especially relevant to social media, so, online advertising can better reach this group of consumers. They also tend to trust in word of mouth telling from friends or more reputable people, such as a beauty Blogger or a YouTuber.

(9) Industrial Competition

Competition within the MLM Direct Selling Business

The company operates in a direct selling business model MLM, in which there are many entrepreneurs in the business both domestic entrepreneurs and foreign entrepreneurs who do marketing in Thailand. This results in having very high competition. There are approximately 5-6 large operators with approximately 40% of the market share based on total income, resulting in each company must have an appropriate compensation plan for their businessmen to create competitiveness and maintain the profit level of the company.

The details of the entrepreneurs that the company considered to be direct competitors are as follows:

1. AMWAY



Amway Corporation is a subsidiary of Ultcore, Inc., operates a direct sales business with Multi-Level Marketing (MLM) for Amway Thailand, established on May 4, 1987. At present, the head office is now located on Ramkhamhaeng Road, Bangkok with office space over 9,440 square meters and 83 service centers nationwide. It has over 500 quality products for sale and is the number 1 direct selling company, in Consumer Network in Thailand and the world. At present.

Amway products in each country may sell different products, depending on the consumers' behaviors and the distribution requirements of each country. In case if they belong to the same group, they will have the same product name and the same standard all over the world. For Thailand, the product groups are divided as follows:

- Health supplement products: food supplements, meal replacement products, strainers, air filters
- Beauty products: Facial skincare, Cosmetics
- Personal care products: body cares, oral and dental cares, hair styling products, perfumes
- Home products: household products, kitchen implement products
- Agriculture products: Macronutrient fertilizers, performance enhancers
- Others

Also, Amway Thailand is also a distribution channel for quality products under the leading brands in both domestic and international markets under Personal Shoppers Catalog Products

Source: <https://www.amwayshopping.com/th>

2. Giffarine



Giffarine Skyline Unity Co., Ltd. was established on March 17, 1996, due to the determination of Thai doctors and pharmacists who intend to bring knowledge, capabilities, and experience in research to develop quality products for Thai people. The objective is to offer quality products at fair prices, making consumers be able to continually purchase them under the Giffarine brand. All of the products are manufactured in the Giffarine Group factory that has received international standard production.

The Giffarine company has 96 service centers nationwide with more than 300,000 affiliated businessmen. In addition to expanding member networks in the country, Giffarine has exported its products to more than 40 countries around the world such as Australia, Hong Kong, Korea, Germany, the USA, UK, Japan, etc. It also has a proactive policy to expand its MLM business in Asia through a business license. At present, the company has network operations in Myanmar, Malaysia, the Kingdom of Cambodia, etc. In terms of products, Giffarine is divided into product groups as follows:

- Products for health and quality of life: dietary supplements, juices
- Food products: healthy food, bakery, seasoning
- Cosmetics products
- Beauty and personal care products: facial care products, baby products, oral and dental care products
- General household products: cleaning products. strainers

Source: <https://www.giffarine.com>

3. Unicity



Unicity is an American business networking company that is a leader in the production of dietary supplements and health care. It has an intention of operating the business that all business people can achieve success and achieve their goals under the inspiration of sharing good things to the people around. It believes that the business opportunity structure of the company will help thousands of more people all over the world lead a better life.

Unicity Marketing (Thailand) Co., Ltd. was established in Thailand on August 27, 2002. The first office in Thailand is located on the 8th floor of the Swissotel Le Concorde Building, Ratchadaphisek Road, HuaiKhwang, Bangkok. Until now, Unicity has a well-known product in both domestic and international markets.

The company currently offers a wide variety of products with a focus on health products which can be classified by type as follows:

- Health products: dietary supplement products, products for bones and joints, vitamin supplement products
- Cosmetics
- Beauty products: body care products
- Soap, sunscreen
- General products: strainers, air purifiers

Source:<https://www.unicity.com/tha/>

4. Nuskin



Nu Skin Enterprise is an American network company founded in 1984 in the United States of America, Provo, Utah. The company is primarily focusing on the development of nutritional supplements under the Nuskin and Pharmanex brands.

From seeing the potential of the growth of the direct selling business in Thailand, the company, therefore, opened its operations in Thailand on March 13, 1997, with a commitment to improving the quality of life and the well-being of Thai people by offering products for beauty and health, along with creating business opportunities for the company's businessmen.

At present, Nu Skin Thailand operates in Bangkok and other provinces to be a service center for members and distributors nationwide. Its head office is located at Chamchuri Square Office Building,

15th Floor, Pathumwan District, which is a business center in the heart of Bangkok creating flexibility for the users to use the service more conveniently. Most of the company's products focus on beauty products such as skincare products and other products in all related to beauty and health which can be classified by product group as follows:

- Beauty products: skincare products, body care products
- Cosmetic products
- General products: oral care products

Source: <https://www.nuskin.com>

Product summary table of MLM operators classified by product groups

	Successmore	AMWAY	Giffarine	Unicity	Nu Skin
Food supplement product group	✓	✓	✓	✓	✓
Skin & Cosmetic product group	✓	✓	✓	✓	✓
Personal care product group	✓	✓	✓	-	✓
Household product group	✓	✓	✓	-	-
Agricultural product group	✓	✓	-	-	-
Technological product group (strainers, air purifiers)	✓ (strainer)	✓	✓ (strainer)	✓ (air purifier)	-
Kitchen product group	-	✓	-	-	-
Fitness product group	-	✓	-	-	-

Source: Website of related companies

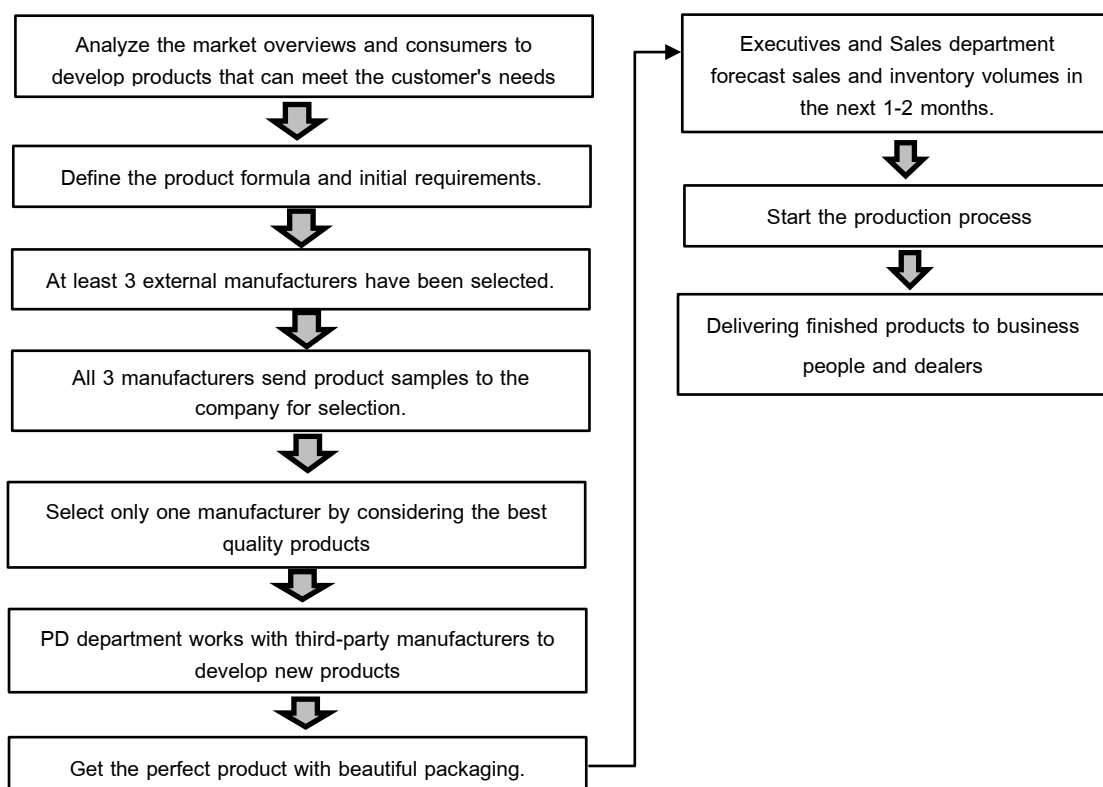
3. Product and Service Procurement

(1) Production Process

In case of hiring an external manufacturer

The company hires third-party manufacturers to produce products in the form of OEM (Original Equipment Manufacturing), where the company will determine the product formulation and product quality by themselves. The ownership of the formula of the product will be owned by the company produced under the company's trademark. The company will have the manufacturer supply all raw materials for production. There are only some products that the company will supply some of the raw materials and the manufacturer will request for product registration with relevant agencies according to the announcement of the Ministry of Public Health and the Ministry of Agriculture and Cooperatives that the person who has the right to apply for product registration must be the manufacturer only. The FDA number and the registration number are the property of the manufacturer. However, if the company wishes to change the manufacturer, new product registration is required by the new manufacturer since the FDA number and the registration number will not be able to transfer. The company can use the production formula that the company owns to submit a new application.

The process of procurement of products and products from third-party manufacturers is as follows:



1. Study consumer needs, market overview, and forecast trends (Trend) in the future. The company will carefully study consumers' behaviors and analyze the possibility of launching new products that can meet the needs of consumers during that time, including the possibility to improve the formulation of the company's already sold products to be more efficient, to continue to increase/maintain market share of that product.
2. Determine the preliminary product recipe, including the advantages of the product by discussing between the company's management team and product development department.
3. Contact and select external manufacturers by selecting at least 3 persons, selected from certificates of quality and international standards such as GMP, FDA. The company will initially identify the needs of the product and product formula to the manufacturers so that all 3 manufacturers will send samples of products to the company to continue selecting.
4. The company will select only one manufacturer by selecting manufacturers those sample products of the highest standard and quality.
5. The company's Product Development team will work with the manufacturer to improve the formulation of the product samples to add properties/nutrients and/or improve the taste even better, etc. The performance test will be performed on the samples so that the results can be observed clearly and lead to further development.

6. When the product is complete, the manufacturer will request the FDA for a registration number and/or Halal from the relevant departments. And the company will use the said products to trademark at the Department of Intellectual Property, Ministry of Commerce. Moreover, the company will be the sole distributor of the manufacturer of such products (Exclusive).
7. The company's management and sales team will work together to plan the production at the appropriate level based on the inventory in the next 1-2 months and forecasting the market condition.
8. Start the production order process with a deposit of 30 - 50% of the value ordered in each lot. The average credit period is about 30 days and all conditions depend on the agreement between the manufacturer and the company.
9. Deliver products to businessmen/distributors.

In the case of producing products at their factories

At the present, SCM Innovative Co., Ltd. ("SMI"), the company's subsidiary is operating as the company's new manufacturing plant, for the benefit of production cost savings and flexibility in long-term production planning.

Product registration with the Food and Drug Administration and other relevant agencies

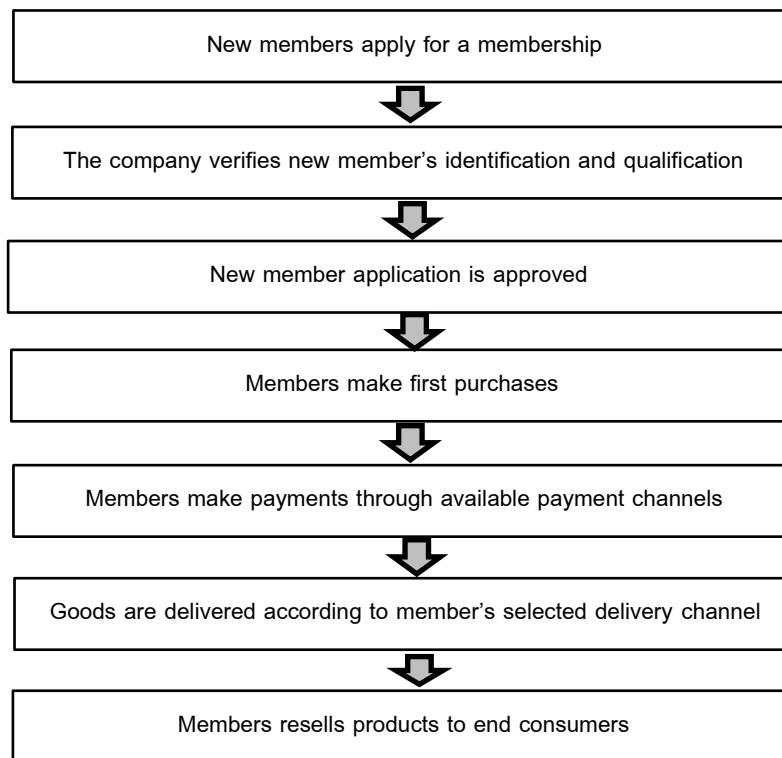
According to the announcement of the Ministry of Public Health and the Ministry of Agriculture and Cooperatives in the relevant agencies on Registration Issuance of certificate and the renewal of the certificate stipulated that Those who have the right to apply for product registration with the Food and Drug Administration or register fertilizer formulas with the Department of Agriculture, Ministry of Agriculture and Cooperatives is the manufacturer who owns the factory. Therefore, the FDA number and the registration number are owned by the manufacturer, so the company cannot apply for product registration with the Food and Drug Administration or request to register fertilizer formula with the Department of Agriculture Ministry of Agriculture and Cooperatives, and unable to transfer ownership in the FDA number or the registered number from the original manufacturer. However, the ownership of the production formula is the ownership of the company because it is under the conditions agreed in the product production contract that is agreed between the company and the manufacturer of the product whose company has the right to the aforementioned formula as specified in the agreement.

Therefore, in the case that the company wishes to change the manufacturer, the company will have to re-register the product with the relevant department, which can use the original production formula and the same trademark in applying for registration. When the contract for the original product manufacturer is terminated, the original manufacturer will no longer be able to operate the production under the company's proprietary formula.

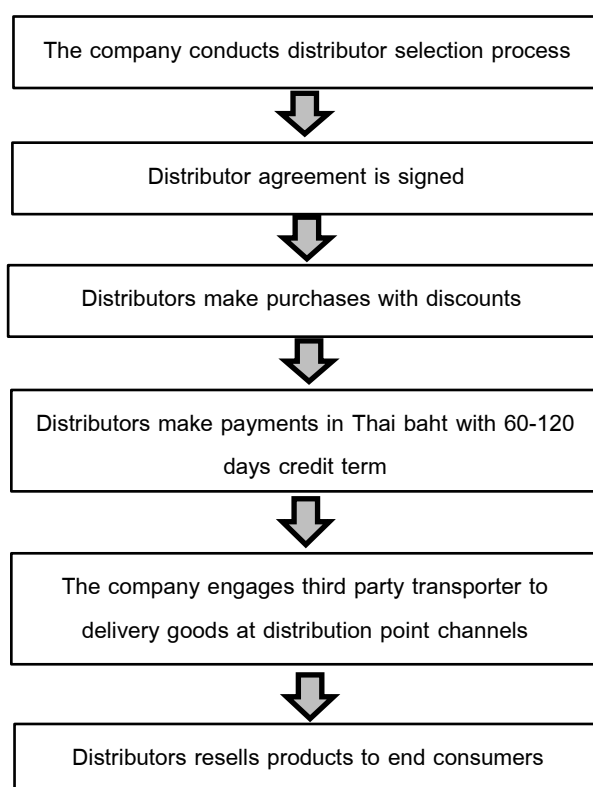
(2) Process of business people and distributors

Business People Operating Procedures

The steps in the business operation start from the application of membership to become the company's businessmen until selling products to consumers. There are steps to do as follows.



No.	Steps	Details
1	Register	Interested persons can apply for membership as the company's businessmen by submitting documents at the service center or applying online. Applicants must be individuals 18 years of age or over.
2	Order	Businessmen order products from the company through the store, phone, or online, then they will earn PV points according to the conditions when placing an order. Orders can be divided into (1) Regular Order (ROC) and (2) Special Order (BMC).
3	Purchase	Businessmen can pay by themselves at the service center, the bank counter, or ATM (Pay within the next day for phone and online orders)
4	Ship and deliver	Businessmen can pick up the products by themselves at a branch or headquarters, or let the company deliver, which the shipping fee depends on the weight. It may offer free shipping if ordered according to certain criteria.
5	Distribute to customers	Businessmen bring their products to resell or use for personal consumption. The company has strict control over the selling price, not to exceed the retail price or lower than the price that businessmen bought from the company.

Operating procedures of product distributors

No.	Steps	Details
1	Appoint a representative	The company appoints a person or a juristic person to be a distributor in the form of Non-exclusive. The agent is responsible for conducting business in the form of MLM or distribution of the company's products through various channels in the specified area and has the right to use the brand SUCCESSMORE.
2	Order	Dealers order products from the company at the standard price that the company sells. Each agent will have a different limit for ordering products. The agent may be entitled to receive the discount as the company deems appropriate.
3	Purchase	The dealer pays in Thai Baht. The average credit duration is 60 - 120 days from the date of delivery of the order. Apart from the product cost, the dealer also has to pay an entrance fee and annual service fees to the company as well, each of which has different conditions.
4	Ship and deliver	The company delivers products to foreign agents with FOB terms at the delivery point in Bangkok, NongKhai, Trat, etc., depending on the destination. There is a warranty from such third parties if an accident occurs during transportation to the dealers.
5	Distribute to customers	Businessmen bring their products to resell or use for personal consumption. The company has strict control over the selling price, not exceeding the retail price or lower than the price that businessmen bought from the company.

4. Assets used in business operation

The Company has the following operating assets:

- (1) Fixed assets comprise land, building, leasehold improvement, furniture & fixture, office equipment, computer and vehicles.
- (2) Intangible assets comprise computer software, software under development and business combination
- (3) A registered trademark

(Please refer to Attachment 4 for the list of operating assets.)

The company has entered into an insurance contract to cover the risks that may occur to the business and assets of the company. At present, the details of the insurance policies of the group are as follows:

Types of Insurance	Location	Insurance Limit (Million Baht)	Insurance Period	Beneficiaries
Industrial All Risks	Furniture and stock products at all branches and the head office of the company and CHL as well as various furniture of SPT and SMI.	285.05	1 May 2023 - 1 May 2024	The company and /or CHL and/ or SPT and/ or SMI

5. Work not yet delivered

- None-

6. Awards and Achievements

Awards of the Company

- Award: "Thailand's Smart Awards 2018" in the category of best and organization by the Department of Business Development of the year 2018
- Award: "Cheewajit Awards 2020" in the category of innovation Reader's Vote of S.O. D More and S Vera Plus
- Award: International Gold Medal Award "International Invention Innovation Competition in Canada, iCAN 2021 Canada" from S.O.D More
- Award: "ASIA GLOBAL MAKEUP AWARDS 2022" from S MONE' CLAIRE ELASTIN FOAM
- Award: "International Agricultural Excellence Brand Award 2022 (MAEA)" from Malaysia, from micronutrient products –Transform Plus plant supplement
- Award: Global Code of Ethics Initiative Gold from World Federation of Direct Selling Associations ("WFDSA")
- Award: Best Farmer Product Award from SIAMRATH ONLINE AWARD 2023 of Growing More Group

Awards of Dr. Sitthawee Kriatchawanun (Chairman of the Executive Committee)

- Award: “Role model in the personal care and pharmaceutical business” for the quality role model of 2017
- Award: “Asia Pacific Entrepreneurship Award 2018” in the category of direct Selling, which is an Asia-Pacific Regional Award 2018
- APEA AWARD (The Asia Pacific Entrepreneurship Awards “Outstanding Category” 2018), the recognized award in the Asia Pacific Region.
- Award: Outstanding alumni in the field of career success. On the occasion of the 50th anniversary of Prince of Songkla University Demonstration School.

Awards of Mr. Noppakrit Nithilertvijit (Director / Chief Executive Officer)

- Honorary plaque “A role model who has made academic merit to the Thai direct sales industry” by the College of Management Studies, Sripatum University 2016
- Award: “Outstanding Executive of the Year 2016” by the Prime Minister’s Office for the year 2016
- Award: “Best Executive” by Market Analysis (TadVikror) Newspaper 2016 and 2017
- Award: “CEO OF THE YEAR” by the Radio and Television Broadcasting Association of Thailand together with the ASEAN People’s Media Council of Thailand for the year 2017
- Award: “Asean Awards 2018 Best of ASEAN Executives of 2018” by Global Awards Enterprise 2018
- Award: “Thailand’s Smart Awards 2018” in the category of outstanding management businessmen and team development, by the Department of Business Development for the year 2018
- Award: “Outstanding Alumni of the Year 2019” by National Institute of Development Administration (NIDA)
- Award: Outstanding alumni in the outstanding contribution. On the occasion of the 50th anniversary of Prince of Songkla University Demonstration School.
- Award: “Thailand’s Smart Awards 2019 Privilege Award” in the category of corporate Governance Achievement by the Ministry of Digital Economy and Society.
- Award: “A role model in the business of personal care and medical supplies” for qualified individuals for the year 2020 by the Foundation of the Science and Technology Council of Thailand (IPST), supported by the Ministry of Science and Technology Council of Science and Technology Society of Thailand (IPST)
- Award: "Outstanding Alumni Award 2021 Junior High" Betong "Wiraratprasan" School

7. Information Technology

Information technology systems are extremely important in the management of the company's businesses and businessmen. It helps to quickly and accurately calculate the return of businessmen. It can also respond to the needs of users quickly making it easier to manage business people and track the movement of the score balance daily to analyze company performance and for flexibility in organizational strategy as well.

Businessmen can log in username and password that the company creates to check the status of the PV score, their line diagram, including considering people related to their line of work as well. You can log in via smartphone or personal computer for ease of work.

For internal operating systems, the company started to use Microsoft Dynamic NAV, an enterprise resource planning system. The system has linked various processes and business operations together through the same online system, which can respond immediately. This enables the company to manage the process of sending orders, production planning effectively. It also provides real-time online information to be able to make decisions and control work better.

The company and the group companies share all technology and use the same policies and safety measures. They focus on enhancement, capability, safety, and mobility. There is a data center at the head office and a network that distributes data to all operating units of the company. The company also has backups from the company's data centers stored in the Cloud Backup system by the company backup center, Internet Thailand Public Company Limited.

8. Environment and Safety

Environment

The main factory is SMI, which is a subsidiary. It is subject to environmental protection laws and regulations, strictly according to the Ministry of Industry regulations.

Security

The company supervises the employees of the company to work with safety and compliance regarding applicable safety regulations. The company will designate the person responsible for safety that can reduce injuries and accidents in the factory. The company makes yearly adjustments on safety and environmental goals and conducts an annual assessment of the actions of each department. The results of the evaluation will be reported and used in further consideration of the company's safety management.

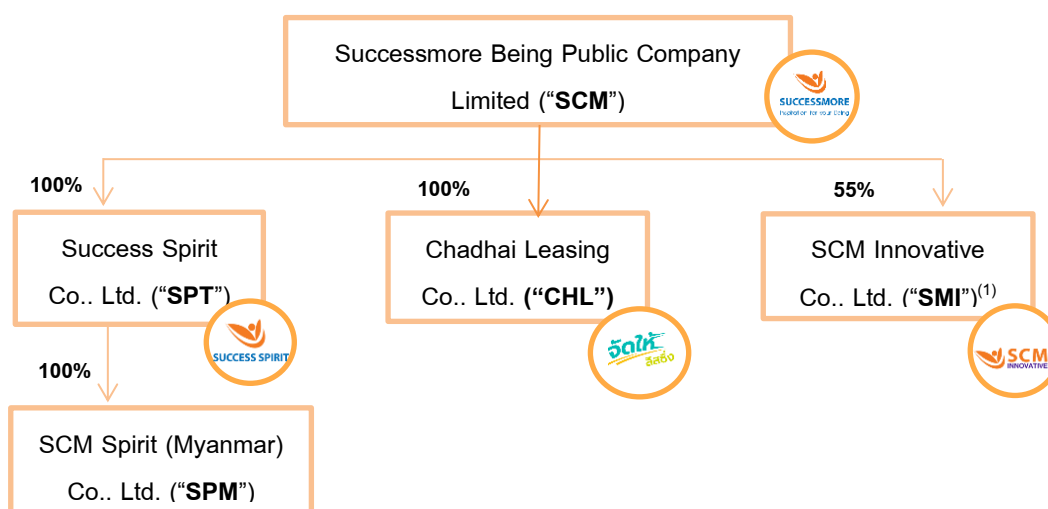
The company organizes training on safety, occupational health, and working environment for employees. The training includes safety orientation for new employees, safety training to managers and supervisors, and other special safety training courses such as basic firefighting methods and fire safety, electrical safety, first aids. The company has hired external auditors to inspect the quality and safety of the factory regularly to review the safety management system.

The company constantly improves the communication guidelines about the safety of employees at all levels by encouraging employees to discuss safety issues and to have opinions on how they can improve the management of safety, health, and the environment.

Also, the company's factory receives GMP (Good Manufacturing Practice) standard, which is a standard for operating in the production process that is efficient and safe for factories and products that are produced. And it also receives HACCP (Hazard Analysis Critical Control Point) standards, which are certified systems for hazard analysis and critical control points in food production by the Department of Agriculture and Bureau Veritas, a quality management system with safety measures to ensure that food products processes are free of pathogens, chemicals, and contamination.

1.3 Company Group's Shareholding Structure

1.3.1 AS of 31 December 2023, the company group's shareholding structure is as follows:



Note: 1. Shareholders of SCM Innovative Company Limited ("SMI"), holding 45% of the total registered capital, are Zen Biotech Company Limited ("ZEN"), which is not a connected person with the company. ZEN is the main contractor of the company that generally operates the business of producing products for outsiders, and ZEN will take over and control the production of products in SMI.

(1) Division of Operations of Companies in the Group

Successmore Being Public Company Limited ("SCM")	Businesses selling food supplements and products in the consumer products group both domestically and internationally in the form of a direct sales network (Multi-level Marketing or MLM)
Success Spirit Company Limited ("SPT")	Operating research and development of supplements products, cosmetics, and seminars.
Chadhai Leasing Company Limited ("CHL")	Operating provides hire purchase for pre-owned car and secured loan which includes car loan, land and building mortgages.
SCM Spirit (Myanmar) Company Limited ("SPM")	Operating personnel services and organizing seminars only in Myanmar.
SCM Innovative Company Limited ("SMI")	Operating factories production and distributing food supplements and cosmetics for distribution within the group of companies

(2) Investing in other companies in which the company holds shares of 10 percent or more.**Company Name : Success Spirit Company Limited**

Registration Number : 0105560204144

Paid-up Capital : 10.00 Million Baht

Shareholding Proportion : 100 percent of paid-up capital

Nature of Business : Operating research and development of supplements products, cosmetics, and seminars.

Head Office Location : 10/1 Soi Vibhavadi Rangsit 36 Ratchadapisek Road, Chatuchak Sub-district, Chatuchak District, Bangkok, 10900

Company Name : Chadhai Leasing Company Limited

Registration Number : 0105557180426

Paid-up Capital : 100.00 Million Baht

Shareholding Proportion : 100 percent of paid-up capital

Nature of Business : Operating provides hire purchase for pre-owned car and secured loan which includes car loan, land and building mortgages.

Head Office Location : 7/238 Soi Vibhavadi Rangsit 36 Ratchadapisek Road, Chatuchak Sub-district, Chatuchak District, Bangkok, 10900

Company Name : SCM Spirit (Myanmar) Company Limited

Registration Number : 104651291

Paid-up Capital : 50,000.00 USD

Shareholding Proportion : 100 percent of paid-up capital

Nature of Business : Operating personnel services and organizing seminars only in Myanmar

Head Office Location : Building No.993, Room No. (B), Aung ThaPyae12St., 7 Quarter Thar Kay Ta Tsp Yangon, Myanmar

Company Name : SCM Innovative Company Limited

Registration Number : 0135562027258

Paid-up Capital : 100.00 Million Baht

Shareholding Proportion : 55 percent of paid-up capital

Nature of Business : Operating factories production and distributing food supplements and cosmetics for distribution within the group of companies

Head Office Location : 36/53 Moo 13 Bueng Kham Phoi Sub-district, Lam Luk Ka District, Pathum Thani, 12150

1.3.2 A person who may have a conflict of shareholdings in a subsidiary or an associated company in a total of more than 10% of the voting shares

Shareholders of SCM Innovative Company Limited (“SMI”), holding 45% of the total registered capital, are Zen Biotech Company Limited (“ZEN”), which is not a connected person with the company. ZEN is the main contractor of the company that generally operates the business of producing products for outsiders, and ZEN will take over and control the production of products in SMI.

1.3.3 Relationship with the business group of major shareholders

- None -

1.3.4 Shareholder

(1) Top 10 major shareholders list as of 31 December 2023

Rank	Shareholders	Shares	Shareholding Proportion (%)
1.	Dr. Sitthawee Kriatchawanun	210,190,000	34.87
2.	Mr. Noppakrit Nithilertvijit	138,367,800	22.95
3.	Mr. Sompong Silpsomboon	62,340,000	10.34
4.	Mr. Athirot Lertritathikit	35,552,000	5.90
5.	Mr. Noppawit Kanawongpat	13,932,400	2.31
6.	Mr. Ponsilp Panyapiwatpassorn	12,383,000	2.05
7.	Mr. Krittapon Teerachinkun	10,600,000	1.76
8.	Mrs. Ananya Yaowansiri	10,500,000	1.74
9.	Ms. Nittha Kannula	6,541,900	1.09
10.	Ms. Jitjanaporn Viklomkarnkul	6,420,200	1.07
Total		506,827,300	84.07

Note Investors can visit the company's website www.successmore.com., under the Investor Relations category Shareholder Information for the information as of the closing date of the current shareholder register book from before the 2024 Annual General Meeting of Shareholders.

● **Information on the distribution of shareholders' equity as of 31 December 2023**

Shares Distribution	Shareholdings			Juristic Person			Ordinary Person		
	Persons	Shares	%	Persons	Shares	%	Persons	Shares	%
- Holds shares more than 0.5%	16	533,658,600	88.52	1	4,753,500	0.79	15	528,905,100	87.73
- Hold shares not more than 0.5% but not lower 1 board lot	2,186	69,199,186	11.48	4	1,214,22	0.20	2,182	67,984,264	11.28
- Holds shares lower than 1 board lot	174	2,619	0.00	0	0	0.00	174	2,619	0.00
Total	2,376	602,860,405	100.00	5	5,968,422	0.99	2,371	596,891,983	99.01

● **Institutional Investor Ownership Proportion**

The company has no institutional investor ownership.

● **A group of major shareholders who, by behavior, have a significant influence on the policy, management, or operation of the company. (For example, a person is sent to be a director with management power (authorized director))**

- None-

● **Cross Holding**

- None-

(2) **Business operation by holding shares in other companies) Holding Company)**

- None-

(3) **An agreement between the major shareholders that affects the issuance and offering of securities or the management of the company and matters affecting the operations.**

- None-

1.4 A number of registered capital and paid-up capital

1.4.1 A number of registered capital and paid-up capital

- The company has a registered capital of 447,800,000 Baht, a paid-up amount of 301,430,202.50 Baht divided into 895,600,000 common shares with a par value of 0.50 Baht per share.
- The company is listed on the Stock Exchange of Thailand (SET), a service industry group, commercial category. Trading commencement date 8 September 2020.

1.4.2 Other types of shares with rights or condition different from ordinary shares

- None-

1.4.3 The company's shares or convertible securities are the underlying securities for the issuance of investment units of the Thai Trust Fund and the Warrant of Benefit arising from the Thai Underlying Securities (NVDR).

- None-

1.5 Other Insurance of Securities**1.5.1 Convertible securities**

The Warrants to purchase ordinary shares (Warrant)

Name of Securities	Details
Warrant to purchase Ordinary Shares No.2 (SCM-W2)	<ul style="list-style-type: none"> - Issuance of warrants amounting of 80,000,000 units - Issuance shares for reserve amounting of 80,000,000 shares (par value equal Baht 0.50) - The number of warrants that can be allocated is 79,998,768 units (1,232 units of warrants will be canceled by reducing the registered capital). - Type of warrant; specify name and Transferable - Lifetime of warrant equal 2 year (counting from date of issuance - Date of issuance; June 28, 2023 - Offering to existing shareholders as the ratio of 7.50 ordinary shares to 1 warrant (no charge) - 1 unit of warrant has right to buy 1 ordinary Share as Baht 2 per share - Last business day of March, June, September and December of each year until the maturity date. - First exercise date; September 29, 2023 - Final exercise date; June 27, 2025 - As of December 31, 2023, ther are remaining warrarnts the have not been exercised 75,936,910 units

1.5.2 Debt Securities

-None-

1.6 Dividend payment policies of the company and subsidiaries

The company has the policy to pay dividends at the rate of not less than 50 % of the net profit after deducting corporate income tax for the separate financial statements and after deducting various reserves of all types as required by the law and the company. The payment of dividends does not significantly affect the normal operation of the company. The payment of dividends must be approved by the shareholders' meeting, except it is an interim dividend which the Board of Directors may approve the payment of interim dividends from time to time when it considers that the company is profitable enough to do, and report the payment of the interim dividends to the shareholders' meeting in the next time. However, such dividend payment is subject to change depending on necessity and another suitability as the Board of Directors deems appropriate by considering various factors. It is mainly for the benefit of the shareholders such as economic conditions, performances and financial conditions of the company, financial liquidity, cash flow, reserves for business management, business expansion, and investment in the future, reserves for the loan pay-off or as working capital within the company. The conditions and limitations as specified in the loan agreement and the dividend payment do not affect the normal operation of the company significantly

The dividend payment of the subsidiaries will be under the approval of the Board of Directors and the shareholders' meeting of each subsidiary. The subsidiary company has the policy to pay dividends to shareholders at the rate of not less than 50 % of the net profit from the separate financial statements after deducting corporate income tax and various reserves of all types as specified in the laws and regulations of each subsidiary company, but there must be no accumulated loss in equity. However, such dividend payment is subject to change depending on necessity and another suitability as the Board of Directors deems appropriate by considering various factors. It is mainly for the benefit of the shareholders such as economic conditions, performances and financial conditions of the company, financial liquidity, cash flow, reserves for business management, business expansion, and investment in the future, reserves for the loan pay-off, or as working capital within the company. The conditions and limitations as specified in the loan agreement and the dividend payment do not affect the normal operation of the company significantly

Dividend payment information for the past year

Successmore Being Public Company Limited (Separate Financial Statements)		2023*	2022	2021	2020
Net earnings per share	(Baht)	0.19	0.31	0.34	0.14
Net dividend per share	(Baht)	0.15	0.26	0.29	0.086
Net Dividend payout	(%)	80.32	84.80	85.71	65.19

Note * The Board of Directors Meeting No. 1/2024 held on 22 February 2024 resolved to propose to the Annual General Meeting of Shareholders of 2024 which is scheduled to be held on April 25, 2024, to approve the payment of a dividend from the operating results for the year 2023 at the rate of 0.15 Baht per share. The company has paid an interim dividend at the rate of 0.10 Baht per share, the rest will be paid at the rate of 0.05 Baht per share.

2. Risk Management Policy

2.1 Risk Management Policy and Plan

The Extraordinary General Meeting of Shareholders No. 1/2019, held on February 20, 2019, approved the risk management policy whereby the company and its subsidiaries be aware of the importance of risk management, which is considered part of good corporate governance and the basis for helping achieve the company's objectives. In this regard, risk identification and management will help the company to make better decisions both in overall management, project planning, finance, work process. It also helps see opportunities and be able to mitigate the impact from important events that may occur to the shareholders. The company has established a risk management policy to cover the entire organization and supervise the system or risk management processes. The measures to mitigate the risks of the company and its subsidiaries are as follows:

1. The company will set up a system, a risk management guideline, and ways to mitigate potential impacts, including risk analysis to be in line with international standards of strategies and business goals.
2. The company will manage the business risks to the acceptable level (Risk Appetite) or deviate not exceeding the acceptable level (Risk Tolerance) to achieve the company's objectives by requiring the company to make an annual business plan, work management, and risk management before investing in projects.
3. The company will have a process for monitoring and reviewing the risk management according to the plan. It will assess the results, prioritize, track reports and evaluation, and continuously communicate information about risks to put into practice throughout the company.
4. All executives and employees are responsible for participating in risk management and risk assessment of the work for which they are in charge as specified by the company.

2.2 Risk Factors for the Company's Business Operation

Risk factors that the company considers that it was significant and may cause an impact on the financial position of the company, performance of the company, and the value of the company's ordinary shares. Besides, it may affect the return on investment in the company's ordinary shares. The ways to prevent such risks can be summarized as follows

2.2.1 Business risks of the company or group of companies

(1) The risk from dependence on Dr. Sitthawee Kriatchawanun And Mr. Noppakrit Nithilertvijit, Executive and Major shareholders of the Company

Dr. Sitthawee Kriatchawanun and Mr. Noppakrit Nithilertvijit is the founder, executive of the company's core business. They are also a long-time veteran in network marketing and have a good knowledge and understanding of the business. At present, Dr. Sitthawee Kriatchawanun and Mr. Noppakrit Nithilertvijit is the Chairman of the Executive Committee and Chief Executive Officer respectively. Also, they are the people who lay the stable business foundation and inspiration for the company's businessmen through training, seminars, and networking business activities both inside and outside the organization to enable business people to sell products efficiently. Therefore, if both persons cannot be executives of the company in the future, it may affect the results of operations and financial status of the company.

The Company gives great importance to the risk of relying on both executives. There are a succession plan and a policy for developing executive directors and staffs by organizing internal training and encouraging employees to participate in external training courses, to develop knowledge and abilities, to keep up with the events as well as to gain experiences to step up to the highest management level of the organization.

(2) The risk from having a distributor debtor in Myanmar as the main debtor and the uncertainty of the laws related to the ban on direct selling network in Myanmar

Originally, distributors in Myanmar had run a direct sales business as usual. Until September 2018, the Government of Myanmar by the Ministry of Commerce issued announcement No. 46/2018 to cease direct sales operations in Myanmar, which will be put into effect immediately. Anyone who runs a network in Myanmar will face a 6-month to 3-year imprisonment and a fine of up to 500,000 Burmese Kyat. Myanmar's political crisis still causing uncertainty. As a result, the consideration of the draft law relating to Direct Selling business has paused. Therefore, the impact has prevented the distributors in Myanmar from conducting the sales and activities related to the direct sales business. They can only sell products at stores or sell products to the final consumers, as usual, thus the company has affected the performance, financial status, and future business opportunities. Issues relating to operating business in Myanmar can be summarized as follows.

Current business models and regulations

The company has started operating the business with distributors in Myanmar since 2015 due to seeing the opportunity and potential for the growth of marketing products by expanding the network of business people. It was started with the study of business models and got to know the shareholders of the distributors in Myanmar, who are interested in direct sales and also have potential. In 2016, the company signed a distributor appointment agreement. (Distribution Agreement) with Successmore Being Yangon Trading Co., Ltd. (SBYT) to be appointed as a distributor in Myanmar. SBYT will pay a license fee to the company annually throughout the contract period for the use of the SUCCESSMORE brand in business and will buy products from the company at dealer price. It will bring the products to market in Myanmar through direct sales methods. In the past, the company was successful in business negotiations with SBYT with a continued increase in product orders and it represents a significant proportion when compared to the revenue from foreign channels. At present, Myanmar distributors have five storefronts, namely, their headquarters in Yangon. Mandalay branch, Mawlamyeng branch, Manichina branch and Taunggyi branch. However, the company is unable to operate the direct sales business by itself due to Myanmar's law that prohibits companies that do not have Burmese citizenship from operating domestic direct selling business. The company has to market in Myanmar through distributors instead.

However, during 2017, the government of Myanmar has passed additional laws requiring companies that operate the business of importing products to have the purpose of importing goods only. They cannot be a product seller. Companies operating businesses selling products are required not to be importers. Therefore, the shareholders of the distributors have to divide the distributors into 2 companies to operate the business according to the specific objectives of each organization. SBYT will pay royalties to the company annually throughout the contract period for the use of the SUCCESSMORE brand in conducting business under the dealer appointment agreement while SCM Trading Co., Ltd. (SCMT), a new company established in September 2017 by the same group of shareholders and directors after the announcement of the ban on importers to sell products in Myanmar, will conduct a transaction with the company to order products according to the specified price with no annual compensation paid to the company.

With reasons of such uncertainty, therefore, distributors of the products cannot operate the business in a direct sale. They can operate a specific business at the storefront, or can only sell products to the final consumer only. The merchandiser will pay the members in the form of Commission Rebate based on the purchase amount, which is not a compensation plan in the form of a networking business where compensation usually depends on the number of members, an adjustment of the position of members under the line of work, and the total purchase number of businessmen under the line, etc. Therefore, in 2018, distributors in Myanmar have been delayed to fit the changing business model. As a result, the income from selling products through international distributors and the revenue of seminars hosting for that year overall is decreased. It is expected to grow down from the relatively high growth in the past until the law of direct selling business in Myanmar is clearer.

Risk factors related to operating business in Myanmar

At present, Myanmar's economy is characterized in many ways that are different from those of developed countries. This includes the level of government involvement, level of development and foreign investment control, access to funding, and the development and integrity of the country's legal system, thus making it a risk from operating business in Myanmar that the company is facing. However, the company has mitigated the risks from operating business with a distributor. The distributor is a resident of that country. They would be familiar with the environment, economy, politics, and various relevant regulations more than the company. They are also able to reach local people to market more effectively.

Hence, the key risk issue is the important of the content of Direct Selling law, which the management team expect to wait until the end of the Myanmar government's political problems. However, in cases where such laws are more clarify, the company will able to adapt business strategies to comply with legal requirements for the maximum benefit of the company and shareholders. The Company cannot certify that such changes in laws, rules and regulations and others any future related changes in law enforcement policies, which are not have a material adverse effect on the business opportunity and the Company's operations in Myanmar.

In addition, the term credit was originally given to the dealer from the company for 180 days because, in the past, the company wanted to expand its business in Myanmar. This country has restrictions on import licenses, which each operator has a limit of approximately 100,000 USD per import license. The operator must complete the purchase order per 1 license before being able to pay the seller. Therefore, there will be a delay in payment from the date of receipt of the product. However, the company is more aware of the risk of debt repayment and has supervised the payment of the debtor who is the dealer of Myanmar including others closely. Currently, the credit term has been negotiated for the debtor to be reduced to 120 days to provide a faster standard of payment than in the past. Also, there is a limit for purchasing products including accrued income for distributors in Myanmar at 40.00 million Baht. The accrued incomes are accrued trip fees, accrued seminar fee businessmen commissions charged from the dealers to limit the outstanding amount per time and limit the loss if the customers are unable to pay. Also, the company has regularly monitored all debtors' payments. In the past, it has been able to collect money all the time. There are ways to increase sales and distributors in other countries to distribute income channels and the risks of relying on a few foreign distributors.

To tighten the operations and to prevent the problems of overdue receivables that may arise in the future, the company therefore considers and approves the policy on selecting and appointing distributors and guidelines for tracking account receivable and preventing overdue trade receivables as follows:

Distributor Selection and Appointment Policy

1. Consider selecting a product distributor by mainly considering countries that have clear and unambiguous laws on direct sales license applications to prevent any problems that may arise in the future.
2. Carefully consider the distributor's financial and commercial credit status by considering the financial statements of the agent, private property details, and history of operating various businesses.
3. Consider the experience in operating network marketing.
4. Consider a limit on the purchase limit for products with credit to prevent damage arising from the default of the distributor. It will be considered according to each country to set a limit that is appropriate for the situation, product sales of the distributor, and liquidity in the business operation of the distributor.

Guidelines for tracking trade receivables and preventing overdue receivables

1. Consider appointing a debt collection working group for foreign dealers and advisory team to track total trade accounts receivable and accrued income from foreign dealers, to report trade accounts receivable status, to remind and call for trade accounts receivable balance that is nearing due, to proceed for the senior management team to give advice and care closely, and to visit the area to collect debts if it is near the due date.
2. For dealers in Myanmar, the company will consider selling the products by considering together with the report on the stock of products in Myanmar branches to select and sell only products that do not have a number of long stock of products at a branch in Myanmar. The company will consider selling only popular products and easily able to sell through the storefront to provide dealers in Myanmar with a product that can quickly generate cash flow to prevent damage from debt default of Myanmar dealers.
3. Consider presenting information about the current status of debt collection to regularly report to the Executive Committee Meeting at every meeting held twice a month for all Executive Directors to acknowledge the status of the debtor and the accrued income to jointly find solutions and approaches for debt collection that are close to due. Besides, the company will present the current status information on debt collection to reporting to the Audit Committee meeting quarterly to inform the current status of accounts receivable and accrued income to consider solutions and make suggestions later.

(3) The risk from hiring original equipment manufacturers (OEM) and mainly relying on a group of contractors

The company hires third parties to produce OEM products from various manufacturers, mainly from both domestic and overseas in the form of joint research and development of product formulas. At present, there are only 5 types of products that the company manually produces by itself, while the rest of the products will be hired by a contractor for the entire production operation. The company will have its research and development team working with the manufacturer's factory. Each product manufacturer will enter into a commercial contract with the company to produce that kind of product for the company. Generally, all types of products that are distributed must pass a request for a mark from the Food and Drug Administration. ("FDA sign"). In the case that employment is for a product, the mark

will be registered with the manufacturer, while the company will own the ownership of the product formula and the trademark only. Therefore, in the case that there is an incident with the manufacture that causes the factory to be unable to continue production, the company will be not able to continue selling such products. The FDA mark will not be transferred to other manufacturers to produce the products, making the company's operations may be interrupted and affect the company's operating results and financial status.

This is because the company manufactures has a good track record of dealing with the company and have expertise in manufacturing that product, Therefore, there may be a risk from relying on the manufacturer of this product in case of being unable to produce the products in the future, including the case that this company is unable to deliver the products as agreed upon quantity and time which may affect the company's business operation.

The company is aware of the issue of dependence on a contractor, especially the risk of the FDA mark of the product that is now with the manufacturer's factory. However, such a producer group is considered a well-known manufacturer and has productions for many companies. The company has a long history of dealing with this product contractor from the beginning to the present and also has a good history of trade dealings with each other. Therefore, the company has chosen to use this contractor to produce the main product items of the company. In addition, in the case that this group is unable to produce products in the future, the company can choose other manufacturers, which can be a manufacturer that the company currently uses or possibly another manufacturer to produce products, depending on the company's consideration. Also, there is a policy to increase the proportion of self-production of products in the future to reduce production costs and reduce dependence on third-party manufacturers. This will make the company reduce the risk of dependence on the contractor in the future. In the past, the company has never changed manufacturers due to quality defects because all manufacturers have maintained their production standards and have a good relationship with the company.

The company has hired several manufacturers, each of which can produce many types of products. In case there is an incident that the manufacturer company is unable to continue the production of the product and the company still intends to sell that type of product, the company can terminate the employment of the said manufacturer. The company can request a new FDA mark by SMI, or other contract manufacturing companies. However, the ownership of the product formula and brand still belongs to the company, so the company may consider using the original production formula or adjust the formula and may consider using the original trademark or designing and registering a new trademark in a similar manner to the original product or in a same way to the original product, or according to the company considered appropriate for the customer groups. For the said products in the event of the above incident, the company expects that the request for the FDA mark and the new trademark registration will take approximately 2 months before it can legally distribute the product.

At present, the company has entered into a production contract with a product contractor. There is a deposit of 30% to 50% of the value of each product order. The remaining amount will be paid to the contractor upon receiving the complete product right on time with the quality as agreed. Therefore, there is a limit on the damage value in the case that the manufacturer is unable to deliver the product after an order has been made. In the past, the company has always had a good track record of dealing with manufacturers and has never had a history of not receiving products from a contractor after placing an order under a joint contract.

(4) The risk from business people misconduct of rules, ethics, and laws and be complained by consumers making damage and defame the company

The company has established a code of business ethics to be the same standard for all businessmen, for example, forbidding businessmen from selling products that are lower than specified thus the company faces a risk that the businessperson may violate the company's ethics including various related laws. The company may receive complaints from consumers to the Office of the Consumer Protection Board ("OCPB") in the case that the company's products are not up to standard or the consumers have been damaged from the actions of businessmen. Because there are many company's business people scattered in many areas, causing the company to be unable to control thoroughly. In this case, the company may damage its reputation and be damaged that may affect its operations and financial status.

In the past, the company had canceled 263 members due to violations of rules, such as selling lower prices, doing the same business with competitive nature, applying but the agent does not operate, etc. The company has an internal team that monitors the situation in the market whether there is a violation or not. There is also a channel for businessmen or others involved to complain if the businessmen behave inconsistently with the code of ethics. In addition, the company has clear guidelines in selecting business people considering the member's age, maturity, identity, and ability to conduct business.

Also, the company has a policy for all related parties to communicate with businessmen and personnel of the company to know the company's policies and the code of business conduct regularly. There are also penalties for offenders, such as an admonition or a cancelation of membership as mentioned above. This helps screen the company to have businesspeople with good quality, morals, and ethics. From the past until today, the company has never received a report from OCPB that there are complaints from consumers who have suffered from damages from the company's business operation.

(5) The risk from a limitation of the number of businessmen and dependence on the main business groups of the company

The company operates a distribution business in a network marketing which the incomes from operating of the company are important factors coming from the driving of the company's businessmen, in particular, high-ranking businessmen who are the main business people of the company. The company may be at risk in the case that the expansion of new businessmen is not as expected, or any cases that significantly affect the expansion of businessmen.

In this regard, the company has a risk in case of the main business persons and the overall number of businessmen of the company decreased by releasing the status of the company's businessmen, for example, canceling the networking business, becoming a network businessman for another network company, etc. This could be due to many reasons such as moving to other places for better returns. The new generation of businessmen is forwarding the concept and building a network of young businessmen who are not tenacious enough and not as competent as the previous generation. This makes it the younger generation is more difficult to find their line of work together with the intention not to renew the membership of the businessmen because they only want to be consumers. This may cause businesspeople to not order products or less order. Therefore,

if the network of such businessmen cannot achieve sales as a goal set by the company, it may affect the performance and financial status of the company.

The company is aware of the risk from relying on main business groups, it thus emphasizes building relationships with business people to have a strong relationship and loyalty to the organization, shared corporate values through various activities such as seminars, workshops, tourism activities, etc. Moreover, the company has designed a relatively high compensation structure for business people to attract quality businessmen. The compensation is approximately 52% to 60% of the total sales of products sold through businessmen during 2017 - present. It was higher than the industry average, which is approximately 35% to 48%. So, in the past, there were no businessmen in an important position of the company resigned or moved to become a network businessman of another network company and make the company has an opportunity to attract more businessmen from network companies in the future.

(6) The risk from obsolete inventory

The company sells many types of products and there must be a reserve of inventories to support the demand for orders from businessmen and distributors. Most of the products are consumer products that have an average shelf life of 1-2 years, thus making the company face a risk of obsolete inventories which may affect the performance and financial status of the company. However, the company has planned to reserve products to meet the needs of customers with advance demand estimates. The company has also planned to reserve the inventories 1-2 months in advance. In addition, the company has continued tracking the shelf life of the inventories. In the past, the company had no record of significantly making an allowance for a reduction in inventory value.

(7) The risk from having a businessperson commission as a primary operating expense and risk from limitations in adjusting the selling price of the product

The company has a commission for businessmen as the main operating expenses. For the principal businessmen commission payment, the company will set a fixed rate of compensation to businessmen for selling products (Point value: PV) depending on the types of the products. When the businessmen order products with the company, it will allow that business person to get the cumulative PV according to each type of product. Once the company assigns the PV value to a particular product, the company will not have the policy to adjust the PV and the selling price of that product at all. Therefore, the company lacks the flexibility to adjust product prices in case that the competitors of the company produce similar products to compete with the company or the market of those products and have many competitive products and substitute products that available at lower prices, better quality, or more uniquely suited to the needs of the final consumer, it will make the company lack price competitiveness for that type of product and may affect performance, the company's financial status, and business opportunities in the future.

The company does not have policies of changing the PV and selling price of the product frequently in n order not to allow each business person to have an advantage or disadvantage from the selling price that may vary from time to time. Before setting the PV value, the company will analyze the supply and demand of that product in the market to set the selling price and the PV value of that product and to attract business people to bring their products to market. The compensation calculated from PV is at the appropriate level that the company be

able to compete with competitors. Therefore, if the company analyzes and sees what types of products may lack competitiveness, it will analyze consumer demand according to the situation at that time. The company may gradually cancel sales of products that lack competitiveness or the products that the company considers with a strategic analysis that it deserves to be canceled. The company may also launch and promote new types of products that are likely to have more potential in the market to replace previous products.

However, the company has focused on product development into outstanding products to prevent competitors from substitute products. Also, all types of products are requested for the FDA logo to demonstrate the quality of the product and to prevent an imitation.

In addition, in case that the businessman commission rate significantly increases, it may affect the net profit margin of the company. The company has monitored the expense ratio regularly. In case that the ratios are getting higher, the company may use strategies to increase or decrease products, considering the appropriate PV value that the businessmen should receive which will still attract business people to continue working in building networking businesses.

(8) The risk from counterfeit products or being impersonated to take the company's trademark to a commercial use

The company has been very successful with good quality products and management, marketing with effective network marketing businessmen. Thus, the company has a fast-growing income and makes many products of the company very popular in the market. From the popularity the company receives, it may cause counterfeit products in the market making consumers mistakenly think that counterfeit products are the company's products and it may affect the company's image and performance.

The company places great importance on the issue of counterfeit products and the company's image. It has registered trademarks of the products to prevent illegal imitation. Also, the company also conducts market surveys to determine whether there are counterfeit products or not. The company also keeps the market is constantly to check if there are counterfeit products let businessmen and other relevant persons complain to the company if counterfeit products are found. In the past, the company encountered counterfeit products in 2015 so it held a press conference to inform the broader of the facts. and has proceeded until there is no counterfeit product anymore since the incident until now. The company will emphasize the inspection of counterfeit products by the company's team and emphasize the communication about the method of imitated product inspection to business people and consumers to have more knowledge. The company also aims to regularly improve the quality of product packaging to make the products unique more difficult to copy.

(9) The risk from the stability of information technology system

The company has used information technology systems to calculate the remuneration that businessmen will receive and kept a database of business people and business operations in daily life. As a result, the information technology system is the heart of the company's business operation. Therefore, if the system is faulty or cannot be used, it may result in the interruption of the company's operations and affect the company's operating results. This may result in the interruption of the company's operations that may affect the company's operating results. Thus, the company provides an adequate and effective backup system to prevent data corruption. It develops, repairs. and maintains the company's information system to be stable at all times. Since the company gives

importance to information technology systems, Therefore, the company has not encountered any significant information technology problems from the beginning of the business to the present.

(10) Risk of not being renewed for the land lease agreement of the company's office and branches

The company does not have its land for conducting business. The area of the head office, factories, and all branches of the company is the area that the company rents from all outsiders. The lease agreement of each area has a lease term of 3 years. Therefore, in the case that the lease term is expired in any area and the company is unable to negotiate a lease extension with the landlord, it may interrupt that part of the company's operation and may affect the operating results, the company's financial status, and business opportunities in the future.

This is because the core of the company's business is the company's network of businessmen and dealers, with each branch, is established to support the growth of the number of businessmen in each area, while the company's factories are still small. At present, the income from the sale of manufactured goods is still insignificant when compared to the total income. Therefore, it can be seen that the risk of not extending the land lease agreement of the company is relatively low. Besides, the company has good relationships with all landlords and can always negotiate a contract renewal. In case of force majeure in which the land lease contract cannot be renewed with the landlord upon expiration of the agreement, the company may consider renting the land from other nearby parties. It may also consider purchasing some of the existing branches that have the potential to reduce the rental burden and the risk of not being renewed in the future.

(11) The risk from a competitive situation of the direct selling business

At present, Thailand is a country where the movement of direct selling business is quite large when compared to other countries in ASEAN. That are members of the Thai Direct Selling Association, each direct sales companies mostly sell similar products and have a similar business approach, that is, focusing on expanding the network of quality business people as much as possible, creating competition between companies in the industry in terms of products and attracting quality businessmen. Moreover, the direct selling industry is an industry that is easy to start operating because it focuses on selling products and marketing even if it has to obtain a license from a government agency. It is still possible to have more new players in the future. This may exacerbate the competition of direct selling business in the future that may affect the performance, the company's financial status, and business opportunities in the future.

Although the industry is easy to start a business, in the present, few direct selling companies survive in the industry when compared to the number of companies that have dissolved. The company is considered one of the leading direct selling businesses that are still operating today. It also focuses on sustainable network expansion focusing on four key success factors: 1) Making SUCCESSMORE brand and product brand strong, reliable, and sustainable. 2) Developing quality products that are marketable and have many products for business people to be able to market flexibly, with many options to cover customer groups with different needs. 3) Human resource development in both employees of the company and business people in terms of work abilities and attitude, and 4) Creating an organizational culture for business people to have the same values by focusing on improving sales skills and building familiarity among businessmen regularly through seminars,

traveling abroad, to foster a harmonious love for colleagues and organizations, and sustainability in business operation.

Apart from the above business strategy and sustainability policy, the company also pays attractive compensation rates to its businessmen which is approximately 52% - 00% during the year 2017 to the present of the total product sales that are sold through businessmen. The remuneration rate is higher than the industry average enabling the company to maintain its competitiveness and to attract quality businessmen to the organization.

2.2.2 Financial and investment risk

(1) The risk from environment and regulations in conducting overseas direct sales business

The company sells its products through overseas distributors, including distributors in Myanmar, Laos, Vietnam, Cambodia, Malaysia, and Singapore, each of which has different environmental restrictions and regulations related to the direct selling business. If the environment and rules for conducting direct sales business in each country change, it may affect the results of operations, the company's financial status, and business opportunities in the future.

The business model of the company is a wholesale business to foreign dealers with a rebate in case that product sales reach the target. The distributors of the company may import the company's products to operate a direct sales business in each country or a storefront, causing the risk of illegal practices. Fundamentally, it is mainly located at the dealers. Also, the company always studies the relevant regulations before every negotiation for a dealer in each country, also studies and follows the relevant regulations continues to be able to adjust the business strategies immediately.

(2) Risks from Exchange Rate

The company sells its products abroad to overseas dealers, such as dealers in Myanmar, Laos, Vietnam, Cambodia, Malaysia, and Singapore. The company thus receives money in foreign currencies. This may cause the company's income to be changed from the forecast depending on the increase or decrease in the exchange rate of each country. Therefore, there is a risk of being affected by the fluctuation of the exchange rate which may affect the performance of the company.

The Company realizes the risk in this issue, therefore it has organized the company's money management as well as regularly monitoring the movement of the exchange rate and various factors that may affect the exchange rate. Besides, the company has entered FX Forward Contract with local commercial banks to hedge the risks.

3. Driving Business for Sustainability

3.1 Sustainability Management Policy and Goals

Successmore Being Public Company Limited operates a network distribution business (MLM) and is the first and only MLM company listed on the Stock Exchange of Thailand. Our mission is to be an inspiration to improve people's lives and lives under the philosophy of "Inspiration for your Being" by offering business opportunities with quality products selected by medical experts and an effective human potential development system, while creating long-term value for all groups of stakeholders from employees, investors, shareholders and other stakeholders based on excellent business practices and creating economic, social and environmental balance under honesty, fairness, transparency and accountability to all stakeholders.

From the vision of the Company, The Board of Directors recognizes its roles and responsibilities in setting objectives, targets, and policies for social and environmental responsibility in order to create value and benefit for both the business sector and society at the same time, which is reflected in every action plan of the Company to ensure that all departments of the Company operate in accordance with the objectives, goals and strategic plans of the Company and take into account the roles of stakeholders in all aspects. To be able to achieve the main objectives and goals sustainably as follows:

Sustainability Management Goals

- **Sustainability:** The Company operates its business under the concept of sustainable development and balances all 3 aspects, including economic, social, and environmental by integrating the concept into all levels of the Company's operational processes. Create returns and business value along with society and the environment so that all stakeholders can benefit and ultimately achieve their vision.
- **Environment:** The Company aims to manage energy consumption in accordance with its business plan by promoting the most efficient use of resources with minimal impact on the environment. By reducing water consumption and waste consumption, focusing on eco-friendly products, packaging, and paying attention to climate change, including compliance with environmental requirements, laws, and standards.
- **Social:** The Company places importance on taking care of improving the quality of life of employees. Good occupational health and safety management, including respect for human rights. In addition, the Company supports sharing and contributing to society by using its expertise. To do projects or activities that benefit people, community, and society.
- **Economic and Governance:** The company aims to create growth of the business with good corporate governance and compliance with the law. By responsible in supply chain management, customer relationship management, and also creates innovation and technology based on data security and privacy.

ESG Risk Management Guidelines

- **Environmental**
 - Realize and implement the use of resources and energy according to the 3Rs principle (Reduce, Reuse, Recycle), covering electricity, water, and waste management.

- Focus on product design and use environmentally friendly packaging. Does not waste energy and does not cause waste or pollution to the world. Any part of the product or all of it can be recycled through the 3Rs process (Reduce, Reuse, Recycle).
- Take into account the impact of global climate change by effectively managing energy consumption to reduce the impact of climate change, such as reducing energy consumption, by setting indicators and targets to reduce greenhouse gas emissions.

- **Social**

- Promote occupational health and safety management of employees to have a safety management system that is conducive to work, help reduce and control risks arising from work, and can mitigate possible impacts on life safety.
- Establish policies that take into account the labor rights that corporate workers deserve, such as wages, salaries, and strengthening diversity, mutual respect and non-discrimination, as well as accepting diversity in terms of age. Gender, sexual orientation, religion, disability, education, and citizenship in accordance with the Universal Declaration of Human Rights.
- Empower employees to develop themselves and advance in career path, by providing appropriate welfare and remuneration that supports and promotes employee health and well-being.
- Create value together with the community and society by using Successmore's specialized expertise in determining guidelines for organizing activities or projects that benefit the community and society according to SDGs standards in order to build community confidence. The Company has CSR activities that target 3 projects per year, such as a project to provide health knowledge to the community, running project to promote exercise, etc.

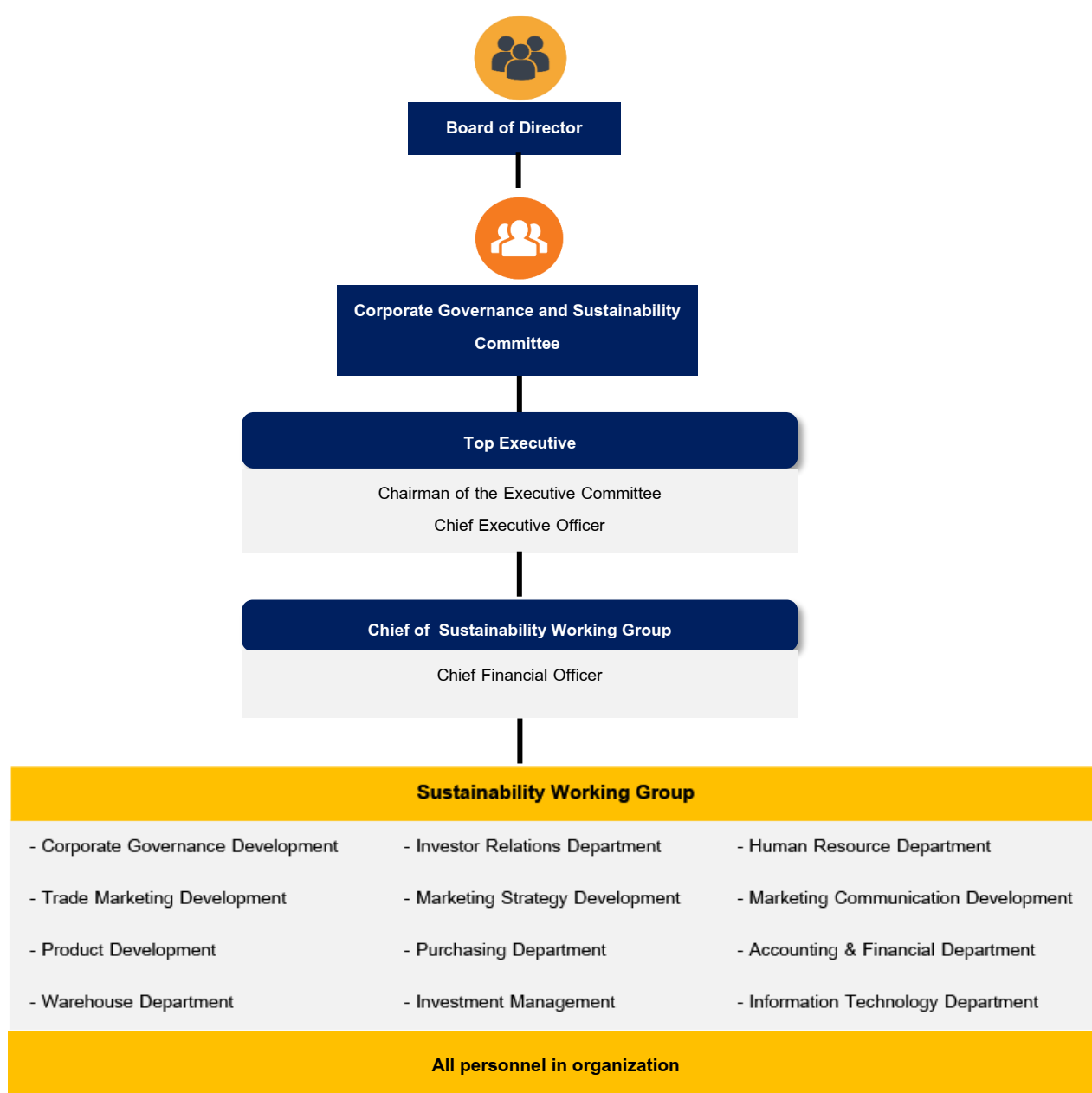
- **Governance**

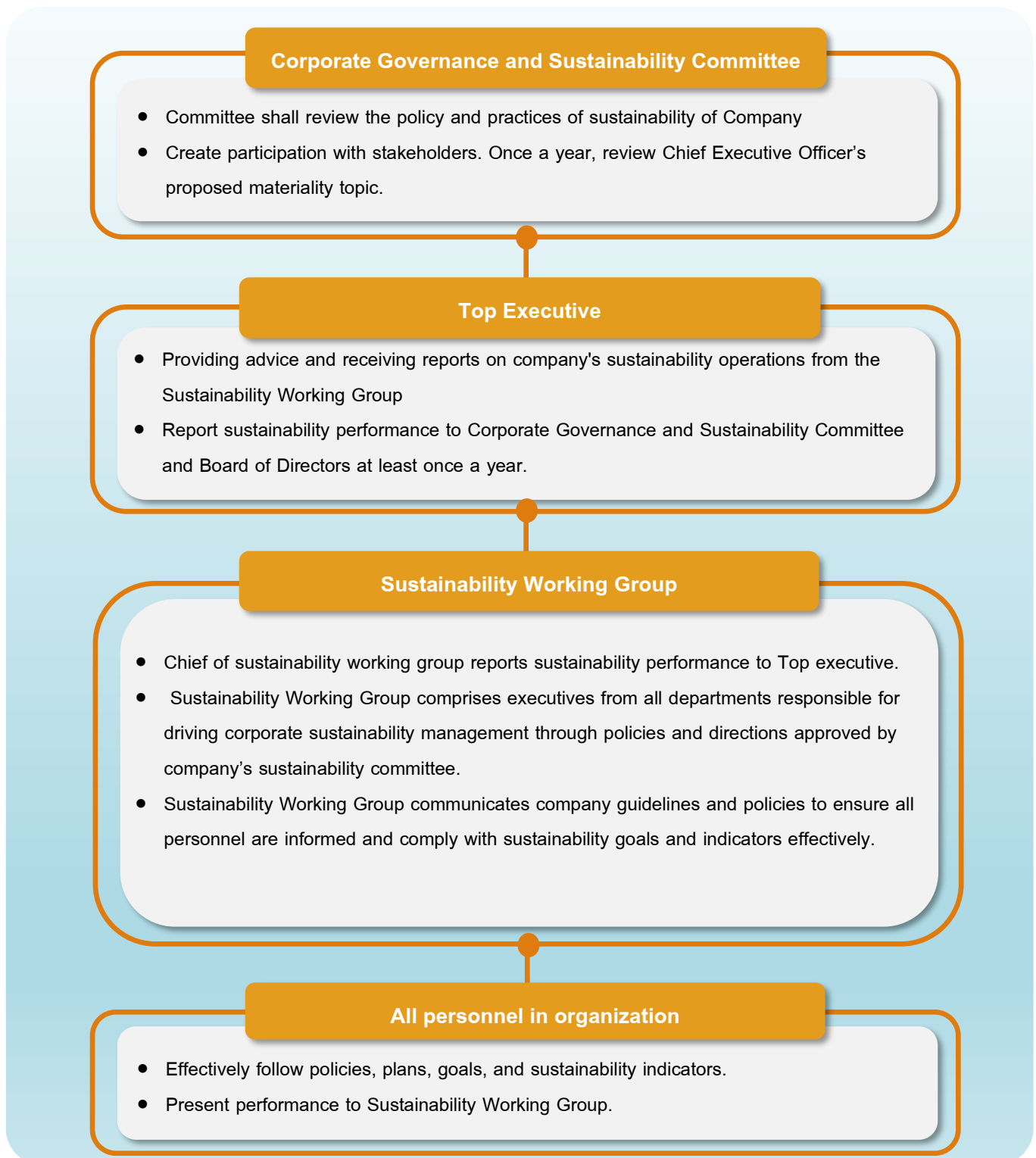
- Conduct and disclose good corporate governance information in accordance with the requirements and standards of corporate governance disclosure in accordance with the requirements of the Stock Exchange of Thailand and other relevant laws.
- Promote transparency in managing suppliers throughout the supply chain responsibly in accordance with the Company's business ethics policies and practices.
- Always listen to and evaluate customer satisfaction with products and services. To ensure that customers receive quality, safe products, and services, and to have confidence in choosing the Company's products and services, including quality management and product recall in accordance with the international standard ISO 9001: 2015 and in accordance with relevant requirements.
- Develop product innovations to make them effective for consumers. Participate in the development of information system platforms to customers to respond to the expectations of stakeholders according to the Company's Software Requirements Specification (SRS) and IT Procedures.
- Protect data security and cyber security of all stakeholders. It manages stakeholder access to privacy data in accordance with PDPA requirements in 2019 and conduct information systems in the field of information system security testing in accordance with the requirements of Cyber Security in 2019.

- Manage work continuity from uncertainties or emergencies that may occur. By developing a financial liquidity management plan, consolidation of overdue debts, and the preparation of income and expense control plans to enable the Company to continue operating its business under unusual circumstances and overcome various circumstances effectively.

Management Structure for Sustainability

To perform the duties of the Board of Directors efficiently, the company has established to carefully scrutinize the assigned work under the principles of good corporate governance. The company secretary will be a coordinator who will continue to improve the board structure to have the linked scope to increase efficiency and effectiveness. The structure diagram is as follows:





3.2 Impact Management of Stakeholders in Business Value Chain

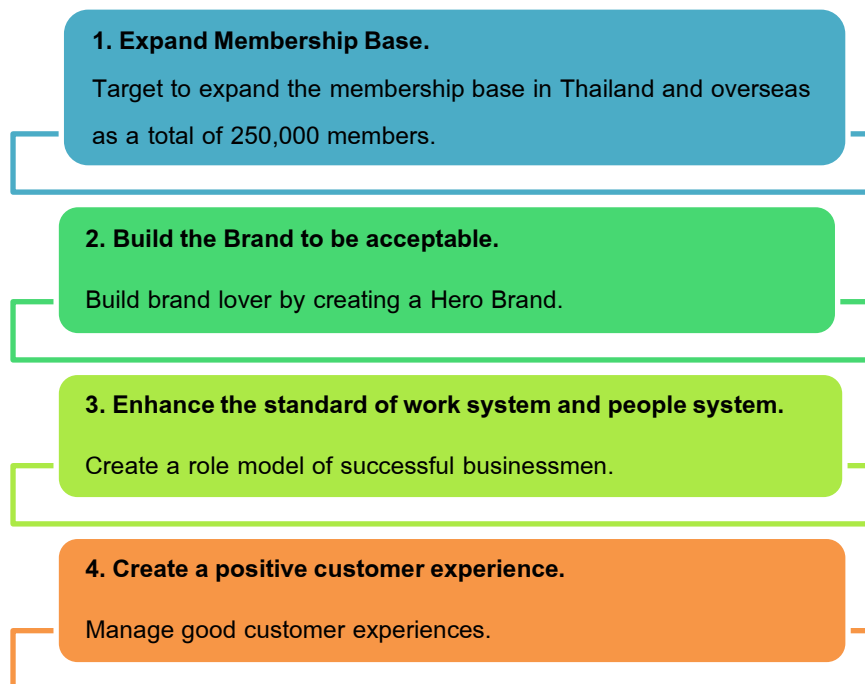
3.2.1 Business Value Chain

Value Chain processes are a key strategy for the company's business success. Therefore, the company pay attention to every step and every process of the value chain. Starting from the procurement of raw materials, control system, factory management, including both raw materials and products must pass quality checks, and on the way of storage, packing and before delivery to customers.

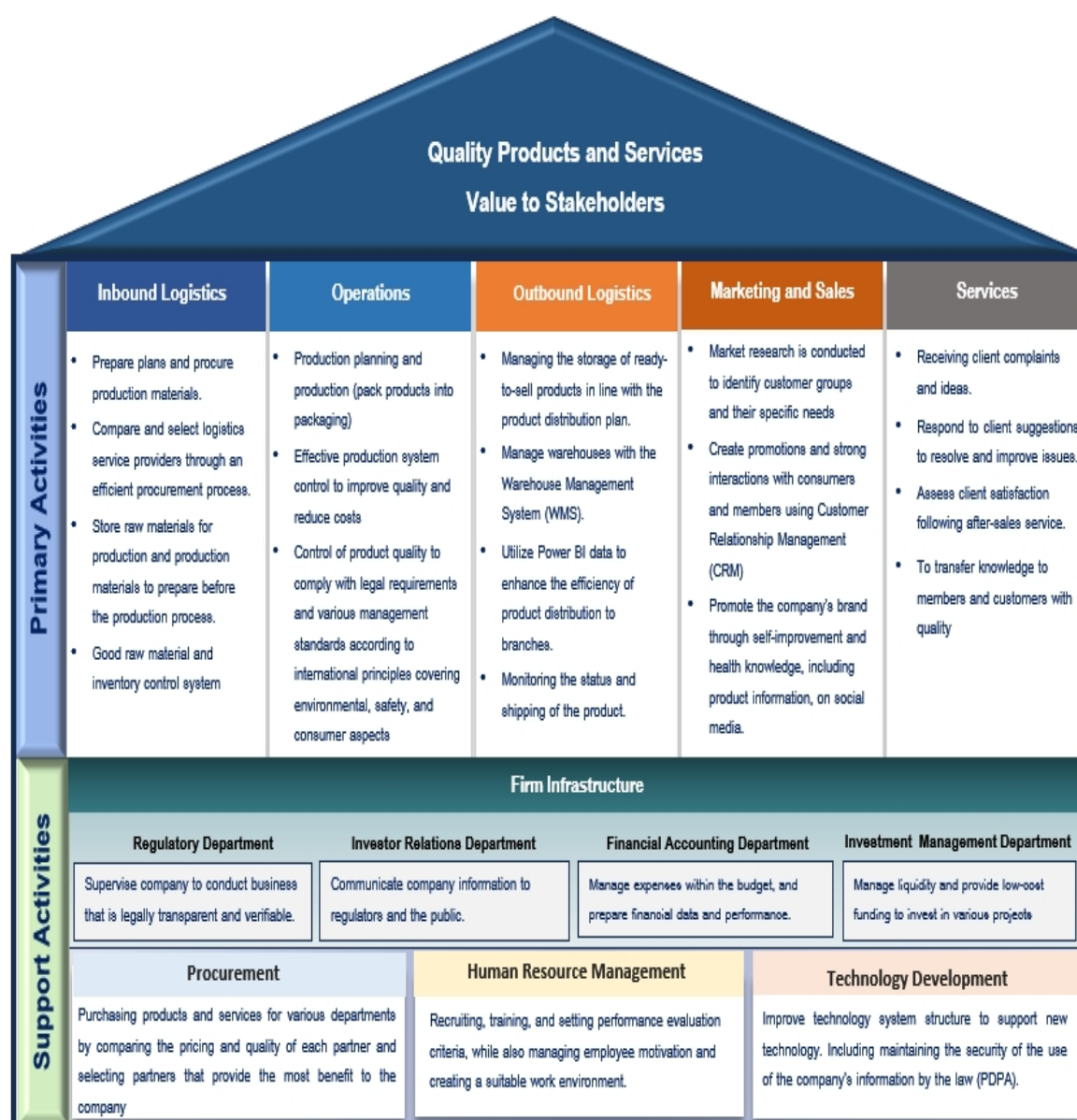
The key stakeholders in SCM business value chain include shareholders and investors, executives and employees, customers, partner, government agencies, mass media, society and Community and payable in order to build the strengthen confidence in quality products and sustainable growth together.



Corporate strategy



The company takes into account the issues that are essential to business operations which covers the economy society and environment related to the Company's stakeholders to be aware of the operational guidelines. To respond to the expectations of stakeholders which is an important factor in maintaining competitiveness and create long-term value in order to support the business operations of the Company to achieve sustainability.



Management of Input Factors and Productions

The company is committed to delivering the best quality products and the most safety to consumers by selecting quality raw materials. Selection of standardized and innovative production facilities, as well as selection of suppliers who comply with laws and environmental management. The Company places importance on efficient procurement processes. Transparency by focusing on maintaining the quality of products and services by establishing guidelines for suppliers. Managing product and service risks, along with auditing the performance to ensure compliance with appropriate standards and management processes, and outsourcing to OEM manufacturers. The Company pays attention to every step of the selection process by controlling the quality of products to comply with legal requirements and various management standards according to international principles, covering environmental, safety, and consumer standards such as ISO 9001, ISO 22000, GMP, HACCP, National Sanitation Foundation (NSF) drinking water quality certification mark, etc.

Storage and distribution

At present, the Company does not have any distributors in Thailand to distribute products. The Company made through 22 branches nationwide. The Company has increased the convenience and speed of service for members' purchases by adding online ordering channels through the Company's website. The Company has implemented Warehouse Management System (WMS) to manage warehouses and the storage of products that are ready to be sold in accordance with the distribution plan, and the Power BI system is used to help collect data to increase the efficiency of distribution to branches.

In terms of overseas distributors, the Company appoints foreign distributors to grant the right to use the Company's name and trademark. To be an overseas product distributor, the distributor will be responsible for managing overseas businessmen, managing overseas branches, import and distribute products from Thailand and send to foreign businessmen for marketing in those countries. The Company will appoint distributors in countries where consumers are expected to have high purchasing power and opportunities to expand their business to reduce the risk of doing business on their own because distributors will have more expertise in conducting business in such countries and have better access to consumers in such countries. The Company will closely supervise foreign distributors to prevent risks from its operations that may affect the Company's reputation, the Company will monitor distributors' news and information through online channels and various media presented by agents to the media to monitor and check whether there is appropriate practice. They will travel to meet overseas distributors to hold monthly meetings to summarize past performance and plan future operations.

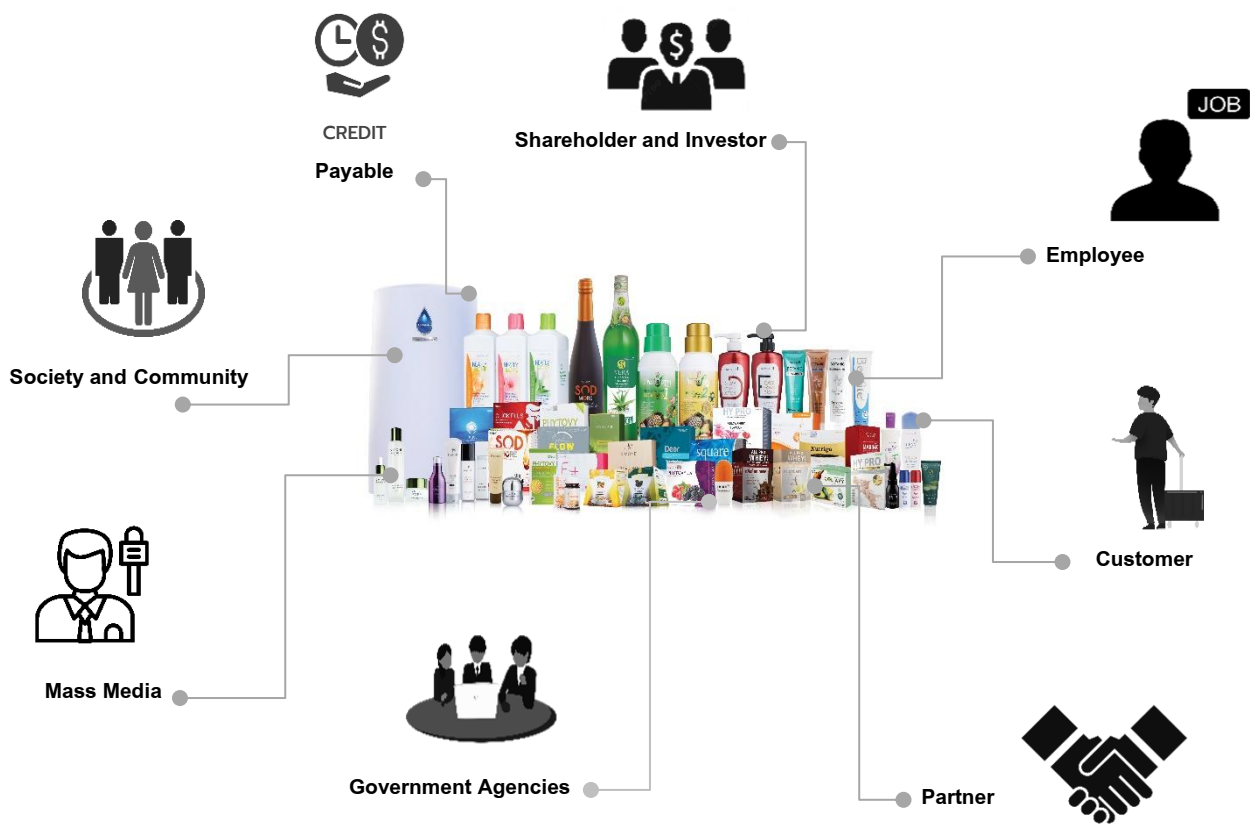
Marketing and sales and after-sales service



The Company is considered one of the leaders in the direct selling business focusing on sustainable network expansion. The key to business growth is the strategy to expand the membership base, so the Company focuses on developing the leadership potential of business people through training courses, seminars, and expert advice to create a stable network as well as help develop new members to be the main driving force for the business. In addition, the Company has adopted a well-established branding strategy by focusing on effective marketing and management tools, including a fair remuneration structure and accurate remuneration calculation with members. Using online channels to reach target audiences, such as websites, mobile application services include strategies to create a good customer experience by building relationships with members to have strong relationships. Having shared corporate values through various activities such as seminars, workshops in order to retain old members and attract new members into the business.



In terms of products, the Company has developed products to be of high quality and marketable, diverse, responsive to customer needs, as well as safe by evaluating product results from samples until obtaining products of the highest level of quality. Beautiful and modern packaging design, as well as setting product prices that customers can afford with value for money, so that customers have preferences, sense of value, and create engagement with the product, brands, and organizations, which will send customers back for repeat purchases.



3.2.2 Stakeholder Analysis in the Business Value Chain



The company operates its business under business ethics, adheres to responsibility, and respects the rights of all stakeholders both internal and external, society, community, and environment to ensure that stakeholders are protected to their rights under applicable laws and with fair treatment fairly. However, the company knows that stakeholders play an important role in shaping the business direction. Therefore, the sustainable development strategy for all stakeholders is set as follows:



Stakeholders and relationships	Channels and frequencies to create a contribution with stakeholders	Requirements and expectancy of stakeholders	Responding to issues expectancy of stakeholders
 <p>1.</p> <p>Shareholders and Investors</p> <p>Sub-group of stakeholders</p> <ul style="list-style-type: none"> • Major shareholders • Minority shareholders • Financial Institutions • Analyst <p>It is a source of fundraising from shareholders and a source of funding from financial institutions.</p>	<ul style="list-style-type: none"> • Report financial results and inform important information of the Company via SET and SEC websites within a specified period of time. • Provide information through the Annual Report and the 56-1 One Report once a year. • Clarification and information in Opportunity Day activities once a quarter. • Clarification and information through the shareholders' meeting 1-2 times a year. • Dissemination of information on websites and online / offline media various. 	<ul style="list-style-type: none"> • Performance and Business Growth. • Transparency in business operations. • Accurate and complete financial information within a reasonable period of time. • Financial and accounting policies. • Cash Flow Management. • Cost control. • Receiving equal and fair treatment in accordance with good governance principles. 	<ul style="list-style-type: none"> • Communicate and provide information about the Company, products, and important activities in a complete, accurate, and timely manner to shareholders, investors, and the public equally. • Conduct business transparently and verifiably. • Generate good performance steady growth to increase long-term shareholder value • Give priority to shareholders by adhering to the principle of equity of shareholders. • Safeguard the interests of shareholders by providing measures to prevent the use of inside information for the personal benefit of directors or executives.
 <p>2.</p> <p>Employees</p> <p>Sub-group of stakeholders</p> <ul style="list-style-type: none"> • Committee • Employee <p>The Board of Directors determines the Company's strategy, policies, and employees comply with regulations.</p>	<ul style="list-style-type: none"> • Annual employee satisfaction survey. • Annual employee engagement survey. • Annual survey of the alignment of employee behavior with company culture. • Communication channels between the Company and employees of the month (Town Hall). • Performance evaluation system twice a year. • Opening channels for complaints. • Internal meetings of the Company on various agendas. 	<ul style="list-style-type: none"> • Environment and safety at work. • Good returns and welfare. • Fair Performance Evaluation. • Career advancement. • Competency development and training. • Participation in decision-making and the opportunity to express one's opinion. 	<ul style="list-style-type: none"> • Regularly monitor the work environment and safety. • There is a remuneration system. Benefits and appropriate benefits such as monthly welfare reimbursement, provident fund. • Establish clear, transparent, and fair employee performance evaluation principles (KPIs). • Establish a position structure to provide clear opportunities for career advancement. To enable employees to grow according to their abilities. • Provide training both outside and within the company to continuously develop skills and enhance knowledge and abilities.

Stakeholders and relationships	Channels and frequencies to create a contribution with stakeholders	Requirements and expectancy of stakeholders	Responding to issues expectancy of stakeholders
 <p>3.</p> <p>Customers</p> <p>Sub-group of stakeholders</p> <ul style="list-style-type: none"> • Member • Overseas distributors who purchase products from the Company. 	<ul style="list-style-type: none"> • Monthly meetings to formulate plans and clarify various information. • Weekly Training Seminar. • Customer satisfaction survey. • Contact via Call Center. • Contact through branches and head office. • Online contact (Line, Facebook, E-mail, etc.) 	<ul style="list-style-type: none"> • Good quality products and services. • Products with prices and points (PV) that can compete in the network business. • Efficient transportation of goods. • Accurate and timely communication of various aspects of the Company. • Responding and troubleshooting. • Diversity and efficiency of the Company's contact channels. • Equitable treatment of Customers. • Receive the correct commission on time. 	<ul style="list-style-type: none"> • Create SCM SPIRIT Corporate Culture. • Provide accurate, complete, and fast information about marketing activities and products of the Company. • Develop sales tools that help market to members effectively. • Continuously develop, improve, and improve product quality. • Organize marketing activities that are suitable for each group of customers. • There is an efficient and competitive product pricing and PV process. • Respond and solve problems that receive feedback immediately. • There are many channels for customers to report problems. • Responsible for damage, if the product is damaged in the shipping process. • Use an online tracking system • There is always a plan to validate the commission calculation system.
 <p>4.</p> <p>Partners</p> <p>Sub-group of stakeholders</p> <ul style="list-style-type: none"> • Merchandising • Product manufacturer 	<ul style="list-style-type: none"> • Meetings to formulate a work plan. • Visit the business and production process of suppliers 1 year time. • Partner satisfaction survey. 	<ul style="list-style-type: none"> • Transparent and fair supplier selection process. • Sustainable collaborative business operations. • Project implementation plan, related steps. • Receive full payment for a specified period of time. 	<ul style="list-style-type: none"> • Treat all suppliers equally and fairly. • Do not solicit or accept assets or other dishonest benefits from business partners. • A contract is signed that clearly specifies the scope and responsibilities between the Company and its partners. • Pay payment to partners in full and on time.

Stakeholders and relationships	Channels and frequencies to create a contribution with stakeholders	Requirements and expectancy of stakeholders	Responding to issues expectancy of stakeholders
<ul style="list-style-type: none"> Service provider which is the supplier of goods and services to the Company 			<ul style="list-style-type: none"> Maintain good relationships with business partners. Do not support business partners who do illegal business or pose a threat to society.
 <p>5. Government agencies</p> <p>Sub-group of stakeholders</p> <ul style="list-style-type: none"> SET The Stock Exchange of Thailand Revenue Department <p>It is the agency that oversees the Company's operations to be transparent, disclose accurate, complete, and timely information.</p>	<ul style="list-style-type: none"> Submission of reports and information as required by law. Disclosure of information as requested. Dissemination of information on the website. Business visits and operational inspections from government agencies. Preparation of Annual Report and Report for Sustainable Development¹ 	<ul style="list-style-type: none"> Conduct business in strict accordance with the law. Accurate Disclosure of Information. 	<ul style="list-style-type: none"> Strictly comply with laws and regulations. Take immediate corrective action when notified of a breach of the guidelines. Review knowledge of laws and regulations of relevant agencies annually. Submit financial statements accurately and on time. Deliver and pay taxes accurately and on time. Perform employment and remuneration of the Company in accordance with the law. Promote employment of persons with disabilities and support the occupation of persons with disabilities.
 <p>6. Mass media</p> <p>Sub-group of stakeholders</p> <ul style="list-style-type: none"> Reporter Analyst Online and offline media <p>It communicates and analyzes the Company's data to</p>	<ul style="list-style-type: none"> Provide information to online / offline media whenever there is an interesting issue that the company wants to communicate. Meet with the media at least once a year to maintain good relations. 	<ul style="list-style-type: none"> Equitable treatment of all media. Providing accurate and fast information. 	<ul style="list-style-type: none"> Disclose information to the media quickly, accurately, and transparently. Establish and maintain good relations with all media outlets continuously and equally.

Stakeholders and relationships	Channels and frequencies to create a contribution with stakeholders	Requirements and expectancy of stakeholders	Responding to issues expectancy of stakeholders
investors, shareholders, and the general public.			
 <p>7. Community & Society</p> <p>Sub-group of stakeholders</p> <ul style="list-style-type: none"> External agencies involved in CSR activities of the Company, such as foundations, charitable organizations, which are participants in the Company's CSR activities. 	<ul style="list-style-type: none"> CSR activities organized by the Company on a one-time basis. Dissemination of information on the website. Preparation of Annual Report and Report for Sustainable Development. 	<ul style="list-style-type: none"> Corporate Social Responsibility Program Environmental Management 	<ul style="list-style-type: none"> Take action to help communities and society. During urgent disasters, such as aid during the Covid-19 pandemic. There is a policy to support environmental protection by installing solar cell panels on the roof of the Company's premises to generate and use electricity from solar energy.
 <p>CREDIT</p> <p>8. Creditor</p> <p>Sub-group of stakeholders</p> <ul style="list-style-type: none"> Financial Institutions which is the Company's source of funding. 	<ul style="list-style-type: none"> Summarize the Company's performance and work plans to creditors of financial institutions in every 6 months Report financial results and inform important information of the Company via SET and SEC websites within a specified period of time. Clarification and information in Opportunity Day activities once a quarter. 	<ul style="list-style-type: none"> Strictly comply with the conditions imposed on creditors. Report financial status accurately, transparently, and verifiably. 	<ul style="list-style-type: none"> Control the repayment of loans and interest to all types of creditors in a timely manner. Maintain and strictly comply with the conditions towards creditors. Provide accurate information and communicate with creditors about the Company's financial status and business direction on a regular basis. Do not conceal information about financial status or information related to operating results that may cause damage to creditors.

3.3 Sustainability Management in Environmental Dimension

3.3.1 Environmental policies and practices

Successmore Being Public Company Limited recognizes the importance of taking part in taking responsibility for the environment and conducting business with regard to the impact on resources and the environment. Therefore, it has established a social and environmental responsibility policy which is regarded as one of the company's missions. In order to promote and educate employees on social and environmental issues at all levels as well as to be used as a common approach in developing and taking care of social and environmental responsibilities throughout the organization. And to help mitigate the potential impacts from climate change, the Company has set up a comprehensive environmental management plan, such as fuel consumption, reduction of electrical energy consumption, waste management, and water management, etc.

- Encourage social projects or activities and environment by using the potential and resources of the Company in order to achieve goals and objectives cost-effectively and efficiently.
- Improve and develop the production process of machinery and technology continuously. There is a systematic management both in the production process of goods and services to reduce the impact on the environment.

To ensure environmental performance and consumer safety. Subsidiaries and Business Partners required the food safety management system standard (ISO22000) and the GHP/HACCP standard system must be defined as the system at the food factory or entrepreneurs in the food chain, there must be measures in line with the policy of the World Health Organization that wants food to be safe from growing vegetables, raising animals until reaching the table, called "FARM TO TABLE" or "FARM TO FALK".

Educating and training employees on the environment

The Company has always given importance to instilling awareness and awareness of environmental preservation and natural resource conservation among executives and employees through the "Environmental Awareness within Organization" course. The number of participants, both online and offline equal to 110 participants, with target groups being executives, managers, supervisors and staff. Training period 1 day (09.00-16.00) for 6 hours, divided into 30% lecture, 70% workshop with group activities. Evaluate environmental opinions and write suggestions for environmental conservation to ensure that the Company's business operations will create a positive impact on the environment and in line with Thailand's goals. Everyone passed the training 100%.

Environmental Management Practices

- **Energy Management**

In 2023, the Company has prepared energy conservation policies as sub-policies under environmental policies and guidelines to achieve efficiency in environmental operations, which are as follows:

Energy Conservation Policy

1. The Company will develop an appropriate energy management system. Energy conservation is part of the Company's operations in accordance with relevant laws and regulations.
2. The Company will continue to improve the energy efficiency of the organization and be suitable for business operations with technology used and best practices.

3. The Company will set energy conservation plans and targets each year and communicate the announcements to all employees to understand and act correctly.
4. The Company considers energy conservation to be the responsibility of the owners, executives, and employees of the Company at all levels to cooperate in complying with the prescribed measures.
5. The Company will provide the necessary support, including personnel resources, budget, working time. Training and participation in the presentation of ideas for the development of energy management.
6. The management and working group on energy management will review and improve. Energy targets and action plans every year.

Energy Management Goals

1. Electricity consumption and energy intensity in the short term decreased (1 year) 3 percent compared to the data with the base year 2022.
2. The proportion of renewable energy compared to traditional electricity consumption is not less than 2 percent.
3. At least one electric vehicle was used to replace gasoline-powered vehicles with executives.

Energy Management Roadmap

1. Establish energy-saving campaigns by reducing electricity consumption, such as turning off lights and unplugging them after using electrical equipment. Switching on-off electrical appliances and use of air conditioning system, for example, set the time to turn on the air conditioner from 09.00-12.00. and 13.00-18.00 hrs. and turn on-off according to the weather. The activities will be carried out simultaneously in all 22 branches in 2023. The project will be an energy-saving competition between branches with monthly monitoring and evaluation of which of the top three branches can reduce electricity consumption.
2. Conduct monthly branch meetings and leadership meetings via Zoom. To reduce the use of cars on trips to meetings.
3. Planning the implementation of the Solar Rooftop project to generate electricity from renewable energy sources Solar Cell At the head office by 2024, which is currently in the process of surveying the installation site, permission is sought from the building department and the landlord.



● Water Resources Management

The Company realizes the importance of water resources and the importance of efficient water management. It is one of the ongoing environmental management issues. The Company strictly complies with relevant regulations and laws and manages water for maximum efficiency to reduce water consumption and demonstrate environmental responsibility. Society.

Water Resources Management Goals

Water consumption per unit of income (cubic meter/10,000 baht) Short-term decrease (1 year) 3 percent Compared to 2022 data.

Water Resources Management Plan

Establish a water-saving campaign to communicate and raise awareness about the use of water resources and creative water saving among personnel and customers. Public relations signs are posted at various points where water is used within the company.



● Waste Management

The company has reduced waste within the organization according to the 3Rs concept. This is a concept and guideline for the efficient use of existing resources. It can help reduce waste by reducing the use, reuse and recycling (3Rs) to reduce resource consumption, waste generation and environmental impact.

- Reduce (reduce use or use less than necessary) Reduce the current level of use. Control consumption to be in moderation. Reduce usage by consuming unnecessary resources, we can reduce the amount of waste generated, such as using cloth bags and baskets to reduce the use of plastic bags.
- Reuse Reusable (Reuse) Reuse utensils, such as using 2-sided paper.
- Recycle Reusable sort each type of solid waste that can be recycled and circulated back into the production process of each type, such as glass bottles, paper, plastic.

Waste Management Goals

1. Reduce waste by at least 3% by 2024 compared to 2023.
2. Reduce plastic consumption in the organization by 3% by 2024 compared to 2023.
3. Proportion of hazardous waste per general waste amount not less than 10%.
4. The proportion of recyclable waste to general waste is not less than 5%.

Waste Management Plan

In 2023, the Company has established a program to encourage all employees in the organization to participate in waste reduction and separation or reuse through activities as follows:

1. Develop an action plan to reduce and separate waste in the organization to educate and raise awareness of waste separation before disposal, and set up recycling sorting bins in the kitchens of every floor of the office.
2. Campaign for employees in the organization to use cloth bags instead of plastic bags in the disbursement of welfare items to reduce plastic waste.
3. The SUCCESSMORE GO GREEN project was launched in September 2023 with the objective of the campaign to encourage customers who shop in the branch to reduce the use of plastic bags to reduce the amount of plastic waste. Collect data from the order volume of plastic bags that members use to put products at the branch.
4. Paper reduction activities by requiring the reuse of single-sided paper by placing reuse paper usage points. In the photocopy area inside the office on every floor with campaign signs.
5. Collect waste paper waste to be reused as raw materials for new paper production. (Recycle)



● **Greenhouse Gas Reduction Management**

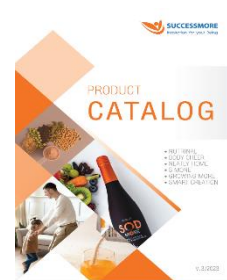
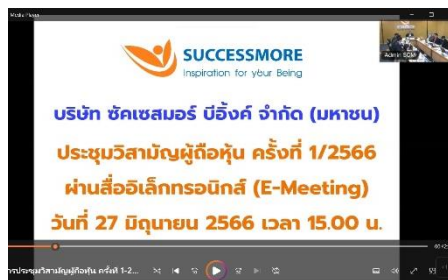
The Company intends to reduce carbon dioxide emissions that cause greenhouse gases to mitigate climate change. The Company's climate change management strategy has been formulated. An operational framework has been established to manage climate change throughout the supply chain. Establish policies and targets that cover energy efficiency. Use of renewable energy, climate risks and opportunities are assessed and scenario analysis is conducted in accordance with the guidelines of the Task Force on Climate Climate-Related Financial Disclosure (TCFD) to prepare information on risks and opportunities, including potential impacts of climate change on the Company's business operations.

Greenhouse Gas Reduction Management Targets

1. Reduce total greenhouse gas emissions per total revenue (kg CO₂eq/relative to baht revenue) by 2% in every year.
2. The proportion of renewable energy consumption compared to total energy is not less than 2%.

Greenhouse Gas Reduction Management Plan

1. Changing the working style from using a paper system to a paperless organization by storing documents in electronic format to reduce paper usage and contribute to reducing the environmental impact of paper production. From using ink to print documents, to destroying documents.
2. Using a job application via Google Form Using online systems to manage HR systems such as salary invoices, leave declarations, company car reservations, meeting room reservations, as well as using online questionnaires, etc.
3. To reduce paper consumption, such as the 56-1 report/annual report, the minutes of the shareholders' meeting will be presented via QR Code. The Board of Directors' Meeting does not distribute documents but uses upload. All data is stored in Google Drive and retrieved all data using tablet.
4. Providing online product catalogs to subscribers instead of paper catalogs.
5. Prepare a plan to implement the Solar Rooftop project to generate electricity from renewable sources and install solar cell panels at Headquarters by 2024.
6. Prepare a greenhouse gas emission risk assessment plan. Greenhouse Gas Emissions Assessment Plan for Compliance Expand the scope of data collection to all business units in 2025.
7. Scenario Analysis & TCFD By 2025



3.3.2 Summary of Environmental Performance

Performance in 2023

● Energy Management

Consumption Power (Electricity)	The amount of energy consumed (Fuel)	Consumption renewable energy
977,778 kWh	17,648.84 litre	- No renewable energy has been used - In 2023, the Company will replace one gasoline-powered vehicle with an electric vehicle and aims to increase the consumption of electric vehicles in future.

Electric power consumption per unit (Energy Intensity)

Energy consumption per unit of revenue of the company (MLM)	unit	Year 2020	Year 2021	Year 2022	Year 2023
Electricity consumption	kWh / Thousand baht revenue	0.858	0.600	0.772	1.082

In 2023, the Company has not achieved its target of reducing energy intensity in the short term (1 year) by 3 percent compared to 2022 data. The Company plans to reduce electricity consumption in 2024 by regularly improving the efficiency of appliances and electrical equipment whether it's switching to more LED bulbs. The company has also started a project to install solar rooftop to generate electricity from renewable energy sources (Solar Cell) at its head office, which is currently in the process of surveying the installation site and obtaining permission from the building department to complete the project by 2024.

● Water Resources Management

Water consumption is 9,242 cubic meters.

Water consumption per unit (Water Intensity)

Water consumption per unit of revenue of the Company (MLM)	unit	Year 2020	Year 2021	Year 2022	Year 2023
Water consumption	Cubic meter/10,000 Baht	0.1103	0.0754	0.0830	0.1023

In 2023, the Company has not achieved its target of reducing water intensity in the short term (1 year) by 3 percent. The Company plans to continue its campaign on water use in 2023 by organizing water-saving competitions between branches to motivate and engage employees in using water resources with value, as well as providing equipment inspection, maintenance, and replacement of equipment or sanitary ware that cause unnecessary water waste and choosing environmentally friendly products, such as products certified with water-saving labels. Products that have been certified for environmental protection to finally achieve the set goals.

● Waste Management

Start waste separation and collect daily waste data by housewives will be weighed and taken notes from October 2023 and will continue throughout 2024.

Consumption paper	The amount of waste and processed waste. Reuse and/or recycle
1,167 kilograms	61 kilograms * It is paper and plastic bottles, the proportion of waste recycled. per amount of general waste equal to 0.6038%
	* Waste data from October 1, 2023 to December 31, 2023

● Greenhouse Gas Reduction Management

1. Total Scope 1 and Scope 2 Greenhouse Gas Emissions

Total Scope 1 and Scope 2 Greenhouse Gas Emissions (kg CO ₂ eq)	Year 2020	Year 2021	Year 2022	Year 2023
	434,197	377,405	476,648	571,009

2. Total Greenhouse Gas Emissions of Scope 1, Scope 2 and Scope 3

Total greenhouse gas emissions of Scope 1, Scope 2, and Scope 3 (kg CO ₂ eq)	Year 2020	Year 2021	Year 2022	Year 2023
	446,787	386,523	490,990	2,271,269

The increase in greenhouse gas emissions from 2022 comes from the collection of data on employees' trips by personal cars.

3. Amount of greenhouse gas emissions per unit (Carbon Intensity)

Total greenhouse gas emissions per total revenue (kg CO ₂ eq/vs. thousand-baht revenue)	Year 2020	Year 2021	Year 2022	Year 2023
	0.50986	0.34753	0.46403	2.5144

4. Proportion of renewable energy consumption compared to total energy

The company has not installed renewable energy sources in 2023, such as the installation of solar cells, so there is no information on this part yet, but it will start collecting after the installation of solar cells by 2024 and will disclose the information in 2025.

In this regard, policies, guidelines for management and sustainability management goals of Successmore Group in line with the Sustainable Development Goals of the United Nations as follows:

SDG No. 3 Healthy living and well-being (Good Health and Wellbeing)

SDG No. 4 Quality education and support learning opportunities (Quality Education)

SDG No. 12 Responsible Consumption and Production

SDG No. 13 Dealing with climate change and its impacts. (Climate Action)

SDG No. 16 Peace, Justice and Strong Institutions



3.4 Social Sustainability Management

3.4.1 Social Policies and Guidelines

Board of Directors of Successmore Being Public Company Limited gives importance and determination to conduct business based on the principles of good corporate governance by adopting the good corporate governance regulations of the Stock Exchange of Thailand and regulations of the Securities and Exchange Commission and the Capital Market Supervisory Board as a factor in strengthening the organization. As a result, there is an efficient management system with honesty, transparency, and fairness considering the rights of all stakeholders completely, appropriately following the circumstances based on a sufficiency economy.

3.4.2 Social Operating Results

The Company operates its business with regarding of duties and responsibilities owed to the nation, community and society, as well as local traditions in order to maintain a good society and to express transparency to stakeholders through activities related to society in the year 2023.

(1) Employee

The company emphasizes human resources and believes that quality employees are the key factor in driving the business towards its goals and creating a competitive advantage in business. Therefore, it supports management and human resource development at all levels continuously and supports employees to use their knowledge and skills to the fullest for equal opportunities for advancement in work duties to grow together with the organization's success.

In 2023, the company has developed the potential of employees as follows:

Promoting Diversity and Fair Labor Practices

The company widely opens and offers opportunities for various characteristics people to work, such as gender, age, education, nationality, race, color, religion, citizenship rights, sexual orientation, and disability. These factors are diverse for the company to manage different challenges effectively following the employee treating guidelines equally under labor standards in labor law and the code of business conduct. In other

words, to comply with relevant laws and standards, and treat employees and workers fairly with human rights, such as fair compensation and benefits, welfares not less than those prescribed by law or as appropriate, healthcare, and work safety, training, potential development. It also gives opportunities for employees to develop their working skills in other areas.

Recruitment and Employment

The company develops employees' potential and supports internal turnover. It continues to recruit personnel with knowledge and capabilities to strengthen and become a capability in driving the organization according to the suitable manpower rate that is consistent with the business drive under the fluctuation of economic conditions.

In 2023, the proportion of recruiting new employees is as follows:

Performance	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Recruitments	5	6	3	3	2	4	1	1	1	1	3	3	33

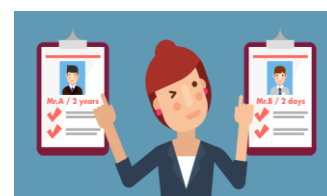
Taking care of new employees from the first day of work. It is an important activity that the Company gives importance to corporate values among new employees who join the event. The new employees will be given a boxset, the company's products, in order to welcome your work with the company. And they will receive a new employee orientation on the first day of work. Applying "On the Job Training" learning planning, so that employees are ready to have knowledge and understanding necessary for work by providing an instructor during the probationary period.



Total number of employees
Year 2023 = 179 employees
 Year 2022 = 199 employees
 Year 2021 = 185 employees



Number of employees by Branch
 Heal Office 81 : 45%
 Branch 98 : 55%



Number of employees by Gender
 Male 75 : 42%
 Female 104 : 58%

Personnel Development

The company believes that employees are the most valuable resource to the organization and are the key to the organization's success. Therefore, the company is determined to develop the employee's potential continuously and retain knowledgeable and competent employees to be with the organization. The company will take care of all employees equally based on respect for human rights and labor rights encourage them to develop their knowledge and abilities through internal and external training according to the nature of work resulting in human resources as required by the organization that meets business needs. Besides, it also promotes and offers career opportunities equally without discrimination like a family to make them feel bonded and pride in the organization making the organization can continue continuously.

In 2023, the company has set guidelines for personnel development by focusing on upgrading skills and knowledge in their current job responsibilities and build new skills needed to work. By supporting the needs and direction of business growth on the basis of instilling corporate values and creating a learning atmosphere to be appropriate in accordance with the strategic direction of the organization.

- Training courses for new employees



Orientation guide

1	<i>Company Profile</i>
2	<i>Anti-corruption & PDPA</i>
3	<i>Work and Welfare Regulations</i>
4	<i>Social Security Benefits</i>





- **Organization knowledge course**

- (1) Orientation for new employees
- (2) Working at Successmore
- (3) Organizational Culture
- (4) Product Knowledge Advance Level
- (5) Corporate strategy
- (6) Personal Data Protection Act (PDPA)

- **Legal courses or by law**

- (1) Measures against corruption in the organization
- (2) Laws related to food advertising in compliance with the Food and Drug Administration
- (3) Criteria for withholding tax e-Withholding Tax according to the Revenue Department's orders
- (4) Deep dive into NPAEs for Tfrs, accounting and taxation of expenses
- (5) Planning, controlling, governance and inspecting work for accounting.

- **Work Skill Development Program**

- (1) Anti-Aging Medicine for Pharmaceutical Management
- (2) Digital marketing
- (3) Participate in tax issues that need to be resolved in the business of selling goods and services
- (4) Data+AI Business now
- (5) Professional seller assessment
- (6) Microsoft 365 for Business
- (7) Problems with recording accounting transactions at the end of the year - beginning of the year
- (8) UI Design Essentials
- (9) Strategic planning in purchasing work

- **Management skills development course**

- (1) Participate in Transforming Business performance operations
- (2) Growth mindset
- (3) Outward mindset
- (4) Change Management
- (5) Productivity Tools: management accounting under economic uncertainty
- (6) Proactive budgeting to control operations.
- (7) "Design Thinking" develops work processes and develops new products with innovative ideas.

- **Work Attitude Development Course (Soft Skill)**

- (1) Unraveling the secrets of creating habits for success
- (2) Live to be seen, survive
- (3) Understand how to think Raise the quality of life in the organization
- (4) Drive business with data
- (5) Build a company to grow with the power of the new generation
- (6) The power of logical creativity
- (7) The power of effort and never stopping learning.

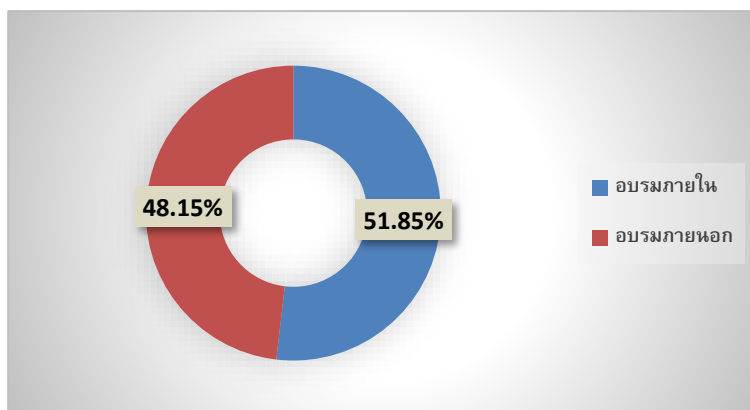


Employee Training

The company has given importance to knowledge development, the ability to use the work to achieve maximum efficiency including improving the quality of life and welfare of employees. Through the training process, in 2023, adding training through online programs. And in some courses, the number of trainees in each model has been reduced, but the number of models has been increased so that the training can still fully reach the desired target group.

In 2023, the company organized 27 training courses for employees to increase their skills and work potential, with the number of training or activity hours 8 hours per person per year on average from the target of 8 hours per person per year.

- In-house Training 14 courses
- Public Training 13 courses



Employee Training 2023

Average hours of training by gender

Male (hr./person/year)	2023 = 6.69	Female (hr./person/year)	2023 = 9.72
	2022 = 5.08		2022 = 4.76
	2021 = 5.55		2021 = 5.21

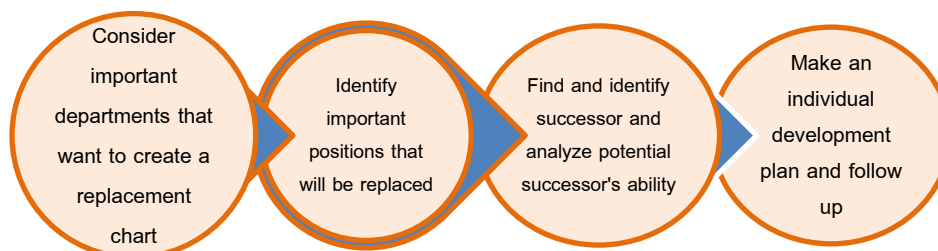
Average hours of training by level

Executive Level (hr./person/year)	Manager Level (hr./person/year)	Office Level (hr./person/year)
2023 = 36.00	2023 = 40.17	2023 = 3.02
2022 = 5.25	2022 = 3.71	2022 = 5.16
2021 = 7.50	2021 = 6.00	2021 = 4.08

Planning for the recruitment and development of successors for key positions

Guidelines for management, The Company has set a policy for planning and developing successors for important positions that have an impact on the organization. In order to prepare the business plan of the organization and provide guidelines for executives in planning workforce and developing executives to hold important positions.

SCM Succession Planning Step



Human Resources Department Achievements in 2023

Prepared a successor development plan (Successor) in which senior executives have considered defining 2 important positions by recruiting successors from within which are the position of Director of Marketing and Director of Operations. By planning and implementing the development of successors according to the system.

Employment of Disabilities

The company complies with the principles of human rights starting from employment to taking care of employees and personnel to make all employees and personnel feel bonded as a family with the organization. In 2023, the company has important employee operations as follows.

Details	Number of Employee (Persons)		Total (Persons)
	Male	Female	
Full-time employee	75	104	179
Disabled employee	-	-	1
Total	75	104	179

Wages, Salary, Compensation and Benefits Management

The company operates a compensation management policy with fairness as appropriate to the economic conditions, living, and competition standards of the same business. It uses the principles that connect the success of the work appropriately with their duties aligned with the competence of employees in all gender and physical conditions equally to attract people with knowledge and abilities to work for the company and motivate them to develop their performance. Also, the company has provided welfare with care in the quality of life of employees apart from the law to create a good relationship between employees and the company as follows

- Future of the welfare stability such as Provident Fund Benefits, Home Loan Welfare Program, Health Life Insurance Welfare Program, and Accident Insurance Welfare Program.
- Living expenses welfare such as uniforms, requisition of company's products monthly

Welfares and other Benefits

The company complies with the laws related to labor and welfare and aims to promote employees to have a good quality of life by providing appropriate welfare for all employees following the job description and social status. It also supports, promotes, and organizes various activities.

(2) Fair Labor Practices

The company encourages good quality of life and engagement of employees based on fair treatment and respect for each other. Therefore, the company has established the guidelines as follow

Employment Guidelines

1. The company does not use forced labor in all forms of employment.
2. The company follows the law and regulations and will protect the rights of employees equally.
3. The company provides an employment system with a legal contract and clear employment agreements.
4. The company treats its employees in terms of employment based on ability and performance more than individual personality.

Salary Practices

1. The company determines the remuneration not less than the minimum wage rate specified by law or according to industry standards with fairness. Also, not discriminate against nationality, race, religion, gender, but the principle of equal work and compensation.
2. The company adjusts the fair wage to distinguish employees who have different knowledge and competence by setting criteria following performance evaluation regulations and promotion.
3. The company has a transparent and verifiable recording and reporting system.

Labor Relation Practices

1. The company provides an opportunity for employees to participate in management through the system of the Human Resources Department and other systems where they can share their opinions and make decisions.
2. The company complies with the law according to the rights that all employees will be entitled to.
3. The company does not obstruct, interfere, or take any action that will be an effect on the exercise of the rights of the employees who don't damage the business in carrying out the activities of employees who adhere to the principles of beliefs of race, religion, gender, disability, and nationality.
4. The company provides a complaint system to be a medium for creating understanding and good relationships as well as creating fairness in employment.

Complainants Protection Measures

The company has set up a process for dealing with any complaints by the employees by setting a policy and guidelines for protecting employees or whistleblowers in the "Whistleblowing Policy".

The Board of Directors provides an opportunity for employees and stakeholders to provide whistleblowing or complaints when encountering a situation that may be illegal fraud or misconduct of employees in the company, including behaviors that may cause damage to the company. The complaints are received in case that employees and stakeholders are violated with unfairness through the channels and processes set by the company.

The company will listen and deal with the complaints equally, transparently, and fairly, with systematic measures to protect the complainant and the information will be kept confidential.

The complainants or whistleblowers will receive appropriate protection from the company, such as no change of job position, job description, or workplace. Including non-suspension. It will not threaten or disturb the work performance, termination, or any unfair treatment towards that person. The personal information of the complainants or whistleblower will be kept confidential and not disclosed to the irrelevant unless law requirement.

Any person who is informed of the complaint, whistleblowing, or information related to that issue under this regulation must protect the information about complaints or whistleblowing to be confidential and not disclose to others concerning safety and damage of the compliment or whistleblower or those who are related unless necessary or required by law. If there is an intention to disclose the information, the company will take disciplinary action and/or take legal action against violators case by case.

Besides, the company will not allow to retaliate employees who make complaints or report clues and will take disciplinary action against persons found with retaliation. The company will take reasonable steps to prevent the effects on the working environment and/or working relationships of the identified employees.

Operations in 2023 **No** complaints

(Details of complaint channels are published on the company's website www.successmore.com under the heading of "Investor Relations" in Corporate Governance: Corporate Governance Report and Download: Whistleblowing Policy)

(3) Human Rights Respect

The company operates its business concerning the law and human rights principles without discrimination against employment. Either origin, nationality, race, color, religion, language, gender deviation, or disability are a factor in the consideration and judgment of employment. The company does not use child labor and respects the rights and freedoms of employees. In the meantime, the company emphasizes employee development to practice skills and increase their potential by providing opportunities for employees to learn thoroughly and consistently.

In case the employees do not receive justice, the company will provide channels to complain or inform clues about illegal issues with an improvement system and fair measures for the protection of complainants. In the meantime, it focuses on employee development to train their skills and increase their potential by allowing them to have thorough and consistent learning.

Protection and Respect of Employees' Privacy

The company respects the privacy of employees by protecting and not taking employee personal information such as salary, family background, medical history, etc., to disclose to third parties or unrelated persons. Information related to provisions is an exception for disclosure.

(4) Occupational health and working environment

The company places importance on occupational health and safety in a good working environment. Employees have good working conditions. It is safe to work and the most effective safety protection measures and it is an important factor affect the level of employee engagement with the organization.

Prevention of COVID-19

Due to the ongoing epidemic of COVID-19 causing concern to the company, regarding the health of employees, by this reason, the company has encouraged employees to be vaccinated. The company announced the news of vaccination for all employees before the government project. Resulting in the year 2021, employees received 2 doses of Sinopharm vaccines, and in 2022, the company continues to support employees to receive the 3rd and 4th doses of vaccination by providing Moderna vaccines to employees, for which the company is responsible for all expenses.

In addition, the company has also provided about insuring against COVID-19 for employees at all levels. This covers for those cases of employee's experience side effects from vaccination. This will increase employee confidence and encourage employees to be vaccinated.

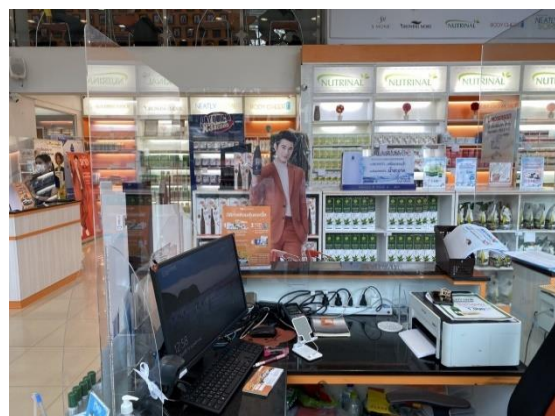


Supply of Sinopharm vaccine, 1st dose and 2nd dose, vaccinated at Kasemrad Hospital



Providing the 3rd and 4th doses of Moderna vaccines were vaccinated at the Chulabhorn Vaccination Center

In addition, the company has also taken measures to prevent COVID-19 by setting up a suitable work area, for example, preparing a screen for the counter to welcome customers and ordering goods, supplying ATK test kits for screening people infected with COVID-19, including alcohol gel and face mask thermometer and a UV-C light sterilizer which is installed at the entrance to the company door and in the meeting room.



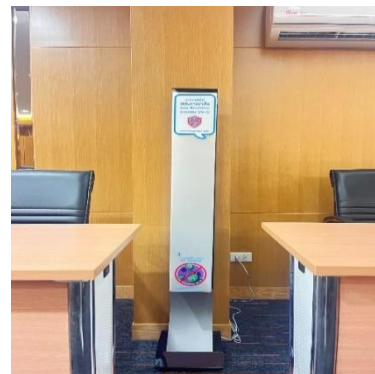
Prepare partition equipment for the counter to welcome customers and purchase orders.



Provide ATK testing kit, alcohol gel, thermometer and a UV-C light sterilizer installed at the entrance of the company's door.

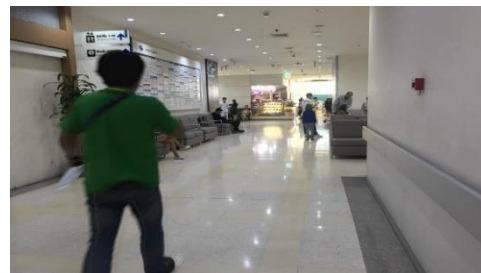


Procurement of UV-C light disinfection equipment installed at the meeting room.



Annual Health Check Up

The Company arranges annual health check-up for employees of all levels. In 2023, employees working in Bangkok will receive annual health check-up at Paolo Hospital Phaholyothin and employees working in other provinces will receive an annual health check-up with provincial hospitals in the operational area.



Organize annual health check-up for the year 2023 at Paolo Hospital Phaholyothin

Working environment

- The company has built a Co - Working Space room with the concept of being an inspiring place to work. By giving rise to new ideas and to be a space to exchange knowledge of working people.



- The company has a policy to flex attendance by employees who can choose when to work between 09.00 a.m. – 6.00 p.m. or 10.00 a.m. – 7.00 p.m. to promote the quality of life of employees.

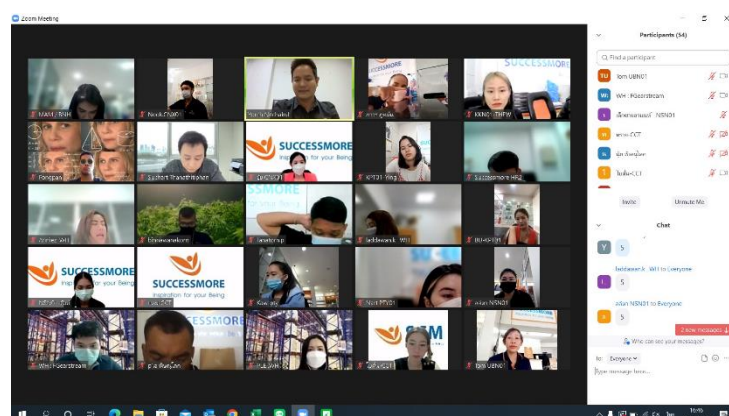


- The company organizes Happy Relax activities, fun activities in various festivals.

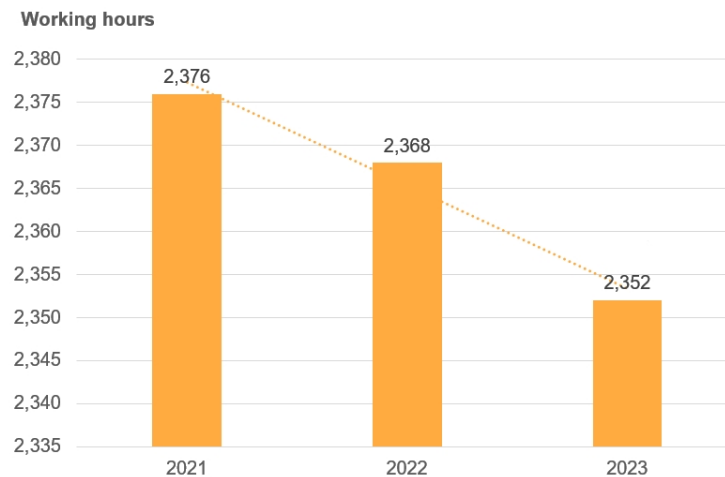




- The company organizes HR Live activities every month to inform public relations and fun activities to win luck via online system.



- The company has been campaigning to reduce accident statistics from work to Zero Accident Campaign since 2020 - present. There were no cases of injuries from work that resulted in continuous absence as amounting of 2,352 working hours.

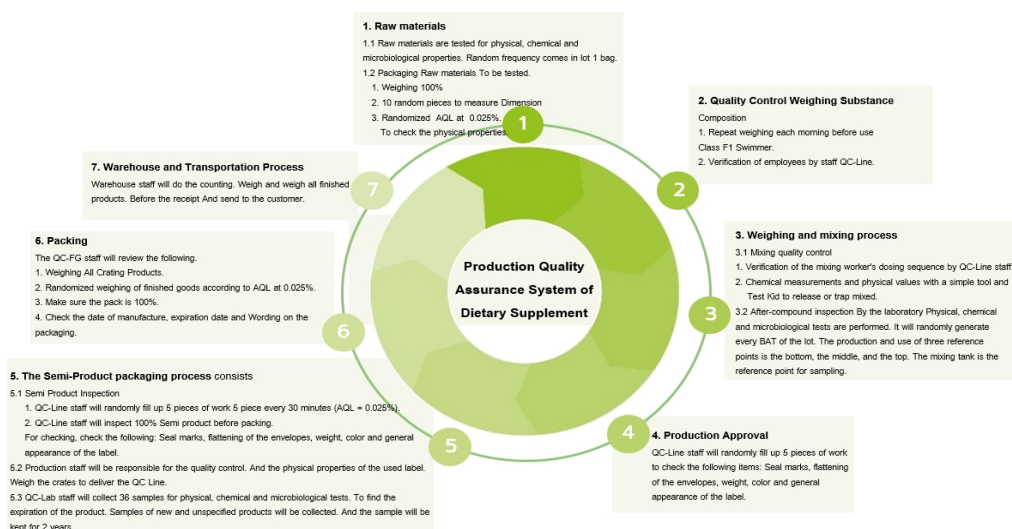


(5) Customer relationship management and product quality management

Driving towards sustainable consumption is a top priority from around the world, not only consumers but also manufacturers and customer relationship management. Product quality management, Consumer health and environmental protection is one of the core values that the company pay attention in its operation.

Promoting Social Responsibility in Business Chain

The company and its subsidiaries have brought processes and technologies related to the possible impact on the environment. It starts with the selection of raw materials, choosing the appropriate energy and technology to ensure that the product manufacturing process uses energy from the most cost-effective and productive resources as well as instant products. Therefore, the company and its subsidiaries have managed the risks in the supply chain to make a continuous business operation by adopting sustainable development practices and a commitment to conduct business with integrity under the principles of corporate governance as a mechanism and strategies to make the connection of operations in each part.



Environmentally Friendly Procurement Process

The procurement process is important in the management of value along with the quality of the product by selecting quality products and services while reducing the impact on the environment not only the price consideration to encourage change and foster good environmental awareness among all stakeholders, both employees, and suppliers. There is also an adjustment of the product and service selection with more consideration of the environmental impact.

The procurement of the company and subsidiaries that is environmentally friendly consist of legal compliance, the production process control to be environmentally friendly, energy management, water management, waste management, etc.

The company has selected partners with an inspection and selection process by considering the suppliers who have obtained quality standards, as well as having a system to audit, assess, select, and follow up the operations. In this regard, the company concerns about the quality, quantity, and delivery as well as the labor as law requirements, and quality management systems such as ISO 9001, ISO 14001, in which 236 partners were assessed at a very good level (grade A) of 38 companies equal to 16%, at a good level (B grade) of 160 companies equal to 68%, and fair level (grade C) of 38 companies equal to 16%.

Partner, Service Person, and Distributor

The company regularly evaluates its performance and visits its partners, service providers, and distributors to make sure there is compliance with the ISO 14001 environmental management system and the energy conservation management policy, making the company systematically select partners. This is to ensure that the entire supply chain of the company and its subsidiaries consists of trading partners operating under the law, comply with safety and occupational health standards by supporting environmentally friendly procurement based on the products and services of the operators following environmental standards or the company standards. For example, legal compliance, efficient use of resources and energy, production control, waste management, to strengthen the capacity and efficiency of business operations and upgrade the company's procurement process to be more Green Procurement in the future.

From the aforementioned activities, the company and its subsidiaries expect that trading partners, service providers, and distributors who are business partners of the company and subsidiaries, will be able to implement environmental management guidelines to expand as the standard in the chain in the future.

Customer, Consumer, and Product User

The company and its subsidiaries realize that the business organization will be sustainable if it understands the real needs of the customers. Currently, it is found that the expectation of the customers is not limited to specific areas that are directly impacted by business operations but it has expanded to create sustainability for society and the environment as well. They develop and create innovative products to be a branding of healthy development and quality of life, which continually takes into account the impact on society and the environment and be ready to increase competitiveness and business value.

Responsibility to consumers

The company and its subsidiaries know that customer satisfaction and confidence are the key that leads to the success of the company and subsidiaries sustainably by setting the following policies and guidelines

- (1) Conduct business by producing safe and eco-friendly products for consumers.
- (2) Develop products and services, invent innovations, increase value to products and services to meet the needs of customers continuously along with providing the necessary information to decide without obscuring or distorting.
- (3) Conduct the business with honesty, fairness, and not taking any action that violates the rights of customers, keep the trade secrets of customers not for the benefits of oneself or the person involved in the wrong way.
- (4) Not request, receive, or agree to receive property or any other dishonest benefit from customers both directly and indirectly.

The company and its subsidiaries are committed to producing quality products with long life and reasonable prices. In this regard, the quality and safety standards of the product are concerned, therefore, the company and its subsidiaries have a quality inspection system starting from the process of selecting raw materials to the production process as a product until handing to the consumer not to be risky and harmful to the consumers.

Product and Service Label

The company realizes the importance of presenting the correct information about the product. Therefore, it labels product usage information, instructions, and other information under the laws, regulations, various international standards, the criteria of the Food and Drug Administration (FDA) registration number, and the Consumer Protection Office (OCPB) in every product.

Customer Satisfaction Evaluation

The company believes that the level of customer satisfaction is one of the indicators of the organization. Therefore, it is important to listen to customers' opinions with a process to evaluate customer satisfaction. The feedback received from our customers will be analyzed and improved including developing products to meet customer needs. In 2023 the company has achieved level 5 very good equal to 88.87% of customer satisfaction and no significant customer complaints.

Receiving Complaints

The company provides a system and channel for customers to complain, inquire, and suggest information about the quality of products and services via call center 02-511-5951 and via social media including www.successmore.com, Facebook, and LINE Official to communicate effectively and quickly through the activities of the company.

In 2023, there were no significant customer complaints. As for all other complaints, the company has analyzed for the causes to fix, prevent, monitor the entire system, and deploy the entire organization so that the defect does not recur.

Non-Infringement of Intellectual Property

The company and its subsidiaries do not take any action related to intellectual property infringement. Also, encourage directors, executives, and employees to use the resources and assets of the company and subsidiaries efficiently, use copyrighted products and services, and do not support products or acts that infringe intellectual property by stipulating the following guidelines

1. Conduct business following laws, regulations, and contractual obligations relating to intellectual property rights.
2. Take care of work that is the intellectual property of the company and not uses the intellectual property or allow other people to use it without permission.
3. Respect the intellectual property rights of others. Not to violate or use other people's work for personal gain.

Also, all directors, executives, and employees must respect the legitimate intellectual property rights of others.

In 2023, the company and its subsidiaries did not take any action related to intellectual property infringement.

(6) Community and Environment

The company operates its business with responsibility towards the community and society focusing on reducing environmental impact and avoiding activities that may affect the quality of the communities. In 2023, there were no complaints from the community on social or environmental issues.

Also, the company has a policy to encourage employees, executives, customers, and business partners to continuously take part in giving back and responsibility to society and the community through CSR activities. Therefore, there is a policy to assist and develop society apart from internal work processes. In 2023, there were corporate social responsibilities as follow

Power of Sharing

The company wants to deliver the social value by sharing kindness and passing on happiness to other people in the society. "The Power of Sharing" to be in line with the Company's mission that is committed to creating a sharing society to change people's lives for the better.



1. SCM HERO LIFE HERO RUN 2023 PROJECT

The Company aims to encourage people of all ages to appreciate the value of "Giving" and "Volunteering" that aim to create benefits for the common good and helping or sharing with others with the spirit of well-wishing human companionship along with good hygiene under the concept of HERO BRAND in health running and charity activities named "SCM HERO LIFE HERO RUN 2023". The proceeds from the run contributed to



- **The National Cancer Institute Foundation** aims to provide assistance to purchase medical equipment, including donating funds to help cancer patients and destitute patients to have a better quality of life and support the foundation's main projects in the amount of 250,000 baht.



- **Paralympic Foundation of Thailand** Donate to the New Life Fund for People with Disabilities with abilities and encourage people with disabilities to play sports for physical rehabilitation, mental, and the society of people with disabilities will be improved in the amount of 250,000 baht.



2. Product Contribution Project to Support Social Activities and the public interest.

The Company supports the donation of the Company's products to organizations that organize social and public benefit activities, such as giving products as prizes, creative media for teaching and learning and waste Bank for a green world project. This is an activity organized by Khun Foundation together with Ban Krut Municipality and Prachuap Khiri Khan Provincial Environment to continue the awareness of waste separation from adults to elementary school children, which is the target group and an important force that is ready to learn and change behavior to help separate waste correctly. Through the Puppet Show at Baan Krood Beach. To emphasize the awareness of waste separation and the dangers of contaminated waste entering the sea. In addition, the event also organizes garbage collection activities and provides knowledge about the environment.





3. Project to support speakers to provide knowledge on safe farming practices (Good Agriculture Practices: GAP) to a group of 150 Young Smart Farmers and Organic Farmers in Mukdahan Province. At Development of Agricultural Learning Center (ALC), Mukdahan Province, the objective is to have farmers who participate in the activity to have knowledge on the use of chemicals to control pests/animals. Treat diseases and use chemical fertilizers in cultivation in the correct amount and do not use prohibited chemicals and are at a level that is not harmful to consumers. In addition, it does not poison the air or does not pollute the water, as well as maintain ecological security, community, and environment



4. Sugarcane Farmer Awareness Training Project. 200 people gathered in Khao Poon Village, Lat Khae Subdistrict, Chon Dan District, Phetchabun Province to provide knowledge and understanding on sugarcane cultivation, plant diseases, and the correct and proper use of chemicals to reduce health impacts from chemicals accumulating in farmers' bodies as well as impacts on the environment and biodiversity.



5. Projects for the benefit of the environment

Campaign to reduce the use of plastic bags by organizing "Successmore x Won", this activity is open to donate clean and stretchable plastic bags for recycling. This activity was cooperated by businessmen, members and customers of Successmore who donated more than 1,000 dry and clean stretch plastic bags to raise awareness among stakeholders and communities to reduce plastic waste and care for the environment.



6. The Power of Sharing Project

Every year, the Company will support Children's Day activities for schools in various areas where the Company has branches. In 2023, the Company provided school supplies and toys to Wat Khot Thimtharam Public School, Rayong province, in order for children to use it for the benefit and encouragement of children who will be an important force in the development of the country.

Value Sharing Campaign through Human Development System

The company understands the importance of human resources as one of the strategies to drive industrialized countries and the company's business. Therefore, it focuses on delivering the value by human development through the Successmore Leadership Academy, with Neuro Linguistic Programming or behavior organizing and thinking techniques under the subconscious into a curriculum to develop personnel to have more ideas, knowledge, and skills. Also, the company shares this course with society. Mr. Noppakrit Nithilertvijit, Chief Executive Officer, who has knowledge and experience in human resource development, is a lecturer for educational institutions and various media.



Guest Lecturer for the Stock Exchange of Thailand in the course "SET e-Learning Money Style", shared his experience on the topic of "Good Work, Perfect Life with Work-Life Integration", lifestyle living in the modern world, along with tips on how to make money and plan finances.



Guest lecturer shares experiences with special students Faculty of Business Administration, Ramkhamhaeng University to create inspiration for students under the theme "Inspiration for Success" so that students can be inspired to study and work for future success.



Guest lecturers shared their experiences with faculty and students with 9 educational institutions under the Vocational Education Office in Chumphon province under the project "Incubator of New Business Entrepreneurs (SME)" under the theme of "Power of Thought, Conquer Life"



Guest speakers gave knowledge and positive energy to Gen Z employees and employees at the CCO and CTO levels of P-DICTOR Co., Ltd., a technology startup company under PTT Group has launched the theme "The Power of One" to apply knowledge to work and real life.



Special guest speakers filmed E-Learning to present in Platform Edupluz App as a platform through online courses. This time speaking on the topic of "Business Networking" to transfer knowledge with tips and experiences in business to learners.



Special guest speakers filmed E-Learning to present in Platform Edupluz App as a platform through online courses from the coach. This time spoke on the topic of "Time Management" to transfer knowledge to learners to be able to manage their lives seamlessly in both work and personal life, resulting in a successful overall life.



Guest speakers share their knowledge and experience in doing business including mindset for Super Trader Republic in Zero to Hero "Million Dollar Business Club". Start your business from 0 to become a Hero 1,000 million that allows everyone to apply the knowledge gained to further their business.



Guest speakers to inspire and spread positive energy to the ALL NOW Group under the theme "Unstoppable" that allows everyone to apply their knowledge to management.

4. Management Discussion and Analysis: MD&A

4.1 Operation and Financial Status Analysis

For the calculation of numbers in the analysis and explanation of the management team, decimal numbers may arise from rounding the second decimal place, so the calculated numbers may not match the results of the calculations as shown. Besides, the statements of financial status for the year 2021 - 2023, including the statements of comprehensive income and cash flow statement for that year based on the financial statements for the fiscal year ended 31 December 2021, the financial statements for the fiscal year ended 31 December 2022, and the financial statements for the fiscal year ended 31 December 2023, audited and reviewed by Deloitte Touche Thomas Jaiyos Audit Co., Ltd. It may reclassify certain income and expenses from those included in the audited and reviewed financial statements to make a management discussion and analysis in this section only.

4.1.1 Operation Results of the Company and Affiliated Company Overview

The Company and its affiliates operate the business of producing and distributing products in the form of multi-level marketing with products consisting of supplementary products, beauty products, daily-used products, and household products including plant supplement products. Currently, the total income of the company and affiliates are divided into 4 main groups which are

1. Multi-Level Marketing Income
2. Distribution Agents Income
3. Services Income
4. Other Income

The first three groups of income are from sales of goods and services which accounted for approximately 94.13%, 95.18%, and 93.61% of total income in the period 2021 to 2023 respectively. The total income in that period was 1,283.61 million Baht, 1,180.56 million Baht, and 980.02 million Baht respectively. The summary of income of operating costs including operating profit and the company's net profit for the years 2021 to 2023 are as follows

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Total Income	983.02	100.00	1,180.56	100.00	1,283.61	100.00
Goods Sales and Service Income	920.17	93.61	1,123.69	95.18	1,208.32	94.13
Costs of Sales and Services	216.91	22.07	256.53	22.83	291.19	24.10
Gross Profit	703.26	71.54	867.16	77.17	917.13	75.90
Earning before Expenses of Financial Status and Income Tax	117.38	11.94	219.41	18.59	285.03	22.21
Net Profit for Period	89.07	9.06	170.67	14.46	223.81	17.44

4.1.2 Operating Results Analysis

(1) Income

Total income for the year 2021 to 2023 were 1,283.61 million Baht, 1,180.56 million Baht, and 983.02 million baht, respectively.

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Product Sales Income through Businessmen	903.30	91.89	1,058.12	89.63	1,112.20	86.65
Product Sales Income through Distributors	13.80	1.40	60.41	5.12	80.29	6.25
Services Income	3.06	0.31	5.16	0.44	15.83	1.23
Interest income from hire purchase account	9.32	0.95		-	-	-
Other Income	53.54	5.45	56.87	4.81	75.29	5.87
Total Income	983.02	100.00	1,180.56	100.00	1,283.61	100.00

A total income in the 2022 period decreased by 103.05 million Baht, or 8.03 percent, from the same period of the previous year, mainly due to a decrease in domestic sales income from the slowdown in consumption among domestic consumers and the COVID-19 outbreak. However, the company's sales of agricultural products have continued to grow because fertilizer prices are still rising in Thailand and the global market. That makes the company's products competitive with other agricultural products in the same segment, which gets more acceptance from consumers and leads to higher sales. Nevertheless, the proportion of revenue from dietary supplement products is higher than that from agricultural products, and the decrease in Nutritional sales value resulted in a decline in income from selling products through domestic businessmen in 2022. At the same time, the COVID-19 outbreak also decreased consumer purchasing power, leading to reduced orders from Thailand and a decrease in revenue from product sales through distributors and brand-using fees.

A total income in the 2023 period decreased by 197.54 million Baht, or equivalent to 16.73 percent from the same period of the previous year, mainly due to a decrease in domestic sales from both the dietary supplement group, which is the company's number one selling product group, according to the economic situation and the low purchasing power of consumers, coupled with increased competition in the dietary supplement market and a decline in sales in the agricultural product group, that is the product group with the second highest sales volume due to the price of fertilizer both in the world market and in Thailand, which has decreased by approximately 30–40%, causing the company's products to be priced at a level that is not much different from the market. At the same time, the company's income from exporting products to distributors abroad decreased. As a result of the economic situation and purchasing power of consumers in each country where the company has distributors, it is still in the recovery period, causing sales of products from distributors in each country to decline. As a result, product orders from Thailand have decreased as well.

Product Sales Income through Businessmen

Revenue from merchandising through businessmen accounted for 86.65 percent, 89.53 percent, and 91.89 percent of total revenue for the period of 2021 to 2023 respectively. This income comes from the Multi-Level Marketing business, which is the sale of products from the company to consumers through businessmen who are members of the company with a remuneration paid to the members according to the system following the network hierarchy and the type of remuneration according to the company's business plan. The company has a total number of businessmen members as follows:

List	As of December, 31		
	2023	2022	2021
Number of Businessmen – Beginning of the period	183,907	158,697	179,055
Number of New Businessmen	133,472	112,618	77,099
Number of Expired Businessmen	169,465	87,408	97,457
Number of Businessmen ending of the period ⁽¹⁾ (Active members)	147,914	183,907	158,697

Note: 1. Active businessmen refer to those who have not expired their membership, that is, new businessmen and businessmen who have renewed their membership in the past year.

The number of businessmen at the end of 2023 has decreased due to intense competition both in the network business industry and in the consumer product market that makes it easier to reach consumers through online channels, which not only allows consumers to order products through online channels conveniently and quickly but also makes consumers easier to become a product seller. Online sales, which are more prevalent in consumers' daily lives, have an impact in addition to the nature of network business, in which product sales take place through offline meetings. The company has anticipated and planned to deal with these events by driving through the company's main work plan with a combination of online and offline (O2O) marketing from 2024 onwards.

The income from product sales through businessmen can be classified by product line as follows

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Nutrinal	389.95	43.17	501.18	47.37	672.52	60.47
Body Cheer	95.95	10.62	100.71	9.52	104.43	9.39
Growing More	327.91	36.30	370.40	35.01	243.48	21.89
S Mone	53.94	5.97	52.33	4.95	49.00	4.41
Neatly Home	16.93	1.87	21.07	1.99	22.50	2.02
Smart Creation	18.62	2.06	11.08	1.05	18.89	1.70
Multi Potential	-	-	-	-	1.38	0.12
SCM Café	-	-	0.12	0.01	-	-

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
OEM	-	-	1.23	0.10	-	-
Good Sales Income through Businessmen	903.30	100.00	1,058.12	100.00	1,112.20	100.00

Revenue from merchandising through businessmen in the 2022 period increased by 54.08 million Baht, or equivalently, 4.86 percent, from the same period of the previous year. This was mainly due to a decrease in domestic sales income from the slowdown in consumption among domestic consumers and the COVID-19 outbreak. However, the company's sales of agricultural products have continued to grow because fertilizer prices are still rising, both in Thailand and in the global market. This makes the company's products more competitive than other agricultural products in the same segment, which have gained more acceptance from consumers and led to higher sales. Nevertheless, the proportion of revenue from food supplementary products is higher than that from agricultural products; the decrease in nutritional sales value resulted in a decrease in income from selling products through domestic businessmen in 2022.

Revenue from merchandising through businessmen in the 2023's period decreased by 154.82 million Baht or 14.63 percent mainly due to a decrease in domestic sales from both the dietary supplement group, which is the company's number one selling product group, according to the economic situation and the low purchasing power of consumers, coupled with increased competition in the dietary supplement market and a decline in sales in the agricultural product group, that is the product group with the second highest sales volume due to the price of fertilizer both in the world market and in Thailand, which has decreased by approximately 30–40%, causing the company's products to be priced at a level that is not much different from the market.

Product Sales Income through Distributors

The company has distributors in 6 countries: Myanmar, Laos, Vietnam, Cambodia, Malaysia, and Singapore, where laws and business environments will differ in each country. The details can be summarized as follows.

Myanmar

Myanmar is one of the countries that is the company's distributor and a network of businessmen under the branding Successmore is the second largest after Thailand. Distributors in Myanmar have 5 branches under the Successmore branding, namely Yangon, Mandalay, Taunggyi, Myitkyina, and Mawlamyine. Originally, Myanmar did not have clear direct selling laws, therefore, distributors in Myanmar have operated their direct sales business as usual. However, after the government of Myanmar by the Ministry of Commerce issued Notification No. 46/2018 to cease the direct selling business in Myanmar in September 2018, the distributors in Myanmar were unable to operate the business in the form of direct selling. They can be operated only at the point of sale or selling products to the final consumers. The distributors will pay the remuneration to their members in the form of a Commission Rebate based on the purchase amount, which is not a network

business compensation plan. Currently, the Burmese government is considering establishing a new direct selling bill before issuing clear announcements or laws again.

Laos

Currently, distributors in Laos have 3 branches under the Successmore branding, namely Vientiane, Luang Phabang and Pakse. Laos has no clear laws regarding the direct selling network, that is, there are no requirements and limitations for conducting direct sales business. As a result, the company can operate network business freely but due to the limitation on the number of the population and the purchasing power of consumers, making the business based in Laos is still relatively low in scale. The company is expecting to continue growing in the future.

Cambodia

Currently, distributors in Cambodia have two branch under the Successmore branding, namely Phnom Penh and Kampong Cham, which direct selling law of the company is similar to Laos's. Cambodia's law has no clear indication of conducting a direct sales network making the company can operate the network business freely but due to the limitation on the number of the population and the purchasing power of consumers. As a result, at present, the expansion of the business based in Cambodia is still increasing. In Cambodia, the compensation paid in the form of a network business will result in more people interested in the business and may cause the number of businessmen to grow rapidly in the future.

Vietnam

Currently, distributors in Vietnam have one branch under the Successmore branding, namely Hanoi with its legal restrictions related to operating a direct sales network. The operators have to apply for a license to operate a direct sales business first. At present, the company's distributors in Vietnam are in the process of submitting for a direct selling network license. After receiving the license, the company expects Vietnam to be a country that has continued growth in the number of businessmen due to the structure of population and purchasing power similar to Thailand. Moreover, the Vietnamese population is also interested in many types of Thai products.

Malaysia

Malaysia is one of the two new countries that the company has entered into an additional distributor appointment agreement in 2019. It currently has one branch, namely Selangor with its laws related to direct selling network business. Although it is in the early stages of business in Malaysia, the company has seen the potential and competence of people in the area, population, and the knowledge and understanding of dietary supplements well. It also expects that the number of businessmen in Malaysia will grow well despite the high competition in the business.

Singapore

Currently, distributors in Singapore have one branch under the Successmore branding, Singapore has opened up independent business operations to entrepreneurs in the direct selling network business which can conduct business as usual but it must be subject to law and fairness in operating business. With the limitation of the population and the fact that consumers pay more attention to comparing product quality

and price before deciding to consume the product, as a result, the number of businessmen in Singapore is still very small. The company sees that appointing a distributor in Singapore will further enhance the confidence of consumers abroad and open up business opportunities to expand to other countries in the future, such as the Philippines, Indonesia, etc.

In this regard, the product sales income through distributors accounted for 6.25%, 5.12%, and 1.40% of total income from 2021 to 2023's period respectively, this income is generated from selling many products at a special price to the distributors, to distribute products to consumers through various channels. The income from selling products through distributors can be classified by product lines and a group of countries as follows.

Classified by Product Line

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Nutrinal	7.32	53.02	11.93	19.75	31.46	39.18
Body Cheer	2.85	20.69	9.57	15.84	7.50	9.34
Growing More	1.82	13.20	35.97	59.54	35.70	44.46
S Mone	0.97	7.00	1.55	2.56	2.76	3.44
Neatly Home	0.77	5.58	1.13	1.87	2.56	3.19
Smart Creation	0.07	0.50	0.26	0.44	0.31	0.39
Product Sales Income through Distributors	13.80	100.00	60.41	100.00	80.29	100.00

Classified by a Group of Countries

Classified by a Group of Countries	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Domestic Distributors						
Myanmar	0.87	6.31	36.15	59.84	3.60	4.48
Vietnam	-	-	-	-	0.39	0.49
Laos	0.84	6.07	-	-	-	-
Cambodia	0.74	5.36	13.04	21.58	53.42	66.53
Malaysia	4.45	32.25	3.49	5.78	7.70	9.59
Singapore	6.90	50.02	7.73	12.80	15.18	18.91
Product Sales Income through Distributors	13.80	100.00	60.41	100.00	80.29	100.00

Income from sales through distributors in 2022 decreased by 19.88 million Baht or 24.76 percent from the same period of the previous year . This was mainly because the coronavirus (COVID-19) outbreak reduced consumers' purchasing power and resulted to sales value of all distributors, so distributors reduced their orders from Thailand.

Income from sales through distributors in 2023 decreased by 46.61 million Baht, or 77.16 percent, from the same period of the previous year. This was mainly because the economic situation and purchasing power of consumers in each country where the company has distributors are still in the recovery period, causing sales of products from distributors in each country to decline. As a result, product orders from Thailand have decreased as well.

Considering the income from selling products by distributors by countries during 2021–2023, it was found that most of the income is mainly from selling to Cambodia and Myanmar distributors, while the income from distributors in other countries accounted for a very small percentage compared to distributors in Cambodia and Myanmar due to the number of businessmen in other countries being relatively smaller and the brand perception and acceptance is not as popular as Cambodia and Myanmar. However, after the government of Myanmar announced it would suspend direct sales operations in September 2018, it has a significant impact on the business operation of distributors in Myanmar. The Company anticipates that after the law on direct sales business in Myanmar is clearer, income from sales to distributors in Myanmar is likely to return to the same level and grow in the future.

Service Income

Service income accounted for 1.23 percent, 0.44 percent, and 0.31 percent of total income from 2021 to 2023's period respectively. This income is from providing networking business-related advice such as general management, businessman management, marketing, accounting, tax planning, and information technology system to the company's distributors to provide standards in various operations and bring the company's products to sell in the same standard. The company has separated the service activities by allowing SPT, the company's subsidiary to manage these activities instead of transferring the service activities, training and seminars, and business consulting services to SPT to divide the business for the efficiency in the management of the service business group.

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Services Income	3.06	0.31	5.16	0.44	15.83	1.23

Service income in the 2022 period decreased by 10.67 million baht, or 67.40 percent, from the same period of the previous year, mainly due to the company changing the form of marketing activities organized for members from offline, which charged a fee, to online, which does not charge a fee but can reach an extensive target group. Also, in 2021, the company collected service fees from overseas distributors if the company organized online marketing activities in Thailand and allowed overseas members to participate.

So that members from other countries could take part in more online marketing events held in Thailand in 2022, the company lowered the service fees it charged from overseas distributors. That resulted in a decrease in the company's service income for the year 2022.

Service income in 2023 decreased by 2.1 million baht, or 40.70 percent, from the previous year for the same reason as in 2022, especially in some countries with fewer sales, such as Singapore and Malaysia, where the company charges service fees at a lower rate than other countries to help encourage distributors in each country to organize activities and public relations to motivate more participation.

Other Income

Other income represents 5.87 percent, 4.81 percent, and 5.45 percent of total income across 2021–2023, respectively. This portion of income consists of income from membership maintenance fees each in the case of new applications and annual renewals, the copyright fee collected from distributors, which is the income from allowing distributors to use the company's brand (Brand Using Fee), and the income from selling souvenir products at the company's branches and headquarters, as well as other income such as net income from seminar ticket sales, interest income from banks, gain from foreign exchange, and income from the company's liquidity management through investing in financial instruments, which can be classified as follows:

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Income from the membership fee	17.56	32.80	21.35	37.54	22.99	30.53
Income from allowing distributors using brand (Brand using fee)	14.29	26.69	20.67	36.35	35.37	46.97
Income from souvenir selling	5.82	10.87	8.03	14.12	4.76	6.32
Exchange gains	-	-	-	-	5.56	7.39
Other Income	15.87	29.64	6.82	11.99	6.61	8.79
Total Other Income	53.54	100.00	56.87	100.00	75.29	100.00

Other income for the year 2022 increased by 18.42 million baht, or 24.47 percent, from the same period of the previous year, mainly due to a decrease in product sales from distributors in each country. That resulted in revenue declines from allowing distributors to use the company's brand and trademark. Also, the company did not recognize gains from foreign exchange this year, whereas the previous year, there was a gain from the exchange rate of 5.56 million baht.

Other income in 2023 decreased by 3.33 million baht, or 5.85 percent, from the same period of the previous year. The decreasing membership leads to a decrease in member maintenance income. Meanwhile, sales of products from distributors in each country decreased. As a result, the agents' sales generated by allowing distributors to use product instruments in each country decreased.

(2) Sales Cost

The sales cost in 2021 to 2023 were 280.50 million Baht, 252.73 million Baht, and 214.77 million Baht respectively. The cost of sales comprises the cost of all products sold through businessmen and distributors channels which can be summarized as follows

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Sales cost from product sales through businessmen	207.12	96.44	230.15	91.07	236.52	84.32
Sales cost from product sales through distributors	7.65	3.56	22.58	8.93	43.98	15.68
Total sales cost	214.77	100.00	252.73	100.00	280.50	100.00

The total sales cost in 2022's period increased by 27.77 million Baht or 9.90 percent from the same period of the previous year, mainly due to the company having lower sales revenue through businessmen and distributors, which caused the cost of sales to decrease in the same direction.

The total sales cost in the 2023's period decreased by 37.96 million Baht or 15.02 percent from the same period of the previous year, mainly due to the company having lower sales revenue through businessmen and distributors, which caused the cost of sales to decrease in the same direction

Service Cost

Service costs in 2021 to 2023 equal to 10.70 million Baht, 3.8 million Baht, and 2.14 million Baht respectively. The service cost mainly consists of salary, and remunerations of the involved employees which the company allows SPT, a subsidiary of the company to operate all related services business.

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Cost of Services	2.14	0.99	3.80	1.50	10.70	0.83

Service costs the 2022's period decreased by 6.90 million Baht or 64.49 percent from the same period of the previous year consistent with the decreased in service income.

Service costs in the 2023's period decreased by 1.66 million Baht or 43.68 percent from the same period of the previous year consistent with the decreased in service income.

(3) Gross Profit

The gross profits in 2021 to 2023 were 917.12 million Baht, 867.16 million Baht, and 703.26 million Baht, respectively. The gross profit margin ratios were 75.90%, 77.17%, and 71.54%, respectively. Details of the gross profit margin according to the nature of the business are in the table below.

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Gross profit from product sales through businessmen	696.18	70.82	827.97	78.25	875.68	78.73
Gross profit from product sales through distributors	6.15	0.63	37.83	62.62	36.31	45.22
Gross profit from total sales	702.33	71.45	865.80	77.41	911.99	76.48
Gross profit from services	0.93	0.09	1.36	26.36	5.13	32.41
Total gross profit	703.26	71.54	867.16	77.17	917.12	75.90

Note: The percentage refers to the gross profit rate from the operations of each business.

Gross profit in the 2022's period decreased by 49.96 million Baht or 5.45 percent from the same period of the previous year, mainly due to a decrease in domestic product sales and income from sales through distributors. However, products in the Nutritional group with lower profit margins than other products group had lower sales, while the higher sales in Growing More products group that were better margin than products in other groups together with the company lower discounts which given to overseas distributors, resulting in an increase in the gross profit margin (GP) from 75.90 percent to 77.17 percent.

Gross profit in the 2023's period decreased by 163.90 million Baht or 18.90 percent from the same period of the previous year. The company is experimenting with marketing by selling products at discounts instead of giving commissions to buyers who are not interested in network marketing and want to use the company's products in large quantities. In addition, at the end of the year, the company adjusted its business strategy by reducing product prices and reducing points (point value: PV) in paying commissions. Reducing prices without changing product costs resulted in gross profit margins (GP) decreasing from 77.17% to 71.54%

(4) Sales Expenses

Sales expenses in 2021 to 2023 were 608.19 million Baht, 582.16 million Baht, and 500.69 million Baht respectively with details as follows

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Businessman Commission	332.42	66.39	384.82	66.10	457.05	75.15
Advertising and sales promotion	42.08	8.40	43.48	7.47	18.80	3.09
Variable executive remuneration ⁽¹⁾	11.99	2.39	27.92	4.80	29.80	4.90
Employee expenses	51.14	10.21	57.96	9.96	46.23	7.60
Travel	7.83	1.56	12.70	2.18	6.67	1.10
Rental fee	1.00	0.20	1.12	0.19	2.20	0.36
Shipping	25.29	5.05	25.10	4.31	21.82	3.59
Equipment and public utility	9.53	1.90	8.92	1.53	6.77	1.11
Insurance	1.20	0.24	1.61	0.28	1.91	0.31
Others	2.77	0.55	3.16	0.54	3.08	0.51
Sales expenses before the depreciation and amortization	485.25	96.92	566.79	97.36	594.34	97.72
Depreciation and amortization	15.44	3.08	15.37	2.64	13.85	2.28
Total	500.69	100.00	582.16	100.00	608.19	100.00

Sales expenses mainly consist of businessman commission, advertising and sales promotion, variable executive remuneration, and employee expenses. In this regard, the businessman commission is the remuneration paid to the network businessmen according to the remuneration plan, while variable executive remuneration is the remuneration that the main executive of the company, Dr. Sitthawee and Mr. Noppakrit, and Vice Chairman of Executive Officer, or a person that the Board of Directors considered appropriate to receive, which accounts for approximately 2.50 percent of the total product sales income.

Sales expenses in the 2022's period increased by 26.03 million Baht or 4.28% from the same period of the previous year due to the decrease of revenue that led to the decrease in sales expenses, this included the decrease in variable executive remuneration. However, in 2022, the company has organized various marketing activities such as lucky draws campaign, organizing a big seminar for the first time after not organizing any events for more than 2 years, and hiring celebrities and famous actor to be the company's products presenter for the first time since the start of the company, as a result, advertising and sales promotion expenses increased from the previous year.

Sales expenses in the 2023 period decreased by 81.47 million Baht, or 13.99%, from the same period of the previous year due to the company's product sales decreasing. The main selling expenses are business commissions, and variable executive compensation decreased in the same direction.

(5) Administrative Expenses

Administrative expenses in 2021 to 2023 equal 99.20 million Baht, 116.15 million Baht, and 144.90 million Baht respectively. The details of administrative expenses can be summarized as follows.

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Employee expenses	56.70	39.13	43.04	37.05	40.21	40.54
Rental fee	0.63	0.44	0.56	0.48	0.65	0.65
Consultant	11.99	8.27	8.61	7.41	8.13	8.20
Taxes	2.58	1.78	2.27	1.95	1.35	1.36
Equipment	2.65	1.83	2.48	2.14	2.44	2.46
Other services	10.75	7.42	10.66	9.18	5.77	5.82
Research and development	5.07	3.50	5.12	4.41	3.64	3.67
Bank fee	0.47	0.32	0.47	0.41	0.45	0.45
Insurance premium	1.12	0.77	0.99	0.85	0.78	0.78
Public utility	2.98	2.05	2.56	2.20	1.34	1.35
Travel	0.16	0.11	0.13	0.11	0.00	0.00
Loss on sales Non-Performing Asset	5.38	3.71	-	-	-	-
Expected Credit Loss	3.81	2.63	-	-	-	-
Others	6.56	4.53	7.78	6.70	5.42	5.47
Sales expenses before the depreciation and amortization	110.84	76.50	84.67	72.89	70.18	70.75
Depreciation and amortization	34.05	23.50	31.48	27.11	29.02	29.25
Total	144.90	100.00	116.15	100.00	99.20	100.00

Administrative expenses mainly consist of employee expense, depreciation and amortization, rental fee, consultant fee, and taxes.

Administrative expenses in the 2022's period increased by 16.95 million Baht or 17.09 percent from the same period of the previous year. This is because the company had consulting fee, service fee, and R&D cost for new products that launch in 2022, coupled with an increase in depreciation and amortization cost of intangible assets. In addition, the company has started letting officer go back to work in the office after letting them work from home during the COVID-19 outbreak, which has caused utility expenses to raise up. While the subsidiary company, Chadhai Leasing Co., Ltd., start its operating in late 2022 and hired employees to drive the operation, which has led to higher employee costs.

Administrative expenses in the 2023 period increased by 28.75 million Baht, or 24.75 percent, from the previous year due to higher employee expenses at Chadhai Leasing Co., Ltd., which began its whole operations in 2023. In addition, the company has hired consultants to recommend marketing strategies and personnel management. Including the provision for doubtful debts of the company for Leasing Co., Ltd., which operates the business of lending and leasing used cars. These expenses did not exist during the same period of the previous year. As a result, administrative expenditures in the year 2023 will increase.

(6) Loss from Net Exchange Rate

The company had a net exchange loss in the period of 2021 to 2023 equal to 0.00 million Baht, 3.47 million Baht, and 0.85 million Baht due to exchange rate losses from overseas sales transactions in the countries with a 120-day trade term credit given to overseas dealers and including various fees that charge in US dollars. The cost of products and fees not received as of December 31 will be calculated based on the exchange rate as per accounting standards.

(7) Profit before Financial Costs and Income Tax Expenses

The company had the profit before financial costs and income tax expenses for the period of 2021 to 2023 equal to 285.03 million Baht, 222.24 million Baht, and 119.68 million Baht. The decrease in profit before financial costs and income tax expenses was mainly due to the decrease in revenue from domestic sales and sales through distributors. As a result, profit before finance costs and income tax expenses decreased.

(8) Financial Cost

Financial costs in the period of 2021 to 2023 equal to 3.52 million Baht, 2.83 million Baht, and 2.30 million Baht respectively, accounted for 0.27 percent, 0.24 percent, and 0.23 percent of total income. However, the financial costs of the company are relatively small and are insignificant to the operating results. These financial costs are from the interest expense as a result of the company has begun recording leases with a lease term of more than one year as a right-of-use asset under IFRS 16 "Lease Agreement" from January 1, 2020, and the liability under the finance lease is recorded in conjunction with the recording the use of rights assets list. As a result, the additional financial costs have to be recorded in the 2023's period in the amount of 2.30 million baht.

(9) Income Tax Expense

Income tax expenses for the period of 2021 to 2023 equal 57.69 million Baht, 48.74 million Baht, and 28.31 million Baht. The effective tax rate was 20.00%, 22.00%, and 24.00% of profit before income tax expenses.

(10) Net Profit

The net profit for the period of 2021 to 2023 was 223.81 million Baht, 170.67 million Baht, and 89.07 million Baht respectively, accounting for 17.43, 14.46, and 9.06 percent of total income (net profit margin). The decrease in the net profit margin in 2022 was a result of the company's lower revenue from sales of goods, lower revenue from services, and lower other incomes. While both sales expense and administrative expense were higher. As a result, the net profit margin decreased.

4.1.3 Financial Status

Description of financial status is a description of the significant changes in the financial statements audited for the financial status at the end of 2021 to 2023.

Asset

Total assets at the end of 2021–2023 were 1,048.00 million Baht, 984.61 million Baht, and 887.59 million Baht, respectively. Main assets are current assets, accounting for 73.50 percent, 53.34 percent, and 62.71 percent of total assets, which consist of cash and cash equivalent, trade receivables and other receivables, and inventories. However, the proportion of current assets in 2023 increased because the company used cash to invest in financial assets, which were classified as current assets. As a result, the company's current assets increased.

Total assets as of 31 December 2022 decreased by 63.39 million Baht or 6.05 percent from 31 December 2021, mainly due to cash was used to pay an interim dividend. As a result, the company's current assets decreased.

Total assets as of 31 December 2023 decreased by 97.02 million Baht or 9.85 percent from 31 December 2022. This was mainly due to the decrease in cash from the company's interim dividend payment, which resulted in a decrease in total assets.

Current Asset

- **Cash and Cash Equivalents**

Cash and cash equivalents at the end of 2021 to 2023 were 563.62 million Baht, 251.83 million Baht, and 226.02 million Baht, consisting of cash, current account, savings account, etc.

Cash and cash equivalents as of 31 December 2022 increased by 311.79 million Baht or 55.32 percent from 31 December 2021, mainly because of the company's use of cash to invested in financial assets in the form of debentures and pay an interim dividend. As a result, cash and cash equivalents decreased.

Cash and cash equivalents as of 31 December 2023 decreased by 258.10 million Baht or 10.24 percent from 31 December 2022, mainly because of the company's use of cash to pay an interim dividend. As a result, cash and cash equivalents decreased.

- **Trade and other Current Receivables**

Trade and other current receivables at the end of 2021 to 2023 were 115.72 million Baht, 185.74 million Baht, and 144.03 million Baht with details as follows:

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Trade receivables	25.60	17.78	50.84	27.37	39.44	34.08
Other receivables	58.11	40.35	54.99	29.61	38.38	33.17
Prepaid expense	4.22	2.93	18.88	10.17	7.39	6.39
Accrued interest	0.59	0.41	0.97	0.52	0.02	0.02

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Goods prepaid expense	55.50	38.54	60.06	32.33	30.49	26.35
(deduct) Allowance for Doubtful Accounts	-	-	-	-	-	-
Total	144.03	100.00	185.74	100.00	115.72	100.00

Most of the trade receivables are merchandise distributors who trade in wholesale manner and have term credits, which can be classified according to the age of debt as follows

List	For Period Ending December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Undue payment	8.23	32.16	36.40	71.60	20.04	50.80
3 months or less	3.69	14.40	1.12	2.20	19.40	49.20
More than 3 to 6 months	1.28	5.00	1.11	2.18	-	-
More than 6 to 12 months	12.40	48.44	12.21	24.02	-	-
Total	25.60	100.00	50.84	100.00	39.44	100.00

Trade accounts receivable as of 31 December 2022 increased by 11.40 million Baht or 28.90 percent from 31 December 2021. This is due to the company's sales to oversea distributors and there was an increase in outstanding balances.

Trade accounts receivable as of 31 December 2023 decreased by 25.24 million Baht or 49.65 percent from 31 December 2022. This is due to the company's declining sales to oversea distributors.

Other receivable including trademark fee, service charges and commissions charged from distributors with detail as follows.

Other receivable as of 31 December 2023 increased by 3.12 million Baht or 5.67 percent from 31 December 2022. This is due to the company will receive the trademark fee, service charges, and commission charged from distributors and there was an increase in outstanding balances.

Goods prepaid expense as of 31 December 2022 increased by 29.57 million Baht or 96.98 percent from 31 December 2021, according to the need to control product costs. As a result, the goods prepaid expense increased.

Goods prepaid expense as of 31 December 2023 decreased by 4.56 million Baht or 7.59 percent from 31 December 2022, according to receiving goods to prepare for sale, thus causing goods prepaid expense to decrease.

As of 31 December 2023, the company had 25.30 million Baht overdue debt on trade receivables and other receivables, and the overdue debt will be paid from distributors within 2024. Detail of debt outstanding balance as at 31 December 2023 are shown below,

List	Unit: million Baht				
	As of December 31, 2023				
	Undue	3 months or less	More than 3 to 6 months	More than 6 to 12 months	Total
Receivable of sales of goods from Cambodia distributor	-	0.72	-	-	0.72
Receivable of service fee from Cambodia distributor	0.30	-	-	-	0.30
Receivable of sales of goods from Myanmar distributor	-	0.87	-	10.47	11.34
Receivable of sales of goods from Malaysia distributor	2.5	0.34	-	-	2.85
Receivable of service fee from Malaysia distributor	1.61	0.05	-	-	1.66
Receivable of sales of goods from Singapore distributor	2.92	1.70	1.28	1.93	7.83
Receivable of service fee from Laos distributor	0.60	-	-	-	0.60
Total	7.93	3.69	1.28	12.40	25.30

Doubtful Account Policy

The company has established a policy for setting aside doubtful debts by applying financial reporting standard No. 9 (TFRS9): financial instruments, impairment estimation and expected credit loss model, by considering past events, current situations, and forecast of future economic situations. (In the past, the company set aside doubtful debts when there were past and present indications that it would not be able to collect debts)

- **Inventory**

Inventories at the end of 2021 to 2023 were 79.60 million Baht, 68.27 million Baht, and 117.04 million Baht, which are consumer goods that the company is waiting for sale to businessmen or distributors with details as follows

List	Ending on December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Instant products	103.96	88.82	56.65	82.98	73.30	92.08
Material	14.08	12.03	13.64	19.98	7.11	8.93
(deduct) Allowance for devaluation of inventories	(0.99)	(0.85)	(2.02)	(2.96)	(0.81)	(1.01)
Total	117.04	100.00	68.27	100.00	79.60	100.00

Inventories as of 31 December 2022 increased by 11.33 million Baht or 14.23 percent from 31 December 2021. The company has control and manage the level of inventories to in line with the decrease in sales that resulted in lower inventories than the previous year.

Inventories as of December 31, 2023 decreased by 48.77 million baht or 71.44 percent from December 31, 2022. The company has prepared products for sale in 2024, thus increasing inventories compared to the previous year.

From 2021 to 2023, the company has the devaluation of inventories of 0.81 million Baht, 2.02 million Baht, and 0.99 million Baht, representing 1.01 percent, 2.96 percent, and 0.85 percent of the inventory value before deducting the allowance. The management estimates that it is at a normal level and there are not significant numbers.

- **Other Current Asset**

Other current assets at the end of 2021 to 2023 were 11.29 million Baht, 9.35 million Baht, and 7.41 million Baht, mainly consist of undue input vat.

Non-Current Asset

- **Fixed Deposits Used as Collateral**

Fixed deposits used as collateral at the end of 2021 to 2023 equal to 5.70 million Baht, 5.70 million Baht, and 5.70 million Baht, which is cash guaranteeing a working capital limit with a financial institution.

- **Rights Asset**

The company started recording rights assets from 1 January 2020, under Financial Reporting Standard No. 16 regarding lease agreements for rental items with a period of more than 1 year. Mostly, they are the rent for the location of the head office and branches of the company scattered throughout the country, with depreciation recorded (amortization) in each period according to the remaining period of the lease agreement. As of 31 December 2023, the company has right-of-use assets of 23.43 million Baht.

- **Leasehold Improvements and Equipment**

Leasehold improvements and equipment at the end of 2021 to 2023 were 82.85 million Baht, 87.45 million Baht, and 81.49 million Baht, which can be summarized as follows

List	Ending on December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Land	7.09	8.70	7.09	8.11	7.09	8.56
Buildings	36.16	44.37	38.38	43.89	40.60	49.01
Leasehold improvements	8.31	10.20	11.92	13.63	11.80	14.24
Tools	8.10	9.94	9.28	10.60	9.08	10.96
Furnishing and office equipment	3.93	4.82	5.34	6.11	5.59	6.75
Computer	3.29	4.04	5.49	6.28	3.81	4.59
Vehicles	14.61	17.92	9.95	11.38	4.88	5.89
Total	81.49	100.00	87.45	100.00	82.85	100.00

Leasehold improvements and equipment as of 31 December 2022 increased by 4.60 million Baht or 5.55 percent from 31 December 2021. The company opened one new branch in Nakhon Ratchasima and renovated the company's office. As a result, rental building improvements and equipment increased.

Leasehold improvements and equipment as of 31 December 2023 decreased by 5.96 million Baht or 6.82 percent from 31 December 2022, with the company selling old vehicles and buying a new car to compensate for business operations.

- **Goodwill**

For the year 2023, goodwill of the company amounted to 1.07 million Baht that is an unchanged number from 2021. The company has successfully tested for the impairment of goodwill and the result shown there are no impairment.

- **Intangible Asset**

Intangible assets at the end of 2021 to 2023 were 136.44 million Baht, 130.09 million Baht, and 119.75 million Baht, which is mostly from business acquisitions, ERP systems, websites, applications, etc. Intangible assets from business acquisitions are recipes of supplements and cosmetics from the company's investment in SMI, a subsidiary of the group of the company, to operate as a manufacturing factory for the company. It was assessed by an independent appraiser to assess the value of know-how and the production expertise of the employees transferred from ZEN. In this regard, the company estimates that the recipes of dietary supplements and cosmetics can be used for the year 2023 amounted to 95.11 million Baht.

Intangible assets as of 31 December 2022 decreased by 6.35 million Baht or 4.65 percent from 31 December 2021, which was the normal amortization rate in 2022.

Intangible assets as of 31 December 2023 decreased by 10.34 million Baht or 7.94 percent from 31 December 2022, which was the normal amortization rate in 2023.

- **Deferred Tax Asset**

Deferred tax assets at the end of 2021 to 2023 were 0.00 million Baht, 0.00 million Baht, and 0.00 million Baht. This is due to the difference between accounting and tax expenses as a result of certain items, such as provisions for employee benefit obligations and the value of assets according to accounting is lower than income tax assets, etc. For the period of 2021 to 2022, the company has no deferred tax assets due to offsetting against the deferred tax liabilities.

- **Non-Current Asset**

Other non-current assets at the end of 2021 to 2023 were 5.19 million Baht, 4.68 million Baht, and 12.17 million Baht, which mostly consist of lease guarantee and utility expenses.

Source of Funds

- **Appropriateness of the Capital Structure**

The company has a debt-to-equity ratio of 0.37 times, 0.33 times, and 0.30 times at the end of 2021 to 2023 respectively.

The debt-to-equity ratio as of 31 December 2022 decreased by 0.04 times from 31 December 2021 due to the increase in retained earnings, thus lowering the debt-to-equity ratio.

The debt-to-equity ratio as of 31 December 2023 decreased by 0.03 times from 31 December 2022 due to the decrease in liabilities was greater than the decrease in shareholder equity, thus lowering the debt-to-equity ratio.

Liability

Total debt at the end of 2021 to 2023 were 257.40 million Baht, 219.17 million Baht, and 183.97 million Baht, which mostly consist of trade and other current payables, lease liabilities, deferred tax liabilities.

- **Trade and other Current Payables**

Trade and other current payables at the end of 2021 to 2023 were 134.83 million Baht, 119.42 million Baht, and 93.50 million Baht with details as follows

List	Ending on December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Trade payables	49.15	52.57	36.14	30.26	38.46	28.52
Other payables	6.63	7.09	8.59	7.19	9.80	7.27
Unearned revenues	4.46	4.77	18.85	15.79	19.64	14.56
Accrued commission	27.19	29.08	36.15	30.27	50.33	37.33
Accrued expenses	6.07	6.49	19.69	16.49	16.61	12.32
Total	93.50	100.00	119.42	100.00	134.83	100.00

Trade and other current payables as of 31 December 2022 decreased by 15.41 million Baht or 11.43 percent from 31 December 2020, since the company had an decrease in trade payables according to the order period.

Trade and other current payables as of 31 December 2023 decreased by 25.92 million Baht or 21.70 percent from 31 December 2022, mainly due to the company having classified advance income as a current contract liability and accrued expenses decreased.

Unearned revenues consisted of products awaiting delivery, unearned product costs, membership fees awaiting recognition, etc., which are advance money and have not yet delivered the products and/or service.

Unearned revenue received as of 31 December 2022 increased by 0.79 million Baht or 4.02 percent from 31 December 2021, which was not a significant change.

Unearned revenue received as of 31 December 2023 increased by 14.39 million Baht or 76.34 percent from 31 December 2022, which was a transaction that classified advance income as a current contract liability.

- **Accrued Income Tax**

Accrued income tax at the end of 2021 to 2023 were 31.45 million Baht, 24.26 million Baht, and 13.68 million Baht, which was an additional net income tax from the operating results in each fiscal year.

- **Other Current Liability**

Other current liabilities at the end of 2021 to 2023 were 8.41 million Baht, 3.57 million Baht, and 2.68 million Baht respectively, which mainly was suspense tax.

Other current liabilities as of 31 December 2022 increased by 4.84 million Baht or equivalent to 57.55% from 31 December 2021 since the company have a higher pending tax.

Other current liabilities as of 31 December 2023 decreased by 0.89 million Baht or equivalent to 24.93% from 31 December 2022 since the company have a lower pending tax.

- **Other Non-Current Liability**

Other non-current liabilities at the end of 2021 to 2023 equal to 0.00 million Baht, 0.00 million Baht, and 0.00 million Baht respectively.

- **Financial Lease Liability**

The liabilities under finance lease agreements at the end of 2021 to 2023 were 48.96 million Baht, 37.07 million Baht, and 25.40 million Baht, which can be summarized as follows:

List	Ending on December 31					
	2023		2022		2021	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
Due within one year	13.60	53.54	16.22	43.76	15.25	31.15
Due more than one year	11.80	46.46	20.85	56.24	33.71	68.85
Total	25.40	100.00	37.07	100.00	48.96	100.00

As of 31 December 2022, the finance lease liabilities decreased by 11.89 million Baht from 31 December 31 2021, due to the recording of the amortization of lease liabilities in conjunction with right-of-use assets.

As of 31 December 2023, the finance lease liabilities decreased by 11.67 million Baht from 31 December 31 2022, due to the recording of the amortization of lease liabilities in conjunction with right-of-use assets.

- **Deferred Income Tax (Net)**

Deferred income tax at the end of 2021 to 2023 were 19.70 million Baht, 17.46 million Baht, and 14.28 million Baht respectively, due to the adjustment of the fair value of net identifiable assets from the acquisition of SMI. As a result, the company has to record intangible assets such as recipes of dietary supplements and cosmetics with an increase of 126.17 million Baht (value as of 31 December 2020), resulting in deferred tax liabilities of 25.23 million Baht (20 percent of 126.17 million Baht). Also deducted deferred tax assets of, resulting in the company's net deferred tax liability of 14.28 million Baht.

Commitment and Contingent Liability

As of the end of 2021 to 2023, the company has commitments and contingent liabilities as follows

- **Non-Current Provisions for Employee Benefits**

The company has a non-current provision for employee benefits at the end of 2021 to 2023 equal to 14.07 million Baht, 17.38 million Baht, and 21.09 million Baht respectively.

Shareholders' Equity

Shareholders' equity as of the end of 2021 to 2023 were 693.58 million Baht, 670.79 million Baht, and 619.57 million Baht.

Shareholders' equity as of 31 December 2022 decreased by 22.79 million Baht or 3.29 percent from 31 December 2021, from the decrease in retained earnings after the company paid an interim dividend on May 25, 2022.

Shareholders' equity as of 31 December 2023 decreased by 51.22 million Baht or 7.64 percent from 31 December 2022, from the decrease in retained earnings after the company paid an interim dividend on May 25, 2022.

4.1.4 Liquidity

Cash Flows from Operating Activity

Net cash inflow (outflow) from operating activity for the year 2021 to 2023 has a total of 228.96 million Baht, 56.51 million Baht, and 93.17 million baht respectively. This was mainly due to the profit from the operation, including the add back of non-cash items such as depreciation, amortization, assets, and liabilities for the unstable operations.

Cash Flow from Investing Activity

The company had net cash flow for investment activity in a total of 24.30 million Baht in 2021, this was due to the investment in online trading program, to increase company's distribution channels.

Net cash flow from investing activity in 2022 was in the total of 152.72 million Baht, this was due to the company investing in debt instruments in order to generate more returns for the company comparing to the past that company's cash is mainly deposited with financial institutions.

Net cash flow from investing activity in 2023 was a total of 49.12 million Baht, mainly due to the company investing in debt instruments to generate more returns and profits than depositing cash with the institution's finances and giving short-term loans to other companies to receive returns likewise.

Cash Flow from Financing Activity

The net cash inflow from financing activity was 108.50 million baht in 2021. This was mainly due to the dividend paid amounted to 92.40 million baht, , the lease liabilities paid in the amount of 12.58 million Baht and the interest paid in the amount of 3.52 million Baht.

The company had net cash outflow from financing activity in a total of 215.28 million Baht in 2022. This was mainly due to the dividend paid in the amount of 197.60 million Baht, the lease liabilities paid in the amount of 14.85 million Baht and the interest paid in the amount of 2.83 million Baht.

The company had net cash outflow from financing activity in a total of 168.07 million Baht in 2023. This was mainly due to the dividend paid in the amount of 139.50 million Baht, the lease liabilities paid in the amount of 16.43 million Baht and the interest paid in the amount of 2.30 million Baht.

4.1.5 Analysis of Important Financial Ratios

Liquidity Ratio

The company has a liquidity ratio of 4.06 times, 3.21 times, and 4.07 times at the end of 2021 to 2023 respectively.

The liquidity ratio as of 31 December 2022 decreased from 31 December 2021. This was mainly due to the decrease in cash, cash equivalents, after the company used cash to invest in financial instruments such as debentures.

The liquidity ratio as of 31 December 2023 increased from 31 December 2022, mainly due to a decrease in trade payables and corporate income tax consistent with the company's operating results.

The average collection period in 2021 to 2023 were 12.34 days, 14.46 days, and 14.95 days respectively. The average collection period for the year 2023 is a non-significant change.

The average sales period in 2021 to 2023 were 76.90 days, 92.55 days, and 134.60 days respectively.

The average product sales period in the year 2023 increased from that in the year 2022, mainly due to the company's sales decreasing.

The average repayment period in 2021 to 2023 were 50.32 days, 53.13 days, and 71.48 days respectively. The repayment period is likely to increase due to the term credits negotiated with supplier consistent with the continued growth of company's business.

The cash cycle in 2021 to 2023 were 38.91 days, 53.88 days, and 78.07 days respectively. The increase in the cash cycle due to the slower average collection period.

Profitability Ratio

Net profit margins for the year 2021 to 2023 were 17.44 percent, 14.46 percent, and 9.06 percent respectively.

The net profit margin in 2022 decreased from that of 2021. This was due to a decrease in the company's income from sales, both domestically and through overseas distributors. At the same time, the company organized various marketing activities such as lucky draws campaign, organizing a big seminar for the first time after not organizing any events for more than 2 years, and hiring celebrities and famous actor to be the company's products presenter for the first time since the start of the company, as a result, advertising and sales promotion expenses increased from the previous year. Furthermore, the company also has higher staff expenses since the company subsidiary start its operating in late 2022. Expenses increased while sales decreased resulting the net profit margin decreased.

The net profit margin in 2023 decreased from 2022, mainly due to the company's higher expenses. Because of the expenditures of the subsidiary company, the net profit and net profit margin decreased.

Return on equity (ROE) for the year 2021 to 2023 were 30.86 percent 21.94 percent, and 12.13 percent respectively. The return on equity for the year 2022 decreased from the previous year due to the lower of net profit, resulting the return on equity decreased.

Operating Efficiency Ratio

Return on assets (ROA) for the year 2021 to 2023 were 23.14 percent, 16.79 percent, and 9.52 percent respectively. The return on asset for the year 2023 decreased from the previous year, this was mainly due to the lower net profit in 2023.

The return on fixed assets in 2021 to 2023 were 287.08 percent, 216.95 percent, and 124.06 percent respectively it decreased because the company's net profit decreased.

The asset turnover ratios from 2021 to 2023 were 1.33 times, 1.16 times, and 1.05 times, respectively. The turnover ratio declined as the company's income decreased.

Financial Policy Ratio

The debt-to-equity ratio (D/E) at the end of 2021 to 2023 were 0.37 times, 0.33 times, and 0.30 times respectively.

The debt-to-equity ratio as of 31 December 2023 decreased from 31 December , mainly due to the company having lower debt in a greater proportion than the decrease in shareholders' equity.

4.2 Major factors that may influence future operations and financial status

1. The company dependencies on Dr. Sitthawee Kriatchawanun and Mr. Noppakrit Nithilertvijit, who are the main executives, also considered as an important figure of the company. They also inspire other employees through training, seminar, and activities both inside and outside the organization related to the business. Therefore, these are the issue that both of them unable to continue working with the company and may cause the operation to be interrupted, and affect the performance and financial status of the company.
2. The operation in Myanmar is in the form of selling products to the dealers and followed the form of networking business which depend on related legal in Myanmar. The company executive expected that there will be more legal clarity in Myanmar. However, the management has a policy of delaying the sale of products to dealers in Myanmar according to the market conditions forecasting, to prevent the risk from inability to pay for goods. As a result, revenue from operations in Myanmar may slow down during the time that legally in Myanmar still unclear.
3. Commission fee, which is the compensation paid to the businessmen according to the networking business plan, is considered as the company's significant expenses. It sums up to 41.09 percent, 36.37 percent, and 36.80 percent for 2021, 2022, and 2023 respectively. In the case of the proportion of such expense was significantly increased may be due to the businessmen received higher commission even if they did not buy more products from the company, and will affect the company's net profit margin. However, the company monitors this expense ratio regularly. In addition, at the end of the year, the company implemented a reduction price strategy to gain greater access to consumers, combined with a reduction in the point value (PV) of each item used in the calculation of commission, which would result in company's reduced commission rate adjustment to a level suitable for business operations and increased opportunity to generate profits company.

4.3 Key Financial Data

4.3.1 Financial Summary

Statement of Financial Position

Statement of Financial Position	For the year ended 31 December					
	2023		2022		2021	
	THB Million	%	THB Million	%	THB Million	%
Current Assets						
Cash and cash equivalent	226.02	25.46	251.84	25.58	563.62	53.78
Trade and other current receivables	144.03	16.23	185.74	18.86	115.72	11.04
Current portion of hire-purchase receivable	14.31	1.61	10.00	1.02	-	-
Short-term loan to other companies	15.00	1.69	-	-	-	-
Inventories	117.04	13.19	68.27	6.93	79.60	7.60
Other current financial assets	30.74	3.46	-	-	-	-
Non-Performing Asset	2.07	0.23	-	-	-	-
Other Current Assets	7.41	0.83	9.35	0.95	11.29	1.08
Total Current Assets	556.62	62.71	525.20	53.34	770.24	73.50
Non-Current Assets						
Fixed deposit used as collateral	5.70	0.64	5.70	0.58	5.80	0.54
Other non-current financial assets	20.23	2.28	127.70	12.97	-	-
Hire-purchase receivables	68.19	7.68	69.32	7.04	-	-
Right-of-Use Assets	23.43	2.64	34.46	3.50	46.51	4.44
Property, plant and equipment	81.49	9.18	87.45	8.88	82.85	7.91
Intangible Assets	119.75	13.49	130.09	13.21	137.51	13.12
Deferred tax assets	-	-	-	-	-	-
Other Non-Current Assets	12.17	1.37	4.69	0.48	5.19	0.49
Total Non-current Assets	330.97	37.29	459.41	46.66	277.76	26.50
Total Assets	887.59	100.00	984.61	100.00	1,048.00	100.00
Liabilities and Shareholder's equity						
Current Liabilities						
Trade and other current payables	93.50	10.53	119.42	12.13	134.83	12.87
Current contract liabilities	13.35	1.50	-	-	-	-
Current portion of lease liabilities	13.60	1.53	16.22	1.65	15.25	1.46
Current income tax payable	13.68	1.54	24.26	2.46	31.45	3.00
Other current liabilities	2.68	0.30	3.57	0.36	8.41	0.80
Total Current Liabilities	136.80	15.41	163.47	16.60	189.93	18.12
NON-CURRENT LIABILITIES						
Lease liabilities	11.80	1.33	20.85	2.12	33.71	3.22
Non-current provision for employee benefits	14.28	1.61	17.46	1.77	14.07	1.34
Deferred tax liabilities	21.09	2.38	17.39	1.77	19.70	1.88
Other non-current liabilities	-	-	-	-	-	-

Statement of Financial Position	For the year ended 31 December					
	2023		2022		2021	
	THB Million	%	THB Million	%	THB Million	%
Total Non-current Liabilities	47.17	5.31	55.70	5.66	67.48	6.44
TOTAL LIABILITIES	183.97	20.73	219.17	22.26	257.41	24.56
SHAREHOLDERS' EQUITY						
Issued and paid-up share capital	302.03	34.03	300.00	30.47	300.00	28.63
Premium on ordinary shares	203.30	22.91	197.21	20.03	197.21	18.82
RETAINED EARNINGS						
Appropriated – Legal Reserve	34.05	3.84	34.05	3.46	23.90	2.28
Reserve for repurchase Treasury-Stock	17.97	2.02	-	-	-	-
Unappropriated	71.32	8.03	129.12	13.11	163.85	15.63
Treasury-Stock	(17.97)	(2.02)	-	-	-	-
Other components of shareholders' equity	8.87	1.00	10.41	1.06	8.63	0.82
Total shareholders' equity attributable to owners of the Company	619.57	69.80	670.79	68.13	693.58	66.18
Non-controlling interests ⁽⁴⁾	84.05	9.47	94.65	9.61	97.00	9.26
TOTAL SHAREHOLDERS' EQUITY	703.62	79.27	765.44	77.74	790.59	75.44
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	887.59	100.00	984.61	100.00	1,048.00	100.00

Statement of Comprehensive Income

Statement of Comprehensive Income	For the year ended 31 December					
	2023		2022		2021	
	THB Million	%	THB Million	%	THB Million	%
REVENUES						
Revenues from sales	917.10	93.29	1,118.53	94.75	1,192.50	92.90
Revenues from rendering services	3.06	0.31	5.16	0.44	15.82	1.23
Total revenues	920.17	93.61	1,123.69	95.18	1,208.32	94.13
COST OF GOODS AND SERVICES						
Costs of sales	(214.77)	(21.85)	(252.73)	(21.41)	(280.50)	(21.85)
Costs of services	(2.14)	(0.22)	(3.80)	(0.32)	(10.70)	(0.83)
Total Cost of Goods and Services	(216.91)	(22.07)	(256.53)	(21.73)	(291.20)	(22.69)
Gross Profit	712.57	71.54	867.16	73.45	917.12	71.45
Interest income from hire purchase account	9.31	0.95	-	-	-	-
Other income	53.54	5.45	56.87	4.82	69.73	5.43
Gain on foreign exchange rates - net	-	-	-	-	5.56	0.43
Net Profit before Operating Expenses	766.11	77.93	924.03	78.27	992.41	77.31
Selling and Administrative Expenses						
Selling expenses	(500.69)	(50.93)	(582.17)	(49.31)	(608.19)	(47.38)
Administrative expenses	(144.90)	(14.74)	(116.15)	(9.84)	(99.20)	(7.73)
Loss on foreign exchange rates - net	(0.85)	(0.09)	(3.47)	(0.29)	-	-
Total Selling and Administrative Expenses	(646.43)	(65.76)	(701.79)	(59.45)	(707.39)	(55.11)
EBIT	119.68	12.17	222.24	18.83	285.02	22.21
Finance cost	(2.30)	(0.23)	(2.83)	(0.24)	(3.52)	(0.27)
EBT	117.38	11.94	219.41	18.59	281.50	21.93
Taxes	(28.31)	(2.88)	(48.74)	(4.13)	(57.69)	(4.49)
Net Income / (Loss)	89.07	9.06	170.67	14.46	223.81	17.44
OTHER COMPREHENSIVE INCOME						
Items that will be reclassified subsequently to profit or loss						
Exchange rate differences on translation of financial statements	(0.03)	(0.00)	(0.30)	(0.03)	(0.71)	(0.06)
Gain on remeasurements of defined benefit plans	0.13	0.01	-	-	-	-
Loss on measuring financial assets	(2.32)	(0.24)	2.54	0.21	-	-
Income tax relating to components of other comprehensive income	0.67	0.07	(0.45)	(0.04)	-	-

Statement of Comprehensive Income	For the year ended 31 December					
	2023		2022		2021	
	THB Million	%	THB Million	%	THB Million	%
Net other comprehensive income	(1.55)	(0.16)	1.79	0.15	(0.71)	(0.06)
Total comprehensive income for the year	87.52	8.90	172.46	14.61	223.10	17.38
Profit attributable to:						
Owners of the Company	86.16		167.40		217.61	
Non-controlling interests	2.91		3.27		6.20	
Profit for the years	89.07		170.67		223.81	
Total comprehensive income attributable to:						
Owners of the Company	84.62		169.19		216.90	
Non-controlling interests	2.91		3.27		6.20	
Total comprehensive income for the years	87.52		172.46		223.11	
Basic earnings per share						
Basic earnings per share (Baht)	0.14		0.28		0.39	
Weighted average number of ordinary shares (Thousand shares)	600.72		600.00		600.00	
Diluted Earnings per Share (Baht)	0.13		-		-	
Weighted average number of shares used in calculating diluted earnings per share (Thousand shares)	655,092		-		-	

Statement of Cash Flows

Statement of Cash Flows	For the year ended 31 December		
	2023	2022	2021
	THB Million	THB Million	THB Million
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year	89.07	170.67	223.81
Adjustments:			
Income tax expense	28.31	48.74	57.69
Expected Credit Loss	3.81	-	-
Allowance for doubtful debts	-	-	-
Loss for diminution in value of inventories	(1.03)	1.21	(0.32)
Impairment loss on Non-Performing Asset	0.29	-	-
Depreciation of plant and equipment	15.72	14.86	14.06
Amortization of intangible assets	17.79	16.65	15.15
Amortization of right-of-use assets	15.98	15.35	13.74
Difference from the decreasing of rental expense	(0.18)	(0.34)	(0.14)
Loss on disposal of plant and equipment	-	0.01	0.01
Gain on sales of plant and equipment	(1.12)	(0.02)	(0.18)
Gain on sales of investments in debt instruments	(1.99)	(0.04)	-
Employee benefit expense	3.84	3.31	3.01
Unrealized loss (gain) on exchange rates	(2.75)	3.58	(6.09)
Interest income	(4.39)	(2.06)	(1.13)
Finance costs	2.30	2.83	3.52
Operating profit before Changes in operating assets and liabilities	165.63	274.75	323.13
Changes in operating assets and liabilities			
Operating assets (increase) decrease			
Trade and other current receivables	45.43	(150.92)	(29.47)
Hire purchase account receivables	(6.98)	-	-
Inventories	(47.75)	10.13	(31.03)
Non-Performing Asset	(2.36)	-	-
Other current assets	1.95	1.94	(6.73)
Bank deposit used as collateral	-	-	(0.20)
Other non-current assets	(7.49)	0.50	(0.54)
Operating liabilities increase (decrease)			
Trade and other current payables	(12.94)	(15.40)	13.40
Current contract liabilities	0.36	-	-
Other current liabilities	(0.90)	(4.83)	2.93
Paid for non-current provision for employee benefits	-	-	(0.17)
Net cash received from operation	134.95	116.17	271.32
Income tax paid	(41.78)	(59.66)	(42.36)
Net cash provided by operating activities	93.17	56.51	228.96
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash payments for purchases of investments in debt instruments	(213.68)	(270.10)	-

Statement of Cash Flows	For the year ended 31 December		
	2023	2022	2021
	THB Million	THB Million	THB Million
Cash received from sales of debt instruments	290.08	144.98	-
Cash payments for purchase of a subsidiary, net of cash received	-	-	-
Cash payments for purchases of property, plant and equipment	(12.55)	(19.82)	(14.05)
Cash received from sales of equipment	3.90	0.36	0.20
Cash payments for purchases of intangible assets	(7.45)	(9.23)	(11.56)
Interest income	3.81	1.09	1.11
Net cash provided by (used in) investing activities	49.12	(152.72)	(24.30)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Cash paid for lease liabilities	(16.43)	(14.85)	(12.58)
Cash received from shares subscription	8.12	-	-
Cash paid for purchasing treasury stock	(17.97)	-	-
Interest paid	(2.30)	(2.83)	(3.52)
Dividends paid	(139.50)	(197.60)	(92.40)
Net cash provided by (used in) financing activities	(168.07)	(215.28)	(108.50)
Effect of exchanged rate differences on translation of financial statements	(0.03)	(0.30)	(0.71)
Net increase in cash and cash equivalents	(25.78)	(311.79)	95.44
Cash and cash equivalents as at January 1,	251.83	563.62	468.18
Cash and cash equivalents as at December 31,	226.02	251.83	563.62

4.3.2 Financial Ratios⁽¹⁾

Financial Ratios	Unit of	For the year ended 31 December		
	Measurement	2023	2022	2021
Liquidity Ratios				
Current Ratio	Times	4.07	3.21	4.06
Quick Ratio	Times	2.81	2.74	6.46
Cash flow current ratio	Times	0.62	0.32	1.34
Receivable current ratio	Times	24.07	24.89	29.19
Avg. debt collection period	Days	14.95	14.46	12.34
Inventory turnover period	Times	2.67	3.89	4.68
Avg. selling period	Days	134.60	92.55	76.90
Payable current ratio	Times	5.04	6.78	7.15
Loan repayment period	Days	71.48	53.13	50.32
Cash cycle	Days	78.07	53.88	38.91
Profitability Ratios				
Gross profit margin	%	76.43	77.17	75.90
Operating profit margin ⁽²⁾	%	11.91	19.19	23.04
Other profit margin ⁽³⁾	%	1.03	0.58	0.51
Cash to profit margin	%	77.85	25.42	80.40
Net profit margin	%	9.06	14.46	17.44
Return on equity	%	12.13	21.94	30.86
Efficiency Ratios				
Return on assets	%	9.52	16.79	23.14
Return on fixed assets	%	124.06	217.89	287.08
Asset turnover	Times	1.05	1.16	1.33
Financial Policy Ratios				
Debt to equity ratio	Times	0.30	0.33	0.37
Interest coverage ratio	Times	77.94	63.15	90.09
Commitment coverage ratio (cash basis)	Times	0.53	0.23	1.75
Divident Payout ratio	%	156.61	115.78	41.28

Remarks:

1. The calculation is made on an annualized basis for comparison and analytical purposes
2. Operating Profit Margin calculation = (Operating profit / Operating Revenue on Sales and Services). Please note that other income (eg. Income from sales of investments in subsidiaries, interest income, etc) is not taken into account.
3. Other Profit Margin calculation = (Non-operating income / Total Revenue). Such income are, for example, sales of investments in subsidiaries and interest income.
4. Included Non-controlling interest

5. General Information and Other Information

5.1 General Information

5.1.1 Other References Information

(1) Auditor

Company Name	:	Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
Auditor	:	Miss Porakoch Jongkonsiri CPA Number 7150 and/or Mr. Wonlop Vilaivaravit CPA Number 6797and/or Miss Sophaphan Saptipayarattana CPA Number 6523 and/or Mr. NantawatSumraunhant CPA Number7731
Head Office Location	:	AIA Sathorn Tower, 23rd - 27th Fl., 11/1 South Sathorn Road, Yannawa Sub-district, Sathorn District, Bangkok 10120
Telephone	:	0-2034-0000
Fax	:	0-2034-0100

(2) Securities Registrar

Company Name	:	Thailand Securities Depository Company Limited
Location	:	The Stock Exchange of Thailand93 Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok 10400
Telephone	:	0-2009-9000
Fax	:	0-2009-9991

5.1.2 Direct Selling Business License

The company is authorized by the Office of the Consumer Protection Board according to the registration document number 5603250100005 to register the direct sales operation under the Direct Selling and Direct Marketing Act, B.E. 2545 since 25 March 2013. The license has no expiration date.

5.2 Other Important Information

- None—

5.3 Legal Dispute

5.3.1 Cases that may have a negative impact on the company's assets of more than 5% of the shareholders' equity.

- None-

5.3.2 Cases that significantly affect the business operations of the company but cannot be evaluated in numbers

- None-

5.3.3 Cases that are not from normal business operations of the company

- None-

5.4 Secondary Market

The company has no securities listed on the stock exchange of other countries.

Part 2

Corporate Governance

6. Corporate Governance Policy

The company has given importance to the establishment of a good corporate governance system and conducted business with transparency, honesty, and responsibility for the performance of their duties. The company is also competent and fair to all stakeholders to create prosperity, increase economic value and wealth for shareholders. It adheres to the principles of corporate governance of the Stock Exchange of Thailand and the basis of the sufficiency economy, which is moderation, reasonableness, and self-immunity by virtues of knowledge, prudence, and caution using for planning and operation. At the same time, it has strengthened all executives and employees to have morality, honesty, diligence, sharing, and use of intelligence in the operation and it has been ready to support economic, political, cultural, and social changes for a balanced and sustainable benefit.

The Board of Directors gives great emphasis on good corporate governance by conducting business ethically, respecting rights, and being responsible to shareholders and stakeholders, giving benefit to society, and developing or reducing the negative impact on the environment. This is sustainable value creation for the company and its subsidiaries, making them be able to compete and have a good performance by considering the long-term effects and being adaptable under changing factors.

The principles of good corporate governance of the company including good corporate governance policy, code of business conduct, anti-corruption policy within the organization, Guidelines for Anti-Corruption Policy, policy of using the company's internal data, policy on supervision of operations of subsidiaries and associated companies, and policy on prevention of conflicts of interest. The company has regularly reviewed and updated the suitability, which it considers is still appropriate for the current situation. The company announced and published the policies to employees, shareholders, and the general persons through the company's website under the heading of "Investor Relations" in corporate governance: Corporate Governance Report and Download Documents.

In 2023, the Board of Directors realizes the importance of participating in the development of corporate governance in line with the current situation. has reviewed and improved "Anti-Corruption Policy within the organization" and "Anti-Corruption Policy Practice Guidelines" which were approved by the Board of Directors Meeting No. 1/2023 on February 23, 2023 requires the following guidelines

Participation of Thai Private Sector Collective Action Against Corruption

As the company sees the importance of anti-corruption and creating a transparent business standard, the company has participated in expressing its intention by participating in a campaigning activity with network partners of the Thai private sector to combat corruption. Therefore, it is accepted to establish the policy of anti-corruption practice guideline, by establishing an anti-corruption policy within the organization and the code of business conduct on "Anti-Corruption and Bribery for Business Benefit" and "Giving or Accepting gifts or other benefits" to drive the broader anti-corruption efforts and in 2023, reviewed and improved "Anti-Corruption Policy

within the organization” and “Anti-Corruption Policy Practice Guidelines” which were approved by the Board of Directors Meeting No. 1/2023 on February 23, 2023

For the standard of the company's transparent business operation in 2020, the Board of Directors allows the company to show the intention of participating in the Thai Private Sector Collective Action Against Corruption (“CAC”) project, which was approved by the Board of Directors Meeting No. 5/2020 on November 12, 2020.

In 2021, the Board of Directors' Meeting No. 4/2021 held on November 11, 2021 resolved to approve the anti-corruption self-assessment form. To deliver to the CAC Board of Directors to enter the certification process and in 2022, the Company has been certified by the Thai Private Sector Collective Action Coalition Committee (CAC) and in the future will continue to drive subsidiaries, business partners to become alliances in anti-corruption (Change Agent).

Therefore, the company has determined that all directors, executives, and employees including employees of the subsidiary company not claim or receive gifts, assets, or any other benefits from customers, partners, contractors, or any other related persons with the company's business in any cases. The company has made a channel for reporting if there any actions are within the scope of, or take risks in the way. It has also set measures to protect any person who complaints or provides information about non-compliance with laws, rules, regulations, and employee ethics.

Besides, the company has set up a communication channel for employees and related persons to be able to report any suspicious whistleblowing or complaints when encountering situations that may be illegal, corrupt, or misconduct of management and employees in the company as well as behavior that may cause problems and damage to the company. The company will listen and deal with all complaints equally, transparently, and fairly, with systematic and fair protection measures for complainants. Complainant information will be kept in the company in secret through the following channels:

- By E-mail, please contact
Assoc. Prof. Dr. Kanyarat Sanoran, Chairman of Audit Committee
E-mail: scm.advise.bod@successmore.com
- By mail, please contact
Assoc. Prof. Dr. Kanyarat Sanoran, Chairman of Audit Committee
Address: The Faculty of Commerce and Accountancy, Chulalongkorn University
254 Phayathai Road., Wangmai, Pathumwan, Bangkok 10330

6.1 Corporate Governance Policy and Practice Overview

The Company is aware of the importance of good corporate governance as an important factor to help promote the company's operations and subsidiaries for efficiency and sustainable growth. This will lead to the best interests of all stakeholders, starting from employees, investors, shareholders, and other stakeholders. Therefore, the Board of Directors sees it appropriate to establish a policy on better corporate governance that covers the main content from the structure, roles, duties, responsibilities of the Board. It includes principles of management of the executives that are clear, transparent, and can be examined to be a guideline for the management of the

organization creating confidence that any operations of the company and its subsidiaries will be conducted with fairness and considering the best interests of shareholders and all stakeholders.

At the Extraordinary General Meeting of Shareholders No. 1/2019 held on February 20, 2019, it was approved the policy on good corporate governance and made it in writing to make the company reliable for all shareholders and stakeholders, and for the benefit of creating sustainable business value meeting the expectations of both the business sector and investors, as well as the capital market and society as a whole. The company has established a policy on good corporate governance based on good corporate governance principles for listed companies in 2017 by the Securities and Exchange Commission Board to be a guideline for corporate governance of the company. The Board of Directors has given importance to the practice of good corporate governance principles that covers 8 principles of corporate governance principles as follows:

- Principle 1** Recognize the role and responsibility of the Board of Directors as the leader of the organization that creates sustainable value for the business.
(Establish Clear Leadership Role and Responsibilities of Board)
- Principle 2** Define Objectives and Main Goals of the Business for Sustainability
- Principle 3** Strengthen Effective Board
- Principle 4** Recruit and Develop High-Level Executives and Personnel Management
- Principle 5** Promote Innovation and Conduct Business Responsibly
- Principle 6** Strengthen Effective Risk Management and Internal Control
- Principle 7** Maintain Financial Credibility and Disclosure
- Principle 8** Promote Engagement and Communication with Shareholders

In 2023, the Board of Directors' Meeting No. 1/2023 on February 23, 2022 reviewed and revised the corporate governance policy, in which the company published all 8 principles of corporate governance policy to employees, shareholders. And the general public has been informed through the company's website under the heading "Investor Relations" in the section of corporate governance: Corporate Governance Report and Document Download : Corporate Governance Policy

(Corporate Governance Policy, all 8 practices, please refer to Attachment 5)

6.1.1 Policy and Guideline Related to the Board

The Board of Directors gives the importance of good corporate governance since it knows that good corporate governance can enhance business competitiveness including management based on responsibility, honesty, morality, and ethics. This is an important factor that results in the transparent business operation of the company to be efficient and effective, stable and sustainable growth, as well as increasing economic value with the following guidelines:

The Nomination of the Board of Director

The Board of Directors gives importance to the selection of company directors following the principles of good corporate governance. They, therefore, had the Nomination and Remuneration Committee recruit qualified persons with suitable qualifications to serve as directors of the company. It presented to the Board of Directors to consider before proposing to the Annual General Meeting of Shareholders for election, with the majority vote

of the shareholders attending the meeting and voting. Except in the case that it is not retiring by rotation and the term remains for at least 2 months, the Board of Directors' meeting will select persons proposed by the Nomination and Remuneration Committee to be the company's directors with a vote of not less than three-fourths of the remaining directors. The person who becomes the director of the company will have the term of office equal to the remaining term of the director he replaces. The Nomination and Remuneration Committee will analyze the skills, experience, knowledge, and expertise of the Board of Directors (Board Skill Matrix) to be used for considering the nomination of directors following the company's business strategy.

Also, for recruiting new directors, the Nomination and Remuneration Committee has considered additional knowledge, competence, and experiences that are beneficial to the performance of directors and are necessary for the missing composition of the board structure. It also considers the opportunity for minority shareholders to participate in nominating persons to be elected as directors.

For the selection of independent directors consideration, the Nomination and Remuneration Committee will consider the qualifications of independent directors that the company has set strictness more than the minimum requirements of the Capital Market Supervisory Board. Independent directors are required to hold **not more than 0.5%** of the total number of shares with voting rights of the company, parent company, subsidiary company, associated company, major shareholders, or a person with control over the company. Moreover, the shareholding of related persons of that independent director is included.

Remuneration for Directors and Executives

The Board of Directors has appointed the Nomination and Remuneration Committee to consider the criteria and policies for determining the remuneration of the Board of Directors, sub-committee, and the top executives, which are the Chairman of the Executive Committee and the Chief Executive Officer to propose to the Board of Directors and/or propose for approval to the shareholder meeting depending on cases.

In 2023, the Board of Directors has established a policy and criteria for the remuneration of directors, divided into 2 parts: 1. Monthly remuneration 2. Meeting allowance paid whenever attending the meeting, considering the duties, responsibilities, appropriateness, and consistency with performance, company's operating results. It will compare with the practice of other companies in the same industry with a similar scale of business, business risks, the ability to persuade qualified directors that meet the needs of the company to become the company's director. The directors who have been assigned to have more duties and responsibilities will receive compensation that is suitable for their duties. For Chief Executive compensation, the Board of Directors has established policies and criteria for Chief Executive Officers' compensation, which are monthly and variable compensation for executives. The Nomination and Remuneration Committee is responsible for reviewing the remuneration of the Chairman of the Executive Committee and the Chief Executive Officer to propose to the Board of Directors for approval. The compensation is appropriately defined according to the company's compensation structure and the performance that is consistent with the duties and responsibilities assigned.

Independence of the Board of Directors from the Management

The company has the policy to divide the duties and responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer (Chief Executive Officer: CEO). It must be a person with knowledge, capability, appropriate experience, and must not be the same person to have a balance of power by separating the

supervisory and administrative duties from each other. In case that the Chairman of the Board is not an independent director, the board will appoint an independent director to consider the agenda of the board meeting to comply with the principles of good corporate governance for listed companies.

For independent directors, the company stipulates that independent directors will have a continuous term of office for not more than 9 years unless there is a reason and necessity as the Board deems appropriate.

The company also sets and separates the powers of the Board of Directors and the management division at various levels clearly by considering and making decisions on important matters. It must be approved by the Board of Directors and various committees to balance and review to ensure transparency and fairness to all relevant parties.

Directors Development and Performance of Directors Evaluation

The Board of Directors gives importance to the development of directors by encouraging company directors to attend various training courses or course seminars that are beneficial to the performance of their duties. It sees the benefits of education/training that it will be the development of directors to gain knowledge that is up-to-date with competitive business events all the time. It has the policy to develop the capacity of executive personnel by organizing both internal and external training sessions to be a learning organization. In the past, company directors participated in the director training program of the Thai Institute of Directors Association (IOD) as required by the Securities and Exchange Commission (SEC) requiring the directors of listed companies to pass at least one training that is the Director Accreditation Program (DAP) and Director Certification Program (DCP). Company Directors also give importance to attending other training courses to empower leaders to be professional, knowledgeable, and understandable in their roles and to be role models to drive an organization leading to good corporate governance.

The Company gives the importance of evaluating the performance of the Board of Directors, sub-committee, and Chief Executive Officer to be used to improve the performance of duties of the Board of Directors, various committees, and Chief Executive Officer. The performance appraisal is set to review the results, problems, and obstacles one time each year. The results can be used to develop and improve performance in various fields.

Supervision of Subsidiaries and Associated Companies

At the Extraordinary General Meeting of Shareholders No. 1/2019 on February 20, 2019, approved the policy on supervision of operations of subsidiaries and associated companies and made it in writing. That is, the company will supervise the business and operations of subsidiaries and/or associated companies to be as a unit of the company and to be able to examine and supervise the operations of subsidiaries and/or associated companies effectively under the company's policy, including the Public Company Law, Limited Company Law, Securities, and Exchange Law as well as other relevant laws as well as announcements, regulations, and rules related to the Capital Market Supervisory Board, the Securities and Exchange Commission, and investment policies and operational governance in subsidiaries and associates, and the Stock Exchange of Thailand. To protect the interests of the investment of the company in subsidiaries and associated companies, the company requires the nomination and exercise of voting rights in appointing persons to be directors of subsidiaries and/or associated companies that must be approved by the Board of Directors at least in proportion to the company's shareholding

in subsidiaries and/or associated companies. The persons appointed as directors in subsidiaries or affiliated companies are responsible for the actions in the best interest of the subsidiaries or associated companies (Not for the company). The company has assigned the person who was appointed must be approved by the Board of Directors before a resolution can be made or exercising the right to vote on important matters at the same level as requiring the approval of the Board of Directors if it is operated by the company.

In the case of a subsidiary, the company sets regulations for persons appointed by the company must supervise the subsidiary to have important regulations or policies on the business operations of subsidiaries and/or associated companies, disclosure of information and internal control system, making a connected transaction, acquisition or disposition of assets, or any other important transactions of the company to be complete and correct. It has to use the rules related to the above transactions in the same manner as the company's criteria including the need to supervise the storage of information and accounting records of subsidiaries for the company to check and compile to prepare the consolidated financial statements on time as well.

(Supervision of operations of subsidiaries and associated companies Policy is announced and published to employees, shareholders, and the general persons to be informed through the company's website under the heading of "Investor Relations" in the Corporate Governance category: Corporate Governance Report and Download Documents: Corporate Governance Policy of Subsidiaries and Associates)

6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders

Equitable Treatment of Shareholders

The Company considers the equitable treatment for all shareholders, recognizes and values the rights of shareholders such as rights to buy, sell, or transfer shares, having a share of the profit of the enterprise, receiving news and information of the company, attending to vote at the shareholders' meeting freely and equitably. There is a criterion for minority shareholders to be able to propose additional agenda before the meeting of shareholders, propose a person to be considered for election as a director in advance before the annual general meeting of shareholders, and participate in making decisions on important matters affecting the company such as dividend allocation, appointment or removal of directors, determining Directors' remuneration, appointment or removal of auditors, and determining audits' remuneration, etc.

Shareholders are entitled to receive important information equally. The company publishes information in both Thai and English through the company's website the news system of the Stock Exchange of Thailand. Although some matters are not within the criteria required by law to be disclosed, if the company sees that shareholders must be informed, the company will disclose that information correctly, completely, timely, and transparently.

The company discloses the operating results management policy, transactions connected to important assets trading as well as other information that is necessary for shareholders' decision. This is to give the shareholders confidence that the operating structure is transparent, verifiable, and ready to operate efficiently to create sustainable growth, generate returns to shareholders at an appropriate and continuing rate.

Protection Against the Use of Internal Information

At the Extraordinary General Meeting of Shareholders No. 1/2019 on February 20, 2019, approved the policy on the use of internal information and made it in writing, that is, directors, executives, employees, and employees of the company and subsidiaries who have received internal information which may affect the company's securities must be suspended in 30 days before the financial statements or internal information are disclosed to the public, and during the 24 hours after the information of the company has been disclosed to the public. The person involved in the information must not disclose the information to others until it has been already notified to the Stock Exchange of Thailand and/or to the public.

The company secretary prepared the schedule for the annual board of directors meeting and delivered it to all company's directors in advance to inform the duration that should refrain from trading securities. Also, the company secretary wrote a letter every time to inform the period it should refrain from trading securities before disclosing the financial statements to prevent the use of internal information. In case that the director and the executive intend to buy, sell, transfer, or transfer the company's securities. The company has assigned that person to proceed to notify the intention to proceed with the company secretary at least 1 day before.

(Policy on the use of internal information of the company is announced and published to employees, shareholders, and the general persons to be informed through the Company's website under the heading of "Investor Relations" in the Corporate Governance category: Corporate Governance Report and Download Documents: Policy on Use of Inside Information)

Conflicts of Interest Policy

At the Extraordinary General Meeting of Shareholders No. 1/2019 on February 20, 2019, approved the conflicts of interest policy and made it in writing. The directors, executives, and employees of the company are expected to perform their duties with efficiency, transparency, and accountability to benefit the company's business operations and to build confidence among customers and all related parties. The company has made a conflict of interest policy on the principle that any decisions in conducting business activities must be for the best interests of the company and its shareholders and should avoid any acts that cause a conflict of interest. It will require those who are involved or have an interest in the considered transaction must notify the company of their relationship or stake in the transaction and must not participate in the consideration including having no power to approve the transactions.

(Conflicts of interest Policy is announced and published to employees, shareholders, and the general persons to be informed through the company's website under the heading of "Investor Relations" in Corporate Governance: Corporate Governance Report and Download: Policy on the Prevention of Conflicts of Interest).

Anti-Corruption Policy

In 2023, the Board of Directors reviewed the policy to comply with Anti-Corruption Laws by specifying in writing as a guideline for Code of Conduct which was approved by the Board of Directors Meeting No. 1/2023, on February 23, 2023. "Anti-corruption Policy within the Organization" and was approved by the Board of Directors Meeting No. 1/2023 on February 23, 2023 to provide in written of "Guidelines for Anti-Corruption Policy". The Company and its affiliates are aware of adhere to ethical business practices, social responsibility and all groups of stakeholders in accordance with the principles of good corporate governance including the business ethics of

the Company group which supports sustainable growth for the company by expanding policy to agents, contract parties, or any person acting on behalf of the Company and subsidiary.

Group Directors, Executives, and employees will not solicit, act, or accept any form of corruption form, under any circumstance both directly and indirectly. This is for the benefit of oneself, friends, and acquaintances, covering the businesses of the group of companies and all related units. The group also sets guidelines, roles, and responsibilities of the person as well as conducts a review and regularly reviews the compliance of the anti-corruption policy to comply with business changes, regulations, and relevant laws.

(The anti-corruption policy and Guidelines for Anti-Corruption Policy is announced and published to employees, shareholders, and the general persons to be informed through the company's website under the heading of "Investor Relations" in Corporate Governance: Corporate Governance Report and Download: Policy on the Prevention of Conflicts of Interest).

Measures to take against for those who do not comply with the policy

The company sets measures to take against those who do not comply with the policy and practice of the company, that is, if there is an act breaking the company rules, it will be considered a disciplinary offense according to the company's work regulations and company rules. It will consider punishment as appropriate for the case starting from verbal admonition, warning in writing, probation, as well as the termination of employment.

6.2 Code of Business

The Extraordinary General Meeting of Shareholders No. 1/2019, held on February 20, 2019, resolved to approve the Code of Business Conduct and make it in writing to create sustainability for businesses, to protect the interests of stakeholders and society, and to provide opportunities for stakeholders to express their opinions on the business operation to be a mechanism and processes to take care of the business operation seriously. This leads to truly good corporate governance. The executives and employees of the company must adhere to as a guideline in performing their duties as the company representatives as follows:

1. Strictly comply with laws, regulations, and related rules.
2. Comply with the policy "Good Corporate Governance" and "Business Ethics".
3. Perform duties with honesty, morality, and responsibility.
4. Behave like a professional practitioner with knowledge, expertise, and prudence.
5. Consider the benefits and impacts from the organization's operation with equality and social justice to the stakeholders of the company.
6. Keep confidentiality and do not use internal or confidential information for the benefit of oneself or others in the wrong way.
7. Build a strong work system to prevent corruption through the internal audit system.
8. Assign directors, executives, and employees throughout the organization to take part in anti-corruption, to report a conflict of interests, to communicate effectively, and promote the quality of working life
9. Provide opportunities for stakeholders to have complaints and opinion channels, and to have protection measures of complainant or whistleblower.
10. Disclose information with transparency and reliability to shareholders.

In 2023, the Board of Directors' Meeting No. 1/2023 on February 23, 2022 reviewed and revised the the code of conduct for conducting business with stakeholders and society to employees, shareholders, and the general persons through the Company's website under the heading "Investor Relations" in the section of Corporate Governance: Corporate Governance Report and Download Documents: Business Conduct

(Code of Business Conduct, please refer to Attachment 5.)

6.3 Major Changes and Developments of Policy, Practices, and Corporate Governance System in the past year

6.3.1 Significant Changes and Developments in Policy Review, Practice, and Corporate Governance or the Board of Directors Charter in the Past Year

The Board of Directors gives great importance to the establishment of a good corporate governance system and strives to continuously raise the standards of good corporate governance to conduct business with transparency, efficiency, stability, and sustainable growth. It also increases the economic value and long-term wealth for shareholders and creates fairness to all stakeholders. The policy is to manage operations under economic and social conditions with balance following good corporate governance principles for listed companies.

The Board of Directors has reviewed the principles of good corporate governance of the company annually by revising and preparing all 8 good corporate governance principles to comply with the "Corporate Governance Principles for Listed Companies 2017 (Corporate Governance Code: CG Code)" of the Securities and Exchange Commission (SEC). It is approved by the Extraordinary General Meeting of Shareholders. 1/2019 on February 20, 2019, for all directors, executives, and all employees to follow as a guideline for their work. The Board of Directors has reviewed the Audit Committee Charter in which the qualifications of independent directors are given more strictly than the minimum requirements of the Capital Market Supervisory Board. Independent directors are required to hold no more than 0.50% of the total number of shares with voting rights of the company, parent company, subsidiary company, associated company, major shareholder, or controlling person of the company. This includes the shares held by related persons of that independent director, which was approved by the Board of Directors Meeting No. 5/2020 on November 12, 2020.

The Board of Directors is aware of the roles and duties of a leader of the organization. Therefore, it has considered and reviewed the application of CG Code to be applied under the company's business context annually to create sustainable value for the business. Compliance with each CG code was assessed to ensure that a process was applied or there is a development plan suitable for the business.

The company gives importance to good corporate governance by seeing that the aforementioned principles would benefit the company in the organization's development. It brings the good corporate governance principles for listed companies of the Stock Exchange of Thailand to use continuously.

6.3.2 Compliance with Good Corporate Governance in Other Areas



SCM receives an assessment score

Corporate Governance at 5-star level “Excellent”



From the Corporate Governance Survey of Thai Listed Companies (CGR) for the year 2023,
3rd time in succession. Organized by Thai Association of Directors (IOD)
with support from the Stock Exchange of Thailand



SCM received a full assessment score of 100.

from the results of the Quality Assessment

Organizing the Annual General Meeting of Shareholders 2023 (AGM Checklist),
3rd time in succession from the Thai Investors Association



SCM Certified



Thai Private Sector Collective Action Against Corruption: “CAC”
since March 13, 2022

The Board of Directors gives importance to good corporate governance by conducting business with ethics and responsibilities to shareholders and stakeholders. The company has also complied with good corporate governance principles covering 4 content categories: Covering content in 4 categories: Rights of Shareholders and Equitable Treatment of Shareholders, Role of Stakeholders and Sustainable Business Development Disclosure and Transparency Section and the category of responsibility of the Board of Directors.

Category 1 Rights of Shareholders and Equal Protection of Fundamental Rights

➤ Category 1.1 Shareholders' Rights

The Company gives importance to the right of shareholders by allowing more stakeholders to take part in corporate governance by paying attention to good practices for shareholders' meetings on the quality of the meeting invitation letter, the quality of the meeting minutes, and the roles and meeting attendance of the Chairman and the various committees in the minutes of the shareholders' meeting. This is to allow shareholders to be informed of the meeting results and to be able to verify their accuracy through the channels of the Stock Exchange of Thailand and the company's website within 14 days from the meeting date. It also continues to operate in terms of shareholders' rights for sustainability.

The Board of Directors recognizes and respects the ownership rights of shareholders by encouraging shareholders to exercise their rights and not taking any action which violates or deprives the rights of shareholders whether it's a basic right receiving appropriate, adequate and timely information, as well as attending meetings and voting and expressing opinions fully. Treating shareholders equally and performing duties to protect the interests of shareholders fairly as well as supporting and encouraging all groups of shareholders, whether they are domestic or foreign shareholders despite being a major shareholder minority shareholders or institutional shareholders have exercised their rights both the basic rights of shareholders and other rights. In addition to basic rights to determine the direction of operations and make decisions on matters that have a significant impact on the Company as follows:

Operations in 2023

1. The Board of Directors grants shareholders the right to approve the remuneration of company directors annually, to propose compensation policies, criteria, and procedures by clarifying the elements proposing remuneration to directors in each group and each position in all forms. The forms can be separated into monthly compensation, meeting allowance per time when attending the meeting, and any other benefits which contain sufficient information for shareholders to consider annually.
2. At the Annual General Meeting of Shareholders for the year 2023, the Board of Directors provides an opportunity for shareholders to propose issues to be included as agenda during November 1 - December 30, 2022, with clear methods and procedures in Thai and English on the company's website under the heading of "Investor Relations", Shareholder Information category: Meeting. The company also informed shareholders through the news system of the Stock Exchange of Thailand.

However, in the duration, no shareholder was proposing any matters to be included in the agenda.

3. The company gives great importance to all matters and issues that are stipulated in the law and may affect the direction of the company's business operations. The company will set the agenda of the shareholder meeting to certify and approve. Each agenda proposed in the notice of the meeting has a history with the objectives, reasons, and opinions of the Board of Directors for each agenda that is mentioned. It includes supporting documents for shareholders to consider in detail in the annual general meeting of shareholders important agenda such as
- **Director's Agenda:** Separate director elections and director remuneration into each agenda.
 - **Appointment of Directors:** The Company provides an opportunity for shareholders to elect individual directors. The basic information of the persons proposed for election is 1. Name - Surname 2. Age 3. Education and Work Background 4. Holding a position in other businesses specified if it is a company operating a business that has the same nature and is in competition with the business of the company 5. Criteria and method of selection, which has been considered and screened by the Nomination and Remuneration Committee. It will consider the suitability of qualifications, experience, and expertise in a variety of professions, having a vision, being virtuous, have a flawless work history, and can express opinions independently including their performance as a director of the company in the past and attendance of the Board of Directors meetings 6. Type of director proposed 7. Information on meeting attendance in the past year 8. Date of appointment as the Company's director.
 - **Director Compensation:** The Nomination and Remuneration Committee considers the credit line and allocation by considering the payment in the form of monthly remuneration and meeting allowance per time when attending the meeting. It will scrutinize details on suitability with duties, responsibilities, performances compared to companies in similar businesses, and the benefits expected to receive from the directors, including the appropriateness of the number of the Board of Directors. This is under the remuneration policy and criteria. However, the company proposes the compensation to the shareholders meeting annually, divided into remuneration that is in form of money which is a monthly payment, and meeting allowances with no other compensation or benefits. It discloses the remuneration of individual directors in item "8.1.2 Meeting attendance and payment of remuneration for individual directors"
 - **Appointment of auditors and setting audit fees:** The auditor must not be a director, employee, or any person holding any position in the company. The auditor must be an expert with an accepted inspection standard, be independent, and meet all the qualifications following regulations of the company and the Office of the Securities and Exchange Commission. The company has provided details of the name of the auditor, audit office, independence, remuneration, reasons for auditor selection, the quality of their performance over the past year, relationship with the company, number of years serving as auditor for the company, information of the auditors' remuneration comparison between the current and the past year, and other service fees which are received from the audit firm that the auditor is affiliated with both of the company and subsidiaries. It was considered by the Audit Committee of the Company which is described in item "7.6.3 Auditor's remuneration".

- **Profit Allocation and Dividend Payment:** The company provides details about profit allocation, dividend payment, dividend Policy, a proposed dividend paid, following the company's dividend payment policy. There is also a comparison of the dividend paid between the current year and the past year. In case that dividends are not paid, the cause will be identified.

4. The company has set a general shareholders meeting once a year within 4 months (120 days) from the end of the fiscal year by setting the date, time, place, and procedure that will not be an obstacle to attend the meeting. This is to allow shareholders to participate in monitoring the performance of the company. In case of an urgent need that it is necessary to propose an agenda in a special case that affects or involves the interests of the shareholders, or related to conditions or rules, governing law requiring shareholder approval, the company will call an extraordinary general meeting of shareholders on a case-by-case.

In 2023, the company held a 1-time general meeting of shareholders and extraordinary general meeting of shareholders.

5. For setting the date for the Shareholder Meeting, the company will not schedule the meeting on public holidays, commercial bank holidays. The company will set the appropriate time between 8:30 am - 5:00 pm and the meeting location will be in Bangkok.

The Company has set the date of the Annual General Meeting of Shareholders for the year 2023 on Thursday 27 April 2023 by organizing the meeting via electronic media (E-AGM) only. There was a place to control the meeting system at the Company's meeting room, no. 10/1-2 Ratchadaphisek Road, Chatuchak, Chatuchak, Bangkok. The meeting began at 3:00 p.m. in accordance with the rules and laws relating to meetings via electronic media B.E. 2563. The Company has a policy to promote and facilitate the shareholders for support the shareholders' meeting, no matter where the shareholders are, they can attend the meeting via electronic media conference system (E-AGM).

6. The Board of Directors recognizes and respects the ownership rights of shareholders with no actions violating or depriving the rights of shareholders by taking care of the benefits of shareholders fairly. as well as supporting and encouraging all groups of shareholders, whether they are domestic or foreign shareholders, whether they are major or minor shareholders, or institutional shareholders to exercise their rights. The rights include the basic rights of shareholders, the right to access sufficient and timely information, and the right to attend meetings to determine operational directions and make decisions on matters that have significant impacts on the company.
7. In the shareholder meeting, the company has set a procedure for meeting legally and mainly considering the convenience, rights, and equality of shareholders. In the meeting registration, the company arranged for registration at least 1 hours before the meeting until the meeting was completed. In the registration, the company has provided.
 - Provide adequate personnel for meeting registration.
 - Prepare revenue stamp for attaching the proxy without charge of service for shareholders who authorize others to attend the meeting on their behalf.
 - To provide a voting system for every agenda via electronic media (E-AGM) for all shareholders to use for voting.

8. Every time of Annual General Meeting of Shareholders every time in the agenda for the election of directors to replace those who retired by rotation, the company provides an opportunity for the shareholders to vote for each director election to allow them truly have the right to elect the desired director. The company has attached details of each director who has been proposed to an election with sufficient information for shareholders to consider.
9. Every time of Annual General Meeting of Shareholders, the company has set an agenda for the appointment of auditors and the determination of auditor remuneration by proposing for shareholders to approve. It contains details of the auditors who are proposed for appointment including the details of the auditors' remuneration with sufficient information for the shareholders to consider.
10. The Board of Directors promotes the use of technology in the shareholders' meeting which is a system that helps count votes, namely the e-Proxy system and the e-Voting system for accuracy and fast to votes for each item. To give shareholders an opportunity to vote for the election of company directors individually.
11. At the shareholders' meeting via electronic media (E-AGM), the quorum count, count the votes, check the results of the resolution, and the outcome of the vote to be transparent comply with the laws and regulations of the company in accordance with the rules and laws on electronic media, B.E. 2563.
12. For shareholders who are institutional investors or foreign investors, and appoint a custodian in Thailand to be a shared depository and keeper, the company facilitates and encourages the shareholders including institutional investors to attend the meeting. The company will be the coordinator of documents and evidence that must be presented before attending the meeting in advance to make registration faster.
13. In the 2023 Annual General Meeting of Shareholders, the company has set a clear agenda for the shareholder meeting conducted the shareholder meeting according to the agendas stated in the notice of the meeting. No agenda switching, no additional agenda, or change of important information without prior notice to shareholders. It allocated time appropriately for presenting various issues of each agenda, and the chairman of the meeting allowed shareholders to ask questions, give opinions, suggestions, or raise questions in each agenda fully and independently. The questions and answers were recorded in the minutes of the shareholder meeting.

If any shareholders wish to add an agenda during the meeting to consider issues other than those specified in the invitation letter, they must be approved by the shareholders meeting with a vote of not less than one-third of the shareholders who attend the meeting and have the right to vote.

In 2023, there were no shareholders asked questions.

14. Every time of shareholder meeting, the company has sent a notice calling for a shareholder meeting along with documents supporting the meeting with complete information of each agenda. It includes a clear statement of the objectives, reasons, and opinions of the committee for each agenda for shareholders to consider in detail.
15. Before starting the shareholder meeting according to the agenda, the conductor of the meeting is responsible for informing the number and proportion of shareholders attending the meeting with clarification on how to vote and methods for counting votes of shareholders who have to vote in each agenda according to the

law and the company's articles of association. The conductor also introduces the Board of Directors, various committees, high-level executives, who attended the meeting to the shareholders. It also introduces the auditors of the company of the year 2023 and the Chairman of the Board of Directors who acts as the chairman of the meeting opening remarks.

The announcement of the vote-counting results in the meeting can be summarized as follows

- Determine the voting rights in the meeting according to the number of shares held by the shareholders. One share is equal to one vote and no share has the privilege of limiting the rights of other shareholders.
 - Voting on each agenda item via electronic media (E-AGM) allows the meeting to consider and vote on each agenda item by voting "Agree", "Disagree" or "Abstain" at the specified time. If the shareholders and proxies do not vote in the specified period of time. It will be deemed that it is unanimously resolved to approve the agenda proposed by the Board of Directors. Shareholders who have interests in any matter will not have the right to vote on that matter. As for the agenda for the election of Directors of the Company, it is stipulated to be an individual vote. The voting results were displayed on the screen for the shareholders to acknowledge at the same time to ensure accuracy and speed, the results of the scores can be announced immediately after the end of each agenda.
16. The Board of Directors prepares the minutes of the shareholder meeting that was recorded correctly and completely according to the meeting. The data was recorded in the minutes of the meeting that consists of voting and counting methods, a list of company directors, sub-committees, and executives attending and not attending the meeting, including the reasons for leaving the auditor, resolution of the meeting together with the votes of agreeing, disagreeing, and abstaining in every agenda that requires voting, shareholders' questions including name – surname, and the responses from the directors and executives, were included in the minutes of the meeting. It will be published on the company's website after the meeting to assure the shareholders that the elements of the meeting starting from verification of registration documents, counting the number of shareholders and proxies to count as a quorum. The meeting was conducted according to the specified agendas, no other agendas were added as well as the vote counting. The resolution of the meeting was transparent, correct according to the laws and regulations of the company.
17. The Board of Directors gives importance to the shareholders' meeting. It is constituted a duty to attend the meeting every time except the case of illness or an important mission. The shareholders can ask questions to the chairman of various sub-committees in a relevant matter.

At the Annual General Meeting of Shareholders for the year 2023, there were a total of 7 directors with 7 directors attending the meeting, representing 100%, including the Chairman of the Board of Directors, Executive Chairman, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, Chairman of the Risk Management Committee, Chief Executive Officer, Chief Finance Officer of the company, and the Company's auditor attended the meeting to clarify and answer questions related to the meeting agenda or related to the company.

18. The 2023 Annual General Meeting of Shareholders, the Company adheres to the principles of Good Corporate Governance means the Company discloses the resolutions of the Annual General Meeting of Shareholders by informing the public about the voting results of each agenda in both Thai and English throughout the Stock Exchange of Thailand news system and the Company's website on the meeting day after the meeting.
19. The company has facilitated the shareholders who are unable to attend the meeting in person by allowing to give a proxy to the audit committee, independent directors, or any person as a representative to attend the meeting to protect their rights especially the Proxy Form B, which is a form that shareholders can depend on for voting. The Proxy Form B will be attached with the invitation to the meeting and published on the company's website enabling shareholders to download it.

➤ **Category 1.2 Equal Protection of Fundamental Rights**

The company strives to create equality for all shareholders in every group whether they are major or minor shareholders, institutional investors, or foreign shareholders. This is an issue that the company gives importance to and has set up tools to support equality regardless of gender, age, race, nationality, religion, belief, social status, disability, or political opinion. Therefore, it establishes a process that will facilitate the shareholders to attend the meeting without too much difficulty and to open opportunities without restrictions. The company also treats the shareholders equally as follows:

Operations in 2023

1. The company offers all forms of remuneration for directors, including monetary remuneration, and other benefits to shareholders to consider and approve annually. This is in accordance with the remuneration policy and criteria. The Company proposes remuneration to the shareholders' meeting for approval every year. Divided into monetary compensation, namely monthly compensation, and meeting allowance and no other compensation or other benefits
2. The company does not have a policy of cross-shareholding in the group of the company.
3. The company does not have a pyramid shareholding structure in the group of the company.
4. The 2023 Annual General Meeting of Shareholders, the Company had 2,734 shareholders as of the closing date of the register book with a shareholding of minority shareholders (Free Float) equal to 25.50% of the total issued shares.
5. The Company does not have a case of violation of equal treatment of shareholders in the matter of share repurchase.
6. The company does not hamper or create barriers to allow shareholders to communicate with each other.
7. In the case of the shareholders' agreement, the company will disclose the information and will not let the agreement between the shareholders have a significant impact on the company or other shareholders.
8. The company sets the voting rights at the shareholder meeting according to the number of shares held by the shareholders. One share is equal to one vote and the company has only one type of share, that is, ordinary shares. There is no particular share having the privilege of limiting the rights of other shareholders.

9. At the Annual General Meeting of Shareholders for the year 2023, the Board of Directors allows shareholders to nominate persons to be elected as directors of the company between December 1 - 30, 2022, with clear methods and procedures. The information is published in both Thai and English on the company's website under the heading of "Investor Relations", category Shareholder Information: Meeting, as well as informing shareholders through the news system of the Stock Exchange of Thailand.

However, during that period, there were no shareholders nominating candidates for election as directors.

10. The 2023 Annual General Meeting of Shareholders, the Company complied with the principles of good corporate governance as follows:

- (1) The Company has assigned Thailand Securities Depository Co., Ltd., a share registrar of the company, to deliver the invitation to shareholder meeting along with supporting documents by mail at least 21 days before the shareholding meeting date.

The 2023 Annual General Meeting of Shareholders on Thursday 27 April 2023, Thailand Securities Depository Company Limited (TSD) has sent the invitation letter to the shareholders' meeting on April 4, 2023, which is sent in advance of 24 days before the date of the shareholders' meeting.

- (2) The company will publish the invitation to shareholder meeting with all attachments through the company's website in which information is the same as the information in the company including attendance rules and regulations concerning meetings in a document form in both Thai and English. All documents will be posted on the company's website at least 30 days in advance of the meeting to give shareholders sufficient time to consider the important agendas. The information is complete and sufficient enough for shareholders to conveniently access faster.

The 2023 Annual General Meeting of Shareholders on Thursday 27 April 2023, the Company published the notice of the Annual General Meeting of Shareholders and meeting documents via the Company's website in both Thai and English on March 20, 2023, in advance of 39 days before the meeting.

- (3) The documents that will be sent to the shareholders for the year 2023 consist of 1. Invitation letter to the shareholder meeting containing details of the agenda with facts and reasons, the opinion of the Board of Directors in all agenda, and supporting documents for the meeting used to consider in voting in various agenda 2. Annual registration statement/Annual report (Form 56-1 One Report) in QR Code form 3. Profiles of persons nominated for a director replacing directors who are due to retire by rotation 4. Definition of Independent Director 5. Information of the Nominated Auditor 6. Information of Independent director nominated by the company as a shareholder's proxy 7. Company's Articles of Association concerning the general meeting of shareholders 8. Documents, evidence, and meeting rules that the attendees have to show before attending the meeting. This includes necessary documents and the procedure for authorizing others to attend the meeting on their behalf. 9. Procedures of sending questions in advance about the Annual General Meeting of Shareholders 10. Procedures of the meeting and registration form 11. Proxy Form B, which is a form that shareholders can depend on for voting. They can use either Proxy Form A or C, all proxies can be downloaded on the company's website.

For foreign shareholders or institutional investors, the company has sent an invitation letter to the shareholder meeting with supporting documents in English to facilitate and encourage all types of shareholders including investors attending the meeting.

The company publishes the list of annual registration statements/annual reports (Form 56-1 One Report) within 120 days from the end of the accounting period (31 December) at 39 days before the meeting date through the company's website. The shareholders can scan the QR Code of the information in the invitation letter to the shareholder meeting which was sent to shareholders by mail at least 24 days before the meeting date.

- (4) Notification of the resolutions of the 2023 Annual General Meeting of Shareholders with agenda and meeting details in both Thai and English from February 23, 2023, which was 64 days prior to the meeting date, therefore, shareholders can arrange a time to attend the meeting via the Company's website and throughout the Stock Exchange of Thailand news system. Shareholders can be allocated to attend the meeting.
- (5) The notice of the shareholders' meeting has been published in newspapers for 3 consecutive days and 30 days prior to the meeting date, i.e., 27-29 March, 2023 in order to provide sufficient advance notice for the shareholders' meeting before attend the meeting.
- (6) Allow shareholders to submit questions on the agenda of the 2022 Annual General Meeting of Shareholders in advance before the AGM. This is notified on the company's website and submit the procedures of the issues with the invitation to the shareholder meeting. There were no shareholders who sent questions in advance to the company.
- (7) Allow shareholders to register via electronic media (E-AGM) to attend the meeting at least 1 hours in advance which is continuous until the meeting is completed. This is to grant the right to shareholders who attended the meeting after the meeting started with the right to vote on any agenda which is in pending consideration and not yet voted. It is counted as a quorum since the agenda was attended and voted onwards unless the shareholders have other opinions. The company has provided adequate personnel for the registration of meeting attendance.
- (8) The Electronic Conference System (E-AGM) are used to summarize the voting results of each agenda and will be monitored on the screen in the meeting room for shareholders to be informed.
- (9) Disclose the resolutions of the shareholder meeting to the public to be informed of the voting results on each agenda in the Annual General Meeting of Shareholders both Thai and English through the news system of the Stock Exchange of Thailand and on the company's website within the meeting date.
- (10) Prepare the minutes of the annual general meeting of shareholders and the summary of the voting results for each agenda which are divided into agree, disagree, and abstain. The important discussion points and explanations are recorded and summarized which is based on facts appearing in the shareholder meeting and delivered to the Stock Exchange of Thailand within 14 days from the meeting in both Thai and English. It will be published on the company's website for shareholders to acknowledge and be able to verify information without waiting for the next meeting. It also submits the

minutes to the Ministry of Commerce within the time limited by law. For shareholders who are not available to attend the meeting, the company has posted the meeting photos on the company's website to receive meeting details.

(11) Record a video of the company's general meeting of shareholders.

(12) The Company assigns Thailand Depository Company Limited, which is the company's share registrar to deliver the invitation letter to the shareholder meeting.

11. The Company has measures to supervise the connected transactions and limit financial assistance to companies that are not subsidiaries. There is no connected transaction violating or failing to comply with the regulations of the Stock Exchange of Thailand and the SEC and it must disclose the related transactions with fairness according to the market price.

In the year 2023, the company does not have any connected transactions in the form of providing financial assistance to companies that are not the company's subsidiaries.

12. The company has a policy on dividend payments to all shareholders at the same rate.

However, in case the shareholders approve the payment of dividends, the company will notify the resolution of the meeting including the payment of dividend details to shareholders through the news system of the SET and will coordinate with the Thailand Securities Depository Co., Ltd. registrar to assure shareholders that they will receive accurate and complete returns according to their rights.

13. The company gives the right to shareholders to attend the meeting after the start of the meeting with the right to vote on any agenda pending consideration and not yet voted being ready to be counted as a quorum since the agenda attended and voted onwards.
14. The company takes care of shareholders by providing information, news, performance results, and management policies regularly and timely. In addition to disclosing information through the news system of the Stock Exchange of Thailand, it also brings important information including various current news to be displayed on the company's website: www.successmore.com.
15. The company strives to create equality for all shareholders in every group whether they are major or minor shareholders, institutional investors, or foreign shareholders. This is an issue that the company gives importance to and has set up tools to support equality regardless of gender, age, race, nationality, religion, belief, social status, disability, or political opinion. Therefore, it establishes a process that will facilitate the shareholders to attend the meeting without too much difficulty and to open opportunities without restrictions.
16. The company has a clear and transparent shareholding structure, does not cause a conflict of interest to any parties by disclosing the shareholding structure of the company in the annual report thoroughly. It also discloses the securities holding of the Board of Directors and executives.
17. The Company has set guidelines on the documents, evidence, and meeting rules that the attendees have to show before attending the meeting. This includes necessary documents and the procedure for authorizing others to attend the meeting on their behalf attached in the invitation letter. This is to the shareholder meeting for the shareholder who can attend and/or proxies (In case of proxy) can prepare documents and

evidence order to identify themselves in the meeting according to the law and the company's articles of association. The Company does not set any conditions that hamper or cause a burden on the shareholders.

18. The shareholders have equal rights to receive information, in which the company disseminates information in both Thai and English via the news system of the Stock Exchange of Thailand and the company's website. Although some issues are not in the criteria required by law to be disclosed, if the company thinks that the shareholders must be informed, it will reveal that information correctly complete, timely, and transparently information as follows:

- The company disclosed the shareholding structure of the company and the list of the company's top 10 shareholders as the record date for the current annual general meeting before the minority shareholding meeting date.
- Connected Transaction Information, Major Assets Trading
- Report the shareholder meeting within 14 days of the shareholder meeting and publish it on the company's website for shareholders to acknowledge and be able to verify the information without waiting for the next meeting.
- Performance information, management policy, connected transaction, and major assets trading as well as other necessary information for shareholders' decision to give them confidence that the operating structure is transparent, verifiable, ready to operate efficiently to create sustainable growth and returns to the shareholders at an appropriate and continuous rate.
- The company provides a channel for shareholders whether they are major or minority shareholders, institutional investors, or foreign shareholders to send inquiries about the company directly from the company secretary via e-mail: info.ir@successmore.com or by direct telephone 02-511-5955 ext. 113.

➤ Category 1.3 Prevention of Conflict of Interest

The Company has a clear and transparent shareholding structure. Therefore, it does not cause a conflict of interest to any party so that shareholders can be confident and confident that the operating structure is transparent and can be checked. Ready to operate efficiently in order to create sustainable growth and generate returns to shareholders at an appropriate and continuous rate. The Company has taken the following measures to prevent conflicts of interest:

Operations in 2023

1. The Company prohibits Company Directors, Executives, and employees to receive internal information, buy or sell company securities in the 1 month before the public disclosure of financial statements. They must not trade in the company securities in 24 hours since all information has been released to the public. It is also assigned to the company directors and executives (including spouses and immature children) who are responsible for reporting the holding of securities. If the company shares are bought and sold, they must notify the Securities and Exchange Commission within 3 business days from the changing date and send a copy to the company secretary who will be in charge as required.

- The company secretary has prepared the schedule for the annual board of directors meeting and delivered it to the company's directors in advance to inform the prohibiting period of trading securities. Also, the company secretary always makes a letter to inform of the prohibiting period of trading securities before disclosing the financial statements.
- For company directors and chief executive officers, apart from reporting a change in securities holding to the Securities and Exchange Commission, they must notify the company at least 1 day before trading the securities.
- Report the securities holdings of directors and executives to the Board of Directors' meeting for acknowledgment of changes on a quarterly basis.

In 2023, the company secretary will inform via email and sign an acknowledgment to the relevant person to acknowledge the Blackout Period in advance. Board of Directors and senior management has strictly complied with the rules and regulations. It appears that **no shares** are traded during the prohibited period.

2. The company gives importance to the protection of the use of inside information of the company and related persons. It has a policy on the use of the company's internal information by forbidding the directors, executives, employees, and employees of the company to take the company's secret and/or internal information that has not been disclosed to the public to disclose or seek benefits for oneself or others, either directly or indirectly and whether or not it receives returns. They must not trade in the company's securities by using internal information.
 - The company has disseminated employees, shareholders, and the general persons through the company's website under the heading "Investor Relations" in the Corporate Governance section: Corporate Governance Report and Download Documents: Company's Insider Trading Policy.
 - The company has also set the penalty in case of using internal information of the company to use for their benefits in the regulations of the company. The penalties are ranged from a verbal warning to termination of employment.
 - In 2023, the Company organized a training on prevention of inside information usage for executives and employees which is in the course of being a Successmore employee through the G-suite program at 100%

In 2023, the company's directors, executives, and employees have strictly complied with the policy and regulations. As a result, it did not appear that the company's internal information was used in the wrong way.

3. The company determination Directors and Executives must report personal interests and those involved which is a stake about the management of the company's business and must report to the company whenever changing with supervision measures and policies to comply with the specified criteria as follows:
 - Interest transaction when taking a position of director or senior management for the first time.
 - Report stake every time. when there is a change in the information.
 - In case that a director retired and continued to resume his position as a new director, that director does not have to submit a new report if there is no change in the stakeholder information.

- Have Directors and Executives submit a report of their interest to the company Secretary within 1 month from the date of election/appointment and within 15 days when there is a change. The company secretary must send a copy of this report of interest to the chairman of the board of directors and chairman of the audit committee within 7 working days from the date of receiving the report.

In 2023 company directors and executives prepared a report on interest in a case that there is a change in the year.

4. The company places an importance on conflicts of personal interest and benefits of the Company is an important policy. By prescribing a policy to prevent conflicts of interest and set guidelines for directors, executives and employees in writing to avoid taking the opportunity to be directors, executives and employees seeking personal benefits.
 - The Company adheres to the policy on the prevention of conflicts of interest as an important policy. It was approved by the Extraordinary General Meeting of Shareholders No. 1/2019 on February 20, 2019 and regularly reviewed to provide knowledge every year to directors, executives and employees in order to implement the system. The internal control is standardized and transparent in management in accordance with the principles of good corporate governance.
 - The company has disseminated knowledge to directors, executives, employees, shareholders and the general public through the company's website under the heading "Investor Relations", Corporate Governance Section: Corporate Governance Reports and Downloadable Documents: The prevention of conflicts of interest policy
 - The company has also set penalties for violations of the use of inside information of the company. To use for personal benefit in the company's regulations and the penalties range from verbal warning to termination of employment.
 - The company monitors all directors, executives and employees to prepare a conflict of interest report every year and report every time if there is a change by completely pass the system 100%.
 - In 2023, the Company organized a training course on preventing conflicts of interest for executives and employees in the Anti-Corruption Measures within the organization course at 100% completed.

In 2023, directors, executives and employees of the Company has strictly complied with the rules and regulations. There **did not appear** to be any wrongdoing regarding the prevention of conflicts of interest.

5. The company has disclosed information for equality in receiving information such as relevant transactions. The company has complied with the announcement of the Stock Exchange of Thailand regarding information disclosure and the conduct of listed companies on relevant transactions. In case there is a relevant transaction that is subject to disclosure or request approval from the shareholders, the company has followed the regulations of the Stock Exchange of Thailand and the requirements of the SEC. Before the transaction, the company has disclosed details and reasons for the transaction to the shareholders every time.

The company had directors who have interests to leave the meeting room and/or abstain from voting on that agenda to be fair to the directors who have no interests can share their opinions fully and vote freely. The company secretary will inform the meeting that in the agenda, which directors have interests. After the meeting, the names, relationships of the connected persons, pricing, transactions value, and list of directors

who have different opinions from the Board of Directors (if any) will be disclosed to the Stock Exchange of Thailand as scheduled. It will be published on the company's website to be transparent and will be recorded in the minutes of the meeting that can be examined.

In 2023, the company has no violation or non-compliance with the rules of relevant transactions.

6. For related party transactions, the Board of Directors has conducted prudently, reasonably, taking into account the best interests of the company with fairness. It sets the price following the market price based on the typical form of business and fair-trade conditions as if transactions with third parties. They establish the operating system in the issue with transparency and comply with the regulations of the Stock Exchange of Thailand. The company has set the connected transaction policy of the company and has disseminated it to employees, shareholders, and the general persons through the company's website under the heading "Investor Relations" Corporate Governance Section: Corporate Governance Report and Download Documents: Policy on the Company's Related Transactions.

In 2023, there was no violation or non-compliance with the rules of connected transactions.

7. The company supervises the trading of assets under the announcement of the Capital Market Supervisory Board on the acquisition or disposition of assets. For the transaction, the stakeholder director does not participate in the decision to be transparent and fair.

In 2023, the Company and its subsidiaries have no acquisition or disposition of assets transaction with other persons. The company has complied with the regulations of the Stock Exchange of Thailand and the SEC.

Category 2 Taking into account the roles of stakeholders and sustainable business development

➤ Category 2.1 Business Drive for Sustainability

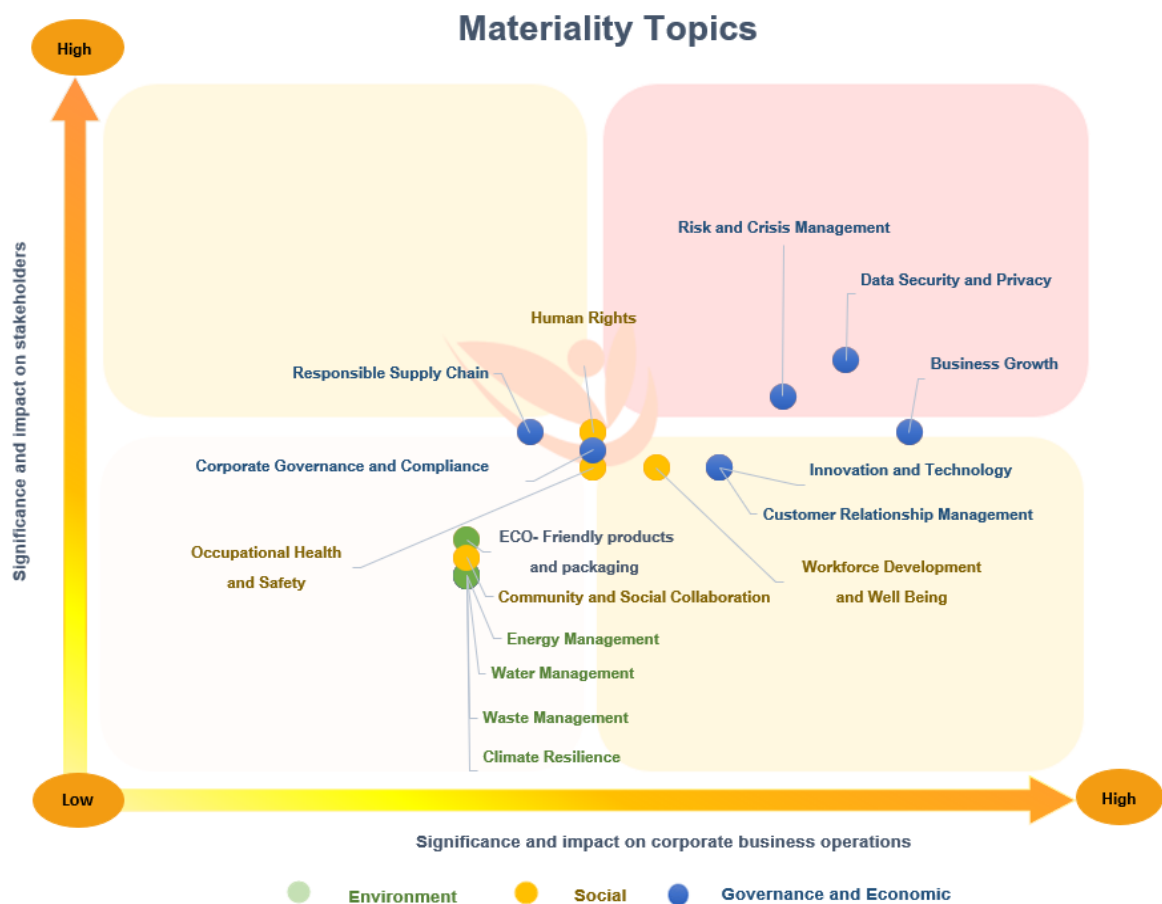
The Company operates a network distribution (MLM) business and is an MLM company which is the first and only company to be listed on the Stock Exchange of Thailand. The Company has a mission to be an inspiration to improve people's well-being and lives under the philosophy of "Inspiration for your Being" by offering business opportunities with quality products selected by medical professionals and an effective human potential development system, while creating long-term value for all stakeholders from employees, investors, shareholders and other stakeholders based on excellent business practices and creating economic, social and environmental balance under honesty, fairness, transparency and accountability to all stakeholders.

From the vision of the company The Board of Directors recognizes its roles and responsibilities in setting objectives, targets, and policies for social and environmental responsibility in order to create value and benefit for both the business sector and society at the same time, which is reflected in every action plan of the Company to ensure that all departments of the Company operate in accordance with the objectives, goals and strategic plans of the Company and take into account the roles of stakeholders in all aspects. To be able to achieve the main objectives and goals sustainably.

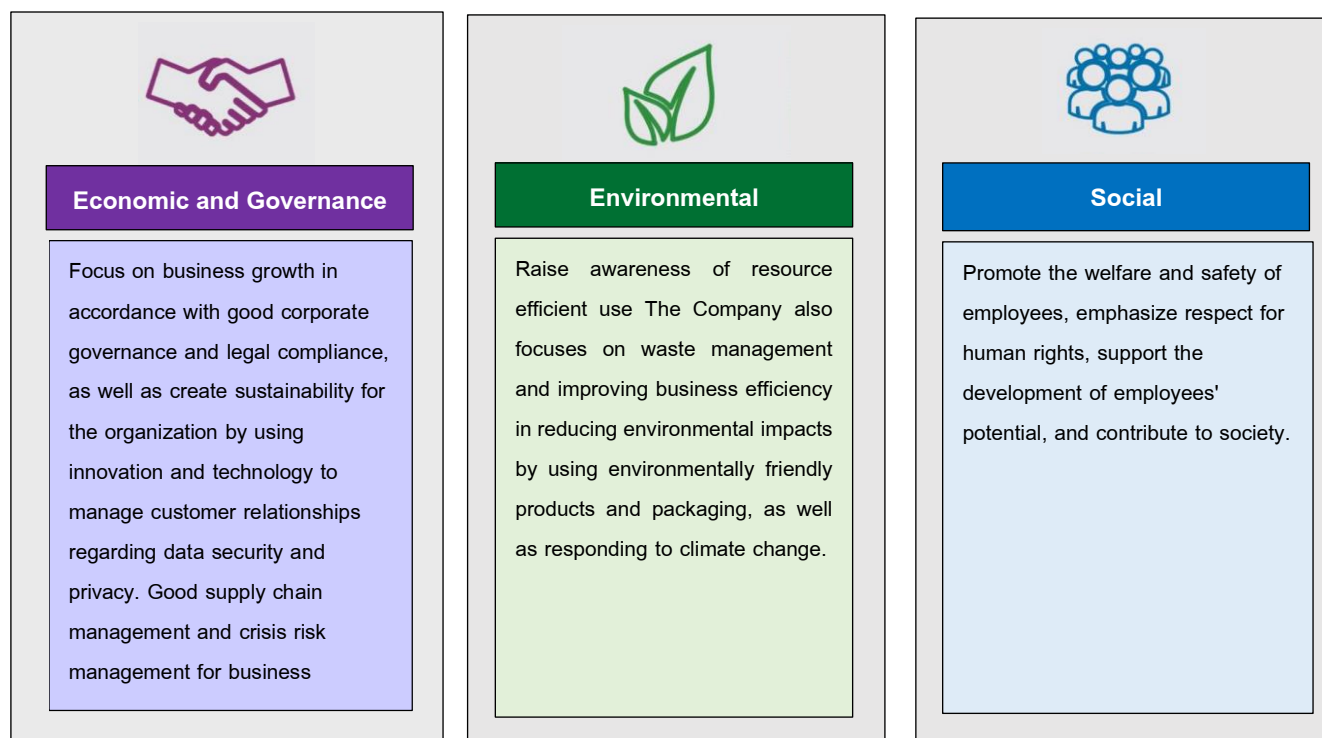
In 2023, the Company analyzed and identified sustainability issues by considering relevant sources of sustainability factors. Through discussions from various gatherings, trends and business directions of the business groups involved by the Company and industrial counterparts at the national or international level are studied to determine material issues. The Company reviews and monitors trends and operations of international

industry groups from the World Economic Forum, WBCSD, as well as important legal and regulatory directions in the country. It can identify key issues related to the Company's operations in all 3 dimensions, namely economic, social, and environmental, and can identify 16 issues as follows:

Economic Dimension and Governance	Environmental Dimension	Social Dimension
<ul style="list-style-type: none"> ● Business growth ● Corporate Governance and Compliance ● Efficient supply chain management ● Risk and Crisis Management ● Customer Relationship Management ● Innovation and technology ● Data security and privacy 	<ul style="list-style-type: none"> ● Energy Management ● Water Management ● Waste Management ● Eco-friendly products and packaging ● Response to climate change 	<ul style="list-style-type: none"> ● Occupational Health and Safety Management ● Respect for Human Rights ● Development and care for the quality of life of employees ● Social support and contribution



The Company has established a **"Sustainability Management Framework"** to be used as an operational framework to create corporate sustainability in the economic dimension. It focuses on business growth based on social and environmental responsibility. Under good corporate governance for balanced and quality coexistence in society while creating sustainable value for all stakeholders as follows:



Key sustainability performance

Corporate Governance and Economy		
Business Growth	Corporate Governance and Legal Compliance	Supply Chain Management Responsibly
Net Profit margin 9.1 %	The number of cases of violation of the Code of Business Conduct or corruption is 0 case.	Completed the Code of Conduct for Business Partners.
Net profit margin not less than 5%	Target 0 case	100% target
Risk and Crisis Management	Customer Relationship Management	Innovation & Technology
Financial liquidity ratio (times) (Note: Financial condition = Total Assets / Total Liabilities)	Customer satisfaction assessment results at 80 per cent.	Number of incidents, complaints, problems. Usage of the Platform from Customers 0.69% of cases.

At least 1x goal	The target is not less than 70 percent.	Target not exceeding 0.50%
Security and data privacy		
Number of incidents or cases at the company 0 cases of cyber attacks		
Target 0 cases		
Environmental		
Energy Management	Water Management	Products & Packaging Environmental friendliness.
Electricity consumption per unit of income of the company, up 40%.	Water consumption per unit of income. The company increased by 23%.	Number of cases or incidents of violating laws or creating environmental impacts 0 cases
Target 3% decrease	Target 3% decrease	The target is not more than 2 cases per year.
Response to change Climate conditions		
Total greenhouse gas emissions to total revenue (kg CO2eq/vs. baht) 442%* increase in revenue.		
Target reduced by 2%		
Social		
Occupational Health Management and safety	Respect for Human Rights	Development and care for the quality of life of employees
Lost Time Injury Frequency Rate (LTIFR) of employees 0 cases.	Number of incidents related to Human Rights Violations 0 case.	Employee engagement or satisfaction assessment 85%.
Target 0 cases per year	Target 0 cases	80% target
Social Support and Contribution		
Number of communities with local community participation and/or development projects. Receiving benefits 6 community.		
Goal 5 community		

Remark :

1. Waste management issue, which aim to reduce waste by at least 3%, is not yet measurable because data collection has just begun in October 2023. The data will be collected throughout 2024.
2. Total greenhouse gas emissions to total revenue (kg CO₂eq/baht revenue) increased by 442% from 2022. The employee's travel data is stored by personal car.

The Board of Directors gives importance to the rights of all groups of stakeholders. It put the policies and guidelines in the "Business Ethics" and disseminated to directors, executives, and employees at all levels to adhere as a guideline for treating stakeholders. To ensure that stakeholders are treated fairly, the company has disseminated the code of conduct for conducting business with stakeholders and society to employees, shareholders, and the general persons through the company's website under the heading "Investor Relations", Corporate Governance Category: Corporate Governance Report and Download Documents: Business Conduct.

Operations in 2023

1. The company has a policy to conduct regular business that is sustainable by taking into account all groups of stakeholders with commitment to the principles of good corporate governance of the organization with business Ethics. By realizing the importance of participating in social and environmental responsibility and conducting business with regard to the impact on resources and the environment. Therefore, it has established a social and environmental responsibility policy, which is regarded as one of the company's missions. To promote and educate employees on social and environmental issues at all levels in order to be used as a common approach in developing and taking care of social and environmental responsibilities throughout the organization.
2. The company discloses the value chain of the organization in the topic 3.2.1 business value chain.
3. The company has divided groups of stakeholders to cover all dimensions, both internal and external taking into account participation impact on operations including the company's performance for the best interest of all parties. The Company divides the stakeholders into 9 main groups, namely (1) Shareholders and Investors (2) Employees (3) Society, Community, and Environment (4) Business Partners (5) Customers. (6) Competitors (7) Trade creditors (8) Government agencies (9) Mass media. The communication and participation forms of stakeholders are different for each group in order to strengthen relationships with stakeholders according to good corporate governance principles.
4. The company takes into account the issues that are essential to business operations which covers the economy society and environment related to the Company's stakeholders to be aware of the operational guidelines. To respond the expectations of stakeholders which is an important factor in maintaining competitiveness and create long-term value in order to support the business operations of the company to achieve sustainability.
5. The company has continuous sustainability management goals to create a sustainable organization along with developing knowledge within the organization and instilling morals and ethics as well as encouraging employees to apply in their work to create a learning organizational culture.

Category 2.2 Responsibility to Stakeholders

The company has protected all stakeholders' right equally with the following guidelines:

1. Employee

Employees of the company and every subsidiary is a valuable resource and is the most important factor in driving the business towards success incorporating business goals. Therefore, the company aims to develop and strengthen the culture and working atmosphere together as a team to create new things both innovation and the

use of new technology to support the working process and to make all employees proud and believe in the organization. It will treat the employees with politeness and respect human rights equally without discrimination. The company has a basic policy to encourage employees to have unity, confidence, and trust in each other politely, and to respect human dignity. Personal rights, hiring, appointment, and transferring, the employees will consider based on virtue and the use of human resources in the best interest of the company.

The company aims to develop the potential of employees and allows employees to create work progress equally. There is an encouragement of skill development, knowledge, and competence of all employees to make them ready to work and support future business expansion. Including creating career security and giving opportunities for advancement according to the potential of each person and giving employees to participate in determining operational direction and development, along with setting a policy on remuneration management with a fair compensation that is suitable for knowledge, ability, responsibility, and the performance of each employee.

The company widely opens and offers opportunities for various characteristics people to work, such as gender, age, education, nationality, race, color, religion, citizenship rights, sexual orientation, and disability. These factors are diverse for the company to manage different challenges effectively following the employee treating guidelines equally under labor standards in labor law and the code of business conduct. In other words, to comply with relevant laws and standards, and treat employees and workers fairly with human rights, such as fair compensation and benefits, welfares not less than those prescribed by law or as appropriate, healthcare, and work safety, training, potential development. It also gives opportunities for employees to develop their working skills in other areas.

The company operates a compensation management policy with fairness as appropriate to the economic conditions, living, and competition standards of the same business. It uses the principles that connect the success of the work appropriately with their duties aligned with the competence of employees in all gender and physical conditions equally to attract people with knowledge and abilities to work for the company and motivate them to develop their performance. Also, the company has provided welfare with care in the quality of life of employees apart from the law to create a good relationship between employees and the company as follows

- Future of the welfare stability such as Provident Fund Benefits, Home Loan Welfare Program, Health Life Insurance Welfare Program, and Accident Insurance Welfare Program.
- Living expenses welfare such as uniforms, requisition of company's products monthly

In 2023, the company and its subsidiaries pays the remuneration to its employees with details as follows

Employee Remuneration	2023 (Million Baht)	2022 (Million Baht)
Salary, Bonus, and OT	92.95	84.79
Other Remuneration such as provident fund, social security, and other benefits	5.70	3.20
Total	98.65	87.99

Employee Remuneration	2023 (Million Baht)	
	Male employee	Female employee
Salary, Bonus, and OT	54.71	38.24
Other Remuneration such as provident fund, social security, and other benefits	3.52	2.18
Total	58.23	40.42

Provident Fund Contribution

The company established a provident fund (PVD) as welfare provided to its employees and to promote money-saving, also an incentive for employees to work with the company for a long time. Employees who are members of the provident fund members will receive a monthly contribution at the rate of 2-5% of the wage rate. Members can accumulate money into the fund at the rate of 2-15% of the member's voluntary wages. Once the member is terminated, the member will receive a contribution including the net benefit average of the fund.

The Company / Subsidiaries	With / Without PVD	Employees attending PVD (Persons)	Rate of Employees Attending PVD / All Employee (%)
Successmore Being Public Co., Ltd.	With	132	97%
Success Spirit Co., Ltd.	With	40	97%
Chadhai Leasing Co., Ltd.	With	-	-
SCM Spirit (Myanmar) Co., Ltd.	Without	-	-
SCM Innovative Co., Ltd.	Without	-	-

Compensation and Benefits for Employee

The company has the policy of short-term employee compensation structure, based on the company's profits each year which is the company's profitability and the cooperation of all employees in the organization. For the overall compensation of employees, the performance evaluation method is based on the key performance indicators (KPIs) and the compensation rate must be consistent with the labor market compensation rate considering the knowledge, ability, experience, and performance of each person. The company's remuneration structure determination not only looks at competitive compensation rates in the labor market but also considers the equality within the company as well. The equality is assessed from the responsibilities of each job position, experience, and various work skills used. In each year in the company, there will be a salary adjustment for employees based on inflation data and gross domestic product (GDP) as a criterion and in the long-term, the performance and employee's potential are clearly measured and provide for growth along the individual career pathing including taking care of various welfare to employees appropriately.

The proper welfare arrangements for employees.

The Company had setting up provident funds to serve employees for long-term benefits and to encourage future savings, including an incentive for employees who work with the company for a long time. For those employees who are members of the provident fund will receive monthly contributions at the rate of 2-5% of the wage rate and members must accumulate money into the fund at the same rate. When the employee's membership is

terminated, employees will receive contributions including the net benefit contribution average of the fund. In the future, the company is ongoing to adjust the rate of contributions to the additional fund for employees.

Training	Employees	Training Rate	Average
Training fully 6 hours	168 persons	93.85%	12.5 hours/person/year
Training not fully 6 hours	11 persons	6.15%	
Employees as the end of 2023	179 persons	100.00%	

Course Name	No. of Hours
Transforming Business Performance	6
Growth Mindset & Versatile Leadership	12
Change Management	6
"Design Thinking" develops work processes and develops new products with innovative ideas.	24
Risk Management Program for Corporate Leaders (RCL 32/2023)	12
Wealth Of Wisdom (WOW) No.2	48
Agriculture & Cooperatives Executive Program No.4	72
Anti-Aging Medicine for Pharmaceutical Management	6
Microsoft 365 for Business	6
Versatile communication for people champion	6
Growth Mindset for Success	6
Constructive communication	3
Digital marketing	6
Uncover the secrets of creating habits for success	3
Stay visible, survive	3
Understand how to think Raise the quality of life in the organization	3
Company products	6
Participate in tax issues that need to be resolved in the business of selling goods and services	6
Deep dive into NPAEs for Tfrs, accounting and taxation of expenses	6
Productivity Tools	6
Proactive budgeting to control operations	6
Data+AI Business now	6
Drive your business with data	3
Build a company to grow with the power of the new generation	3
The power of logical creativity	3
Professional seller assessment	3
Planning, controlling, supervising and inspecting work for Accounting	6

Course Name	No. of Hours
Problems with recording accounting transactions at the end of the year - beginning of the year	6
The power of effort and never stopping learning	3
UI Design Essentials	6
Strategic planning in purchasing work	6
Total 31 Courses	297

The company gives the importance of the welfare and safety of employees by providing welfare and benefits. according to the law, such as working days, holidays, annual holidays, and other types of vacation, including social security, compensation fund, provident fund, with the PR of various benefits to employees continuously.

In addition to the monthly remuneration, the company also awards employees annually, based on the performance each year. There are also benefits provided such as diligence allowance, allowance for working in the provinces, foreign working allowance, monthly free products requisition, money supporting the cost of living, employee wedding allowance, funeral allowance in case of the death of an employee or their family, health insurance for employees, staff uniform, provident fund, and home loan welfare. Moreover, the company also concerns about the work-life balance of employees, inspecting the safety of the workplace regularly, providing various safety equipment to employees.

Employee Development Policy

The company has the policy to develop employees to be knowledgeable and competent according to the needs of each department to create the competitiveness of the organization in marketing, professional development, management, and quality of life. It will provide training to employees at least 6 hours/person/ year, which must not be less than 50% of the number of employees at the end of the year.

Security and Hygiene of Working and Environmental Workplace

The company aims to create a safe workplace for employees to have a good working life. It continuously develops occupational health, safety, and environmental management system focusing on building a culture and safe behavior. Thus, it provides the necessary facilities to perform their duties for all employees and workers of the company to obtain safety and good health, under good working conditions and environment focusing to zero accidents and any losses since the human resources are the most valuable resource of the organization.

In the year 2023, no employees are suffering from accidents during the time off, equal to the accident rate up to stop working 0 percent of the total number of employees.

The company has communicated to all employees and workers to acknowledge and participate in the following practices:

- Promote and create to work in safety and preserve the environment.
- Support to contribute to safety in the workplace, provide available tools in a safe condition including manage working conditions with a safe working method, and inform and motivate workers to work safely.

- The company has set a policy for all supervisors to be responsible for safety in their work strictly complying with the rules and regulations set by the company and its subsidiaries.

The company also communicates and disseminates information about disease prevention and healthcare for employees through the company's news dissemination system, such as an intranet system, LINE group or MS Teams.

Employment of people with disabilities

The Company complies with human rights principles from employment to taking care of employees and personnel so that all employees and personnel feel connected to the same family as the organization. In 2023, the company will not accept people with disabilities to work, but the company will. Money has been sent to the Fund for the Promotion and Development of the Quality of Life of Persons with Disabilities. complete according to the amount specified by law.

Employee Engagement Assessment

The Company organizes employee relations activities to create bonds and love for the organization, such as organizing happy relax activities, fun activities in various festivals, organizing HR Live activities every first Friday of the month in order to notify HR news, and fun activities to win luck through online systems and the company has a policy to flex attendance by employees who can choose when to work between 09.00 a.m. – 6.00 p.m. or 10.00 a.m. – 7.00 p.m. to promote the quality of life of employees. Therefore, the employee turnover rate in 2023 has the proportion of 23.66% which decreased from 2022.

The company recognizes the importance of changing the feelings of employees that occur on a daily basis which is determining the assessment of employee engagement and satisfaction towards the Company's operations. By surveying employee engagement, the target group is employees with more than 4 months of employment, who can complete online engagement surveys. And the proportion of employees who answered 100% of the engagement survey in 2023. It found that the results of the employee engagement and satisfaction survey had a percentage point 85 which achieved the annual goal set by the Company of 80%.

Communication Channel for Employees

The company has provided opportunities for employees to have a direct channel to communicate, make suggestions, make complaints, report any problems and complaints about the conflict between employees and supervisors through the company's website. Chief People & Governance Officer and company secretary will be received and summarize recommendations and to the Executive Committee and the board.

The company has set measures to protect the employee complainant including those who cooperate in the investigation will be protected from unfair treatment due to the cause of the complaint, such as disturbing the performance, position change, dismissal, etc.

In 2023, the Company has not received any complaints from employees. Suggestions have been considered and corrective action has been taken. In order to maintain a good relationship with each other, the Company always listens to opinions and suggestions from employees at all levels equally.

2. Customer

The Board of Directors has focused on customer creation and maintenance. Therefore, it set a policy for the company to operate with honesty, fairness, not take any action violating the rights of customers, and treat customers equally and fairly based on obtaining fair compensation for both parties and deliver products and services at fair prices.

Customer Confidentiality

The Company is aware of the importance of protecting customer personal information that it has been collected and used to reveal the transfer of data in receiving and purchasing products. The company has a management policy of the use of personal data aimed at offering products and services that meet the standard and suitability. The company focuses on responsible and protect the personal information of all stakeholders, shareholders, employees, customers, business partners. The company has announced the privacy policy on the relevant websites to show transparency in operations with management under the Information Technology unit responsible for protecting customer personal information. The operating framework is consistent with the (Personal Data Protection Act B.E. 2019: PDPA). The privacy policy covers the use of service information through all online channels and service centers. Customers (Call Center) with details as follows

- Personal information
- Types of personal information
- The source of personal information
- Purpose of data collection and use
- Disclosure
- The right to own personal data
- Protection of Personal Data
- Data storage and transfer
- Period of storage of personal data
- Review and improvement of announcements
- Service channels for contacting about personal data rights.

Product Development and Services for Customers and Consumers

The Company as a leader in the network business for distributing dietary supplement products and consumer products both domestically and internationally. The Company gives importance to the development of products and services for customers and consumers. The details are as follows:

- Procurement process. To ensure that products and services are delivered to consumers with quality and safety. Encourage the use of products that are durable and environmentally friendly and consider the effects after consumption.
- Production process. Due to the nature of the business that employed external manufacturers to produce products in the form of OEM, the Company attaches importance and attention to every step of the production selection process. By controlling the quality of the product to be in accordance with legal requirements and various management standards according to international principles covering the

environment, safety and consumers such as ISO 9001, ISO 22000, GMP, HACCP, drinking water quality certification, National Sanitation Foundation: NSF, etc.

- Product distribution process. The Company has built an efficient product distribution system. Covering all areas throughout Thailand by using modern technology to manage the transportation and distribution system.
- Marketing and Sales Process. The Company delivers products to consumers through efficient distribution channels by building good relationships with members, customers and foreign agents. Through a variety of marketing activities such as My Success Shop, SuccessX, product image download archives, Nutritional Challenges, etc. As well as communicate and publicize the organization's brand in the knowledge and ability to develop themselves and health knowledge through social media communication channels.

Consumer protection for goods and services

The Company recognizes the importance of displaying accurate product information. Therefore, there are policies and practices to maintain fairness for consumers. So product usage information to be posted instructions for use of the product and other information in accordance with the law regulations various international standards and in accordance with the criteria of the Food and Drug Administration (FDA), notification number and the Office of The Consumer Protection Board (OCPB) in all products to protect the rights of consumers as follows:

- Consumer Protection in Advertising. The advertisement must not use statements that are unfair to consumers, such as statements that are exaggerated, and statements that cause misunderstandings about the essence of the product or service, etc.
- Consumer protection in terms of labels. By determining the nature of the product label, the label control must use the message that is true. And there is no message that may cause misunderstanding in the essence of the product including the name of the manufacturer or importer production premises or import business premises, date of manufacture and expiration, text showing product categories including price, quantity, usage instructions, nutritional information, suggestions and other messages.

Customer Satisfaction

The company has a policy to respond to customer satisfaction in order to lead the success of the Company's business by complying with various conditions that has been agreed with customers. Because of the company truly believes that customer satisfaction is one of the indicators of the organization. Therefore, it is important to listen to the customer's opinions along with a process to measure customer satisfaction. The suggestions received from customers, the company will analyze and improve the work process including developing products to meet the needs of customers as follows:

- Provide advice including correct and sufficient information to customers. Respond to the customer needs with speed and keep customers' secrets including not using the customer's secrets to wrongfully use for their benefit or to those involved.
- Focus on developing products and services to continuously meet the needs of customers by inventing innovations to increase the value of products and services.
- Focus on maintaining trade secrets without the use for their benefit or wrongful parties.

- Give importance to provide the customer with useful information with clear product labels, in addition to what the law requires.
- Set up a customer relations department to provide customers or consumers' complaints, inquiries and suggestions in term of products quality and the convenience of services. By focusing on truly needs of customers with ready to act fairly to customers or consumers via phone, email and line official.

In 2023, no significant customer complaints appeared. As for all other complaints, the company analyzes the causes to fix, prevent, monitor the entire system, and apply to the entire organization not to recur. The Chief Executive Officer has given importance to such matters by requiring relevant departments to report to the management every time to implement solutions, to accomplish well, to foster good relationships with each other, to create satisfaction for existing and new customers resulting in continuous orders for products.

- Organize customer satisfaction assessments using various channels as annually in order to improve the service and business development. In 2023, the Company evaluated customer satisfaction in all branches of 6 questions, the evaluation result was at level 5, which is very good, representing 88.87 percent, which is more than to the target set at 5, 80 percent. In this regard, the company will use customer satisfaction assessments to improve and develop in further.

3. Partners

The Company has a process for selecting trading partners by allowing trading partners to compete on equal basis and select trading partners with fairness within the criteria for the evaluation and selection of trading partners of the Company. The Company has a policy to treat trading partners based on of fair competition, equality and mutual respect by complying with the agreement terms of trade and provide correct information. Having a good relationship and understanding business with business partners must not lead to damage to the reputation of the company or against the law as follows: Do not request, receive, or agree to receive the property or any other benefits which are beyond the commercial terms.

- Focus on building good relationships and cooperation and product development with partners to strengthen the potential and efficiency in business cooperation in the long term in Win-Win Situation.
- The procurement process is an important process in cost and product quality management for the maximum benefit of the company. Therefore, there is a criteria and evaluation and partner selection system and there are procurement guidelines as follows:
 - (1) Make a suitable contract format that is fair to trade partners. Fulfill the conditions in the contract in full and prevent fraud misconduct in the procurement process.
 - (2) Examine and evaluate the quality of the goods and services received.
 - (3) Deliver the products and services on time as specified.
 - (4) There is no violation of labor and human rights laws.
- Provide guidelines for promoting trade partners to participate in international standards related to the environment.

In addition, the company has established procurement regulations to be a guideline for doing business with partners in appropriate efficiency and fair according to good corporate governance principles.

In the year 2023, there was no case of the company's failure to comply with contracts with partners.

Promotion of partners' potential and competence

The Company and its subsidiaries realize that the business shall be sustainable, it must understand the real needs of customers which is currently found that the expectation of customers, it is not limited to the areas that are directly affected by business operations. But it has also expanded to support to create sustainability for society and the environment as well. The Company and its subsidiaries develop and create innovative products. To be a health development brand and quality of life which continually takes into account the impact on society and the environment ready to increase competitiveness and added business value. Therefore, cooperate with allies and partners to promote the development of products that do not affect the environment. Partners will organize meetings to educate about new innovations, which is always beneficial to the business of the Company.

Environmentally friendly procurement process

The purchasing process is an important process in the management of value along with the quality of the product by choosing quality products and services with reducing the impact on the environment. The Company has not been considered the price alone to encourage change and instilling good environmental awareness among stakeholders, both employees and suppliers, by adjusting the selection of products and services by more taking into account the impact on the environment.

The company's environmentally friendly procurement and its subsidiaries. It consists in complying with the law, environmentally friendly production process control energy management, water management, waste management, etc., in order to enhance the potential and efficiency of business operations together. And enhance the Company's procurement process to become more Green Procurement in the future. Therefore, the Company and its subsidiaries continuously communicate environmentally friendly procurement guidelines to stakeholders. The goal is to increase the value of green procurement.

4. Creditors

The company is committed to conducting business with principles and discipline to build trust among creditors with the following guidelines:

- (1) Treat all creditors equally and fairly.
- (2) Strictly abide by contract or condition with creditors especially regarding guarantee conditions, capital Management, and debt settlement.
- (3) In case that any of the conditions cannot be met, the creditors must be informed in advance to jointly find solutions and prevent any damage.
- (4) The Company uses a bank transfer method in Media Clearing system, which is convenient to creditors.

In addition, the company has set guidelines for capital management for stability and strength as well as liquidity management in order to be able to pay back debts to creditors in full amount within the specified period. This is to prevent the company defaulting on payment and the Company has no policy to guarantee loans that are not subsidiaries or affiliates of the Company.

In 2023, the Company made payments to all creditors in accordance with the advance agreement payment terms without any default and the company is currently no creditors for any loans.

5. Competitors

The Company has the policy to treat competitors without violating the secrets or knowing the trade secrets of competitors by fraudulent means. Therefore, it stipulates the following principles:

- The Company operates the business by adhering to the framework of the honest and fair-trade competition, complying with the agreements with competitors equally within the framework of the law and business ethics of the company.
- Not seeking the competitors' confidential information through dishonest or improper means.
- Not destroying the reputation by accusing the competitors.
- Support and promote fair free trade with no monopoly, or require the company's customers must trade with the company only.
- Not doing anything that violates the intellectual property of the competitors.

In 2023, the company has no dispute regarding trade competitors.

6. Community and Society

The company is aware of the responsibility towards the community and society. It has established the policy to make awareness of responsibility to the community and society to occur within the company and all employees continuously. Including having the policy to support activities that benefit the community and society as a whole in helping and social development with a policy to help the disadvantaged by donating scarce goods and health check-ups. It also provides communication and public relations for the project or Two Ways Communication with communities, society, and stakeholders. Including giving opportunities for stakeholders to participate in the project or activity as appropriate with a social responsibility set that is "Committed to producing quality and safe products for consumers, taking care and being responsible for the impact that arises from the operation of the organization in various fields to all groups of stakeholders by adhering to business principles that are transparent, verifiable, ethical, respectful to human rights of the stakeholder interests. Comply with laws and other requirements or any relevant international practice to create a foundation of continuous and sustainable social responsibility"

The Company operates its business with responsibility to communities and society by emphasis on placed the reducing environmental impacts and avoiding operations that may have a negative impact on the quality of life of communities surrounding. No complaints from communities on social or environmental issues were found in 2023.

In addition, the Company has a policy to encourage employees, executives, including customers and business partners to participate in giving back and being responsible for society and the community through CSR activities continuously. Therefore, it has a policy to help and develop society in addition to the work process within the organization. Every year, the power of sharing project is organized "The Power of Sharing". In 2023, the Company supports community and social responsibility activities, amounting to 6 projects and value-sharing projects through human development systems. It is a course to develop personnel to have ideas, knowledge, skills, and discipline in all dimensions with Mr. Noppakrit Nithilertvijit Chief Executive Officer of the Company who has knowledge and experience in personnel development, being a guest lecturer for educational institutions and various media for 8 projects.

7. Whistle Blowing Policy

The company has good corporate governance and gives all employees and stakeholders the right to communicate or give a clue when encountering matters that may be corruption, directly and indirectly, illegal offense, the code of conduct, the company policy or piracy infringement as well as behavior that may be problematic and cause damage or unfairness to the company, and suggestions about the company's business operations. The company provides channels for whistleblowing and complaints as follows:

- By E-mail, please contact
Assoc. Prof. Dr. Kanyarat Sanoran (Chairman of Audit Committee)
E-mail: scm.advise.bod@successmore.com
- By mail, please contact
Assoc. Prof. Dr. Kanyarat Sanoran (Chairman of Audit Committee)
Address: The Faculty of Commerce and Accountancy, Chulalongkorn University
254 Phayathai Road., Wangmai, Pathumwan, Bangkok 10330

Clues, complaints, and suggestions will be considered and proceeded as appropriate on a case by case.

1. The Board of Directors will assign the audit committee to supervise and set guidelines for complaints or clues management through the specified channels.
2. The Audit Committee appoints independent persons in their performance to act as a recipient of complaints or clues and report directly to the Audit Committee via the specified channels.
3. Persons assigned by the Audit Committee will manage, collect, screen, and examine complaints or clues received, and consider the clarity and sufficiency of the evidence initially. If there is truthful information, an investigation will be conducted to gather evidence and witness to the audit committee.
4. The audit committee may appoint a person or a subcommittee to investigate persons involved in corruption and consider the information received and any additional evidence. If any misconduct is caused by intention or significantly affecting the business of the company, the audit committee will use appropriate measures to correct the situation.
5. The company will fix and improve according to the complaints or clues received and notify the complainants or the whistleblowers within a suitable time.
6. The person subject to the complaint is a director, employee, or any person acting on behalf of the company accused by the person informing of misconduct.
7. In considering the matter received complaints or clues If it is found that anyone else is involved in supporting the action, hiring, or commanding the complaint, that person will be also the subject of the complaint.
8. The people who cooperate in the investigation of complaints are a director, employee, or a third party who has been asked for cooperation from the audit committee to provide relevant information or complaints.

In 2023, the company has no complaints or bribes for the benefit of the company's business in any way.

Whistle Blowing Policy

1. The whistleblower will receive appropriate protection from the company such as no change of job position/ job description and workplace, not threatening or interfering with work performance, termination, or any other acts of unfair treatment towards that person. The personal information of or the complaint/ whistleblowing information will be kept confidential and not be disclosed to the irrelevant unless law required.
2. Any person who is aware of the complaint, whistleblowing, or information related to the report of complaints or whistleblowing must conceal the information related to complaints, whistleblowing to be confidential with concerns of the whistleblowers' safety and damage, source of information or relevant persons except there is necessary for the process of implementing this regulation or as required by law. If there is an intention to violate the disclosure of information, the company will take disciplinary action and/or take legal action against the violator, depending on the cases.
3. The company will not allow any retaliation to employees who make complaints or report clues and will take disciplinary action against persons who are found to have committed the retaliation. The company will deal by step appropriately to prevent the working environment and/or working relationships of the employees who identify or make clues for the benefit of the company.
4. The company provides opportunities for stakeholders to express their opinions and suggestions as well as complaints through channels and activities organized by the company such as the annual general meeting of shareholders of the company, Opportunity Day, where inquiries, feedback, suggestions, and complaints will be forwarded to the relevant departments to make corrections to meet the needs of all stakeholders.

In 2023, the company's business operations were not operated by regulators since the information of important events was not announced within the time specified. Also, there was no case that the company violates laws of labor, employment, consumers, trade competition, and the environment with no complaints from stakeholders.

Also, the company has an audit committee to be responsible for reviewing the internal control system and follow up the internal audit results. In case a fraud is found, the audit committee will report to the Board of Directors.

➤ Category 2.3 Sustainability management in a social dimension

1. Human Right

The Company realizes and gives importance to fundamental human rights. It conducts business with strict respect to the law and human rights principles, which is an important role in enhancing the value of human resources and it is a key factor for businesses to create added value and increase efficiency through non-discrimination. The company also promotes and supports respecting human rights by treating stakeholders, including employees, communities, and surrounding society with human value respect on equality and equal freedom not violating basic rights, and not discriminating whether regarding race, nationality, religion, language, skin color, sex, age, education, physical condition or social status. Including not letting the business of the company and its subsidiaries are directly or indirectly involved in human rights violations.

The Company has a human rights due diligence process throughout the company's value chain. By covering personnel in the Company's activities, products, business partners, trade alliances, and groups of stakeholders from all sectors to ensure that the Company continue to conduct business in line with human rights commitments. As well as to show stakeholders from all sectors to be aware of the commitment to respect the human rights of stakeholders.

- Provide knowledge about human rights to employees and not support activities that violate human rights principles.
- Avoid alliances with organizations that lead to human rights violations.
- Give employees the right to challenge themselves in case that they have been guilty of corruption. There is no unfair termination of employment.
- Provide communication channels so that employees or people who believe their rights have been violated or treated unfairly can complain to the company. The complaints should be dealt with fairly.

Throughout the period of business operations, the Company has never had a history of unfair treatment of employees, and there has never been a court case on such matters. In 2023, the Company has not received any complaints or reports on human rights issues either from the Company's activities, business operations, and supply chain.

2. Policy and Guideline on Anti-Corruption and Bribe

The company has the policy to comply with the anti-corruption laws by preparing "Anti-Corruption Policy within the Organization" and guidelines set in the "Code of Business Conduct" along with creating awareness and attitudes among directors, executives, and employees in performing honestly.

Group Directors, executives, and employees will not demand, proceed, or accept any form of corruption under any circumstances both directly and indirectly for the benefit of oneself, friends, and acquaintances, covering the businesses of the group of companies and all related departments. The group has set roles and responsibilities, reexamined, and reviewed the implementation of the anti-corruption policy regularly to comply with changes in business, regulations, and relevant laws.

The company has a policy against giving/accepting bribery and all forms of corruption. Directors, executives, and employees at all levels must follow the anti-corruption policy without being involved in corruption whether directly or indirectly. Bribery and various forms of improper exploitation such as soliciting, offering, or giving of property including any other benefits to government officials or any other persons doing business with the company for the benefit of ourselves, others or creating business opportunities for the company. The company has the policy to comply with laws and standards related to anti-corruption in Thailand and in every country where the company's representatives do business on behalf of the company.

In 2021, the Board of Directors' Meeting No. 4/2021 held on November 11, 2021 resolved to approve the anti-corruption self-assessment form. To deliver to the CAC Board of Directors to enter the certification process and in 2022, the Company has been certified by the Thai Private Sector Collective Action Coalition Committee (CAC) and in the future will continue to drive subsidiaries, business partners to become alliances in anti-corruption (Change Agent).

Guideline for Corporate Conduct and Control to Prevent Corruption

The company has set guidelines on the supervision to prevent and monitor fraud risks summarized as follows:

1. Provide a human resource management process reflecting the commitment to anti-corruption policies and measures from personnel selection, training, performance evaluation, compensation, promotion. Including organizational structure to be a suitable separation of duties, transparency, fairness, and can be examined balance check and to ensure that people will have sufficient and appropriate skills for the implementation of the policy.
2. Provide internal audits covering important activities of the group such as customer service work, procurement, contracting, etc., to ensure that the internal control system will achieve the specified goals. Including check the operations to be following operating procedures, requirements, rules, and regulations, and giving advice on developing and improving the operating system to be more efficient.
3. Provide an internal control system covering finance, operation of the accounting process, record-keeping, and other processes within the group of companies involved in anti-corruption measures and report the results of the internal control to the responsible personnel.
4. Provide a clear, concise, efficient, transparent, and verifiable operational authority within the organization.
5. Provide a channel for receiving information, clues, complaints, violation of company regulations, or compliance with the anti-corruption policy to protect whistleblowers and keep the information secret. Including measures for examining and determining the company's disciplinary action and relevant laws of the informant to be confidential. In case that the whistleblower can be contacted, the company will notify the operation result in writing.
6. The head of the relevant department is responsible for monitoring the implementation, improvements, and fixes (if any), and report them to the supervisors in the line of work respectively.

Guideline for Monitoring and Evaluating the Performance Result Following Anti-Corruption Policy

The Board of Directors has set guidelines for monitoring and evaluating the implementation of the anti-corruption policy as follows:

1. Establish a whistleblowing channel for complaints, investigation, penalties, measures for the protection of whistleblowers on the company's website and communicate to employees of all levels.
2. Assign the audit committee to review the possibility of business fraud to comply with the company's anti-corruption policy and recheck an effective risk management system of the company and report to the Board of Directors.
3. Assign all directors, executives, and employees must strictly abide by. It is considered as one of the conditions of employment. If anyone violates, will be considered punished according to the company regulations and punishments as required by law (if any).

In 2023, the company has strictly followed the policy and there was no abnormality in any way.

Policy and Guideline of Giving and Accepting Gifts or other Benefits

1. Directors, executives, and employees at all levels must follow the anti-corruption policy without being involved in corruption whether directly or indirectly, bribery and improper exploitation in various forms such as soliciting, offering, or giving of property including any other benefits to government officials or any other person doing business with the company for their benefit, or to create business opportunities for the company.
2. The company has the policy to comply with laws and standards related to anti-corruption in Thailand and in every country that the representative of the company operating the business on behalf of the company.

In 2023, the company does not receive gifts or other benefits.

Training and Communication

In 2020, the company joined the Private Sector Collective Action Coalition Against Corruption (CAC) on November 12, 2020, and therefore hired East Bar Corporation Co., Ltd., a specialist to communicate and organize training to educate directors, executives, and all employees to acknowledge the anti-corruption practices Gifts and Entertainment Policy

The company communicates anti-corruption policies and measures Including channels for reporting information, complaints, penalties, or suggestions to all groups of stakeholders through various channels such as the orientation of the directors and employees, internet system, the company's website, and annual reports, etc. to build knowledge and understanding and put into practice.

In 2023, the Company has organized a course on anti-corruption policies and practices by requiring that all employees have to train and exam their knowledge in term of understanding of Anti-Corruption Guidelines Gifts and Entertainment Policy. All employees were attending the training and must prepare a training assessment form, "Anti-Corruption Measures and Guidelines", in order to realize the understanding of employees. This topic is part of the orientation for all new employees and employees of the company has signed an acknowledgment and passed all training at the rate of 100%.

➤ Category 2.4 Sustainability Management in Environmental Dimension

The Company recognizes the importance of taking part in taking responsibility for the environment and conducting business with regard to the impact on resources and the environment Therefore, it has established a social and environmental responsibility policy which is regarded as one of the company's missions. In order to promote and educate employees on social and environmental issues at all levels as well as to be used as a common approach in developing and taking care of social and environmental responsibilities throughout the organization. And to help mitigate the potential impacts from climate change, the Company has set up a comprehensive environmental management plan, such as fuel consumption, reduction of electrical energy consumption, waste management, and water management, etc.

- Encourage social projects or activities and environment by using the potential and resources of the Company in order to achieve goals and objectives cost-effectively and efficiently.

- Improve and develop the production process of machinery and technology continuously. There is a systematic management both in the production process of goods and services to reduce the impact on the environment.

To ensure environmental performance and consumer safety. Subsidiaries and Business Partners required the food safety management system standard (ISO22000) and the GHP/HACCP standard system must be defined as the system at the food factory or entrepreneurs in the food chain, there must be measures in line with the policy of the World Health Organization that wants food to be safe from growing vegetables, raising animals until reaching the table, called "FARM TO TABLE" or "FARM TO FALK".

Educating and training employees on the environment

The Company has always given importance to instilling awareness and awareness of environmental preservation and natural resource conservation among executives and employees through the "Environmental Awareness within Organization" course. The number of participants, both online and offline equal to 110 participants, with target groups being executives, managers, supervisors and staff. Training period 1 day (09.00-16.00) for 6 hours, divided into 30% lecture, 70% workshop with group activities. Evaluate environmental opinions and write suggestions for environmental conservation to ensure that the Company's business operations will create a positive impact on the environment and in line with Thailand's goals. Everyone passed the training 100%.

Environmental Management Practices

- **Energy Management**

In 2023, the Company has prepared energy conservation policies as sub-policies under environmental policies and guidelines to achieve efficiency in environmental operations, which are as follows:

Energy Conservation Policy

1. The Company will develop an appropriate energy management system. Energy conservation is part of the Company's operations in accordance with relevant laws and regulations.
2. The Company will continue to improve the energy efficiency of the organization and be suitable for business operations with technology used and best practices.
3. The Company will set energy conservation plans and targets each year and communicate the announcements to all employees to understand and act correctly.
4. The Company considers energy conservation to be the responsibility of the owners, executives, and employees of the Company at all levels to cooperate in complying with the prescribed measures.
5. The Company will provide the necessary support, including personnel resources, budget, working time. Training and participation in the presentation of ideas for the development of energy management.
6. The management and working group on energy management will review and improve. Energy targets and action plans every year.

Energy Management Goals

1. Electricity consumption and energy intensity in the short term decreased (1 year) 3 percent compared to the data with the base year 2022.
2. The proportion of renewable energy compared to traditional electricity consumption is not less than 2 percent.
3. At least one electric vehicle was used to replace gasoline-powered vehicles with executives.

Energy Management Roadmap

1. Establish energy-saving campaigns by reducing electricity consumption, such as turning off lights and unplugging them after using electrical equipment. Switching on-off electrical appliances and use of air conditioning system, for example, set the time to turn on the air conditioner from 09.00-12.00. and 13.00-18.00 hrs. and turn on-off according to the weather. The activities will be carried out simultaneously in all 22 branches in 2023. The project will be an energy-saving competition between branches with monthly monitoring and evaluation of which of the top three branches can reduce electricity consumption.
2. Conduct monthly branch meetings and leadership meetings via Zoom. To reduce the use of cars on trips to meetings.
3. Planning the implementation of the Solar Rooftop project to generate electricity from renewable energy sources Solar Cell At the head office by 2024, which is currently in the process of surveying the installation site, permission is sought from the building department and the landlord.



Performance in 2023

Consumption Power (Electricity)	The amount of energy consumed (Fuel)	Consumption renewable energy
977,778 kWh	17,648.84 litre	- No renewable energy has been used - In 2023, the Company will replace one gasoline-powered vehicle with an electric vehicle and aims to increase the consumption of electric vehicles in future.

Electric power consumption per unit (Energy Intensity)

Energy consumption per unit of revenue of the company (MLM)	unit	Year 2020	Year 2021	Year 2022	Year 2023
Electricity consumption	kWh / Thousand baht revenue	0.858	0.600	0.772	1.082

In 2023, the Company has not achieved its target of reducing energy intensity in the short term (1 year) by 3 percent compared to 2022 data. The Company plans to reduce electricity consumption in 2024 by regularly improving the efficiency of appliances and electrical equipment whether it's switching to more LED bulbs. The company has also started a project to install solar rooftop to generate electricity from renewable energy sources (Solar Cell) at its head office, which is currently in the process of surveying the installation site and obtaining permission from the building department to complete the project by 2024.

- **Water Resources Management**

The Company realizes the importance of water resources and the importance of efficient water management. It is one of the ongoing environmental management issues. The Company strictly complies with relevant regulations and laws and manages water for maximum efficiency to reduce water consumption and demonstrate environmental responsibility. Society.

Water Resources Management Goals

Water consumption per unit of income (cubic meter/10,000 baht) Short-term decrease (1 year) 3 percent Compared to 2022 data.

Water Resources Management Plan

Establish a water-saving campaign to communicate and raise awareness about the use of water resources and creative water saving among personnel and customers. Public relations signs are posted at various points where water is used within the company.



Performance in 2023

Water consumption is 9,242 cubic meters.

Water consumption per unit (Water Intensity)

Water consumption per unit of revenue of the Company (MLM)	unit	Year 2020	Year 2021	Year 2022	Year 2023
Water consumption	Cubic meter/10,000 Baht	0.1103	0.0754	0.0830	0.1023

In 2023, the Company has not achieved its target of reducing water intensity in the short term (1 year) by 3 percent. The Company plans to continue its campaign on water use in 2023 by organizing water-saving competitions between branches to motivate and engage employees in using water resources with value, as well as providing equipment inspection, maintenance, and replacement of equipment or sanitary ware that cause unnecessary water waste and choosing environmentally friendly products, such as products certified with water-saving labels. Products that have been certified for environmental protection to finally achieve the set goals.

- **Waste Management**

The company has reduced waste within the organization according to the 3Rs concept. This is a concept and guideline for the efficient use of existing resources. It can help reduce waste by reducing the use, reuse and recycling (3Rs) to reduce resource consumption, waste generation and environmental impact.

- Reduce (reduce use or use less than necessary) Reduce the current level of use. Control consumption to be in moderation. Reduce usage by consuming unnecessary resources, we can reduce the amount of waste generated, such as using cloth bags and baskets to reduce the use of plastic bags.
- Reuse Reusable (Reuse) Reuse utensils, such as using 2-sided paper.
- Recycle Reusable sort each type of solid waste that can be recycled and circulated back into the production process of each type, such as glass bottles, paper, plastic.

Waste Management Goals

1. Reduce waste by at least 3% by 2024 compared to 2023.
2. Reduce plastic consumption in the organization by 3% by 2024 compared to 2023.
3. Proportion of hazardous waste per general waste amount not less than 10%.
4. The proportion of recyclable waste to general waste is not less than 5%.

Waste Management Plan

In 2023, the Company has established a program to encourage all employees in the organization to participate in waste reduction and separation or reuse through activities as follows:

1. Develop an action plan to reduce and separate waste in the organization to educate and raise awareness of waste separation before disposal, and set up recycling sorting bins in the kitchens of every floor of the office.
2. Campaign for employees in the organization to use cloth bags instead of plastic bags in the disbursement of welfare items to reduce plastic waste.
3. The SUCCESSMORE GO GREEN project was launched in September 2023 with the objective of the campaign to encourage customers who shop in the branch to reduce the use of plastic bags to reduce the amount of plastic waste. Collect data from the order volume of plastic bags that members use to put products at the branch.
4. Paper reduction activities by requiring the reuse of single-sided paper by placing reuse paper usage points. In the photocopy area inside the office on every floor with campaign signs.
5. Collect waste paper waste to be reused as raw materials for new paper production. (Recycle)



Performance in 2023

Start waste separation and collect daily waste data by housewives will be weighed and taken notes from October 2023 and will continue throughout 2024.

Consumption paper	The amount of waste and processed waste. Reuse and/or recycle
1,167 kilograms	61 kilograms *
	It is paper and plastic bottles, the proportion of waste recycled. per amount of general waste equal to 0.6038%
	* Waste data from October 1, 2023 to December 31, 2023

● Greenhouse Gas Reduction Management

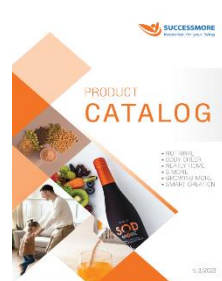
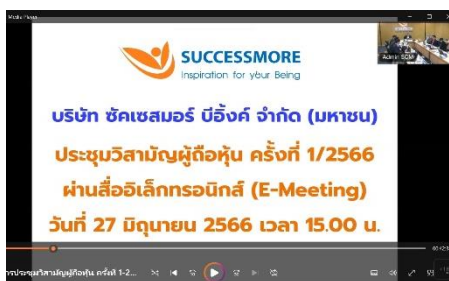
The Company intends to reduce carbon dioxide emissions that cause greenhouse gases to mitigate climate change. The Company's climate change management strategy has been formulated. An operational framework has been established to manage climate change throughout the supply chain. Establish policies and targets that cover energy efficiency. Use of renewable energy, climate risks and opportunities are assessed and scenario analysis is conducted in accordance with the guidelines of the Task Force on Climate-Related Financial Disclosure (TCFD) to prepare information on risks and opportunities, including potential impacts of climate change on the Company's business operations.

Greenhouse Gas Reduction Management Targets

1. Reduce total greenhouse gas emissions per total revenue (kg CO₂eq/relative to baht revenue) by 2% in every year.
2. The proportion of renewable energy consumption compared to total energy is not less than 2%.

Greenhouse Gas Reduction Management Plan

1. Changing the working style from using a paper system to a paperless organization by storing documents in electronic format to reduce paper usage and contribute to reducing the environmental impact of paper production. From using ink to print documents, to destroying documents.
2. Using a job application via Google Form Using online systems to manage HR systems such as salary invoices, leave declarations, company car reservations, meeting room reservations, as well as using online questionnaires, etc.
3. To reduce paper consumption, such as the 56-1 report/annual report, the minutes of the shareholders' meeting will be presented via QR Code. The Board of Directors' Meeting does not distribute documents but uses upload. All data is stored in Google Drive and retrieved all data using tablet.
4. Providing online product catalogs to subscribers instead of paper catalogs.
5. Prepare a plan to implement the Solar Rooftop project to generate electricity from renewable sources and install solar cell panels at Headquarters by 2024.
6. Prepare a greenhouse gas emission risk assessment plan. Greenhouse Gas Emissions Assessment Plan for Compliance Expand the scope of data collection to all business units in 2025.
7. Scenario Analysis & TCFD By 2025



Performance in 2023**1. Total Scope 1 and Scope 2 Greenhouse Gas Emissions**

Total Scope 1 and Scope 2 Greenhouse Gas Emissions (kg CO ₂ eq)	Year 2020	Year 2021	Year 2022	Year 2023
	434,197	377,405	476,648	571,009

2. Total Greenhouse Gas Emissions of Scope 1, Scope 2 and Scope 3

Total greenhouse gas emissions of Scope 1, Scope 2, and Scope 3 (kg CO ₂ eq)	Year 2020	Year 2021	Year 2022	Year 2023
	446,787	386,523	490,990	2,271,269

The increase in greenhouse gas emissions from 2022 comes from the collection of data on employees' trips by personal cars.

3. Amount of greenhouse gas emissions per unit (Carbon Intensity)

Total greenhouse gas emissions per total revenue (kg CO ₂ eq/vs. thousand-baht revenue)	Year 2020	Year 2021	Year 2022	Year 2023
	0.50986	0.34753	0.46403	2.5144

4. Proportion of renewable energy consumption compared to total energy

The company has not installed renewable energy sources in 2023, such as the installation of solar cells, so there is no information on this part yet, but it will start collecting after the installation of solar cells by 2024 and will disclose the information in 2025.

Summary of Environmental Performance

List	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Policy and Compliance with Environmental Management Standards					
Number of cases or incidents of violation of laws or environmental impacts	Case	0	0	0	0
The value of damages or fines caused by violations of laws or environmental impacts.	Baht	0	0	0	0
Power Management					
Fuel power					
Mobile Combustion					
● Gasoline	Litre	21,226.87	16,073.31	20,324.07	17,648.84
The Company's oil and fuel expenses					
● Fuel and fuel consumption costs	Litre	198,347	162,736	251,766	180,306.41

List	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Number of electric vehicles used to replace gasoline-powered vehicles	Car	0	0	0	1
Electric energy					
Consumption of electricity purchased from external agencies					
● Electricity consumption	kWh	752,209	666,852	817,045	977,778
● Electricity consumption per total income	kWh per thousand baht	0.86	0.60	0.77	1.08
● Electricity consumption to number ratio total employees	THB/pers on/year	4,373	3,725	3,966	5,462
Electricity consumption expenses purchased from external agencies of the Company					
● Cost of electricity consumption	THB	3,946,156	3,498,367	4,231,493	5,186,799
● The ratio of electricity consumption costs to the total number of employees	THB/pers on/year	22,943	19,544	20,541	28,977
Water Management					
The Company's water consumption					
● Water supply consumption	cubic meters	9,668	8,386	8,786	9,242
● Water consumption per total revenue	cubic meters per 10,000 baht	0.11	0.07	0.08	0.10
● The ratio of water supply consumption to the total number of employees.	cubic meters per person per year	56	47	43	52
The cost of using the company's water supply.					
● Water supply costs	THB	132,917	115,296	122,999	129,390

List	Unit	Year 2020	Year 2021	Year 2022	Year 2023
<ul style="list-style-type: none"> The ratio of water supply expenses to the total number of employees. 	THB/pers on/year	773	644	597	723
Wastewater Treatment					
<ul style="list-style-type: none"> Assess the amount of wastewater 	Cubic meter	7,734	6,709	7,028	7,394
Waste and Waste Management					
The amount of garbage and waste					
The amount of garbage and non-hazardous waste included	kilogram	2,334	1,167	3,501	10,158
<ul style="list-style-type: none"> Paper consumption 	kilogram	2,334	1,167	3,501	1,167
<ul style="list-style-type: none"> Plastic bottle volume 	kilogram	N/A	N/A	N/A	50
<ul style="list-style-type: none"> The amount of waste is not dangerous, others. 	kilogram	N/A	N/A	N/A	8,941
Total amount of trash and hazardous waste	kilogram	N/A	N/A	N/A	31
Total amount of trash and waste	kilogram	2,334	1,167	1,167	10,189
The ratio of garbage and non-hazardous waste to total income.	Kilogram/ Thousand Baht Income	0.00266	0.00105	0.00331	0.01125
Ratio of garbage and hazardous waste volume to total revenue	Kilogram/ Thousand Baht Income	N/A	N/A	N/A	0.00003
Ratio of total garbage and waste volume to total income	Kilogram/ Thousand Baht Income	0.00266	0.00105	0.00331	0.01128
The amount of garbage and waste disposed of by external agencies					
General waste disposal by incineration	kilogram	N/A	N/A	N/A	8,941
The amount of garbage and waste that the company's reuse/recycle					
The amount of garbage and non-hazardous waste taken Reuse / Recycle	kilogram	N/A	N/A	N/A	79
<ul style="list-style-type: none"> paper 	kilogram	N/A	N/A	N/A	12
<ul style="list-style-type: none"> Aluminum canisters 	kilogram	N/A	N/A	N/A	2

List	Unit	Year 2020	Year 2021	Year 2022	Year 2023
● Glass bottle	kilogram	N/A	N/A	N/A	15
● Plastic bottles	kilogram	N/A	N/A	N/A	50
The sum of the amount of waste and waste taken Reuse / Recycle	kilogram	N/A	N/A	N/A	79
Percentage of waste and non-hazardous waste reused (Reuse) / Recycled to the total amount of waste and non-hazardous waste	%	N/A	N/A	N/A	0.778
Percentage of waste and hazardous waste reused / recycle to the total amount of waste and hazardous waste	%	N/A	N/A	N/A	0.775
Greenhouse Gas Management					
Greenhouse Gas Emissions - Scope 1					
Energy consumption from consumable sources - fuel consumption					
Mobile Combustion: Burning fossil fuels for corporate vehicle transportation					
● Diesel oil	kg CO2eq	58,168	44,046	55,694	48,363
Total greenhouse gas emissions from mobile combustion	kg CO2eq	58,168	44,046	55,694	48,363
Total greenhouse gas emissions from energy consumption (ENERGY)	kg CO2eq	58,168	44,046	55,694	48,363
Greenhouse gas emissions from leaks: The amount of refrigerant added to the air conditioner, refrigerator cold storage each year					
Refrigerant leaks (cooling systems)					
● R22 (HFC-22)	kg CO2eq	N/A	N/A	5,280	14,080
● R32 (HFC-32)	kg CO2eq	N/A	N/A	3,385	10,155
● R-410A	kg CO2eq	N/A	N/A	3,848	9,620
Combined leakage from electrical equipment	kg CO2eq	N/A	N/A	12,513	33,855
Total Greenhouse Gas Emissions from Leaks (IPPU)	kg CO2eq	N/A	N/A	12,513	33,855
Total Greenhouse Gas Emissions - Total Scope 1	kg CO2eq	58,168	44,046	68,207	82,218
Greenhouse Gas Emissions - Scope 2					
Energy consumption from consumable sources - Electrification					

List	Unit	Year 2020	Year 2021	Year 2022	Year 2023
Electricity consumption	kg CO2eq	376,029	333,359	408,441	488,791
Total Greenhouse Gas Emissions - Total Scope 2	kg CO2eq	376,029	333,359	408,441	488,791
Greenhouse Gas Emissions - Scope 3					
Category 1 Purchased goods and services					
Purchased goods and services	kg CO2eq	12,590	9,118	14,342	9,799
• Use of tap water	kg CO2eq	7,684	6,665	6,983	7,346
• Paper consumption	kg CO2eq	4,906	2,453	7,359	2,453
Category 5 Municipal Solid Waste - MSW Disposal by third party					
General waste disposal by aggregate service providers	kg CO2eq	N/A	N/A	N/A	10,818
• General waste disposal by incineration	kg CO2eq	N/A	N/A	N/A	10,818
Category 7 Employee Commuting					
Journey Employee Road - Commute to and from home/office	kg CO2eq	N/A	N/A	N/A	1,679,643
• Total distance of people travelling by gasoline-powered vehicles (Gasoline Vehicle)	kilogram (km)	N/A	N/A	N/A	739,833
Total Greenhouse Gas Emissions - Total Scope 3	kg CO2eq	12,590	9,118	14,342	1,700,260
Summary of greenhouse gas emissions					
Total Greenhouse Gas Emissions - Scope 1	kg CO2eq	58,168	44,046	68,207	82,218
Total Greenhouse Gas Emissions - Scope 2	kg CO2eq	376,029	333,359	408,441	488,791
Total Greenhouse Gas Emissions - Scope 3	kg CO2eq	12,590	9,118	14,342	1,700,260
Total greenhouse gas emissions	kg CO2eq	446,787	386,523	490,990	2,271,269
Ratio of total greenhouse gas emissions to total income	kgCO2e/ Thousand Baht Income	0.50986	0.34753	0.46403	2.51440

List	Unit	Year 2020	Year 2021	Year 2022	Year 2023
The ratio of total greenhouse gas emissions to the total number of employees	kgCO2e/person	2,598	2,159	2,383	12,689

➤ **Category 2.5 Innovation Development**

In 2023, the Company has the concept of producing products with innovative environmentally friendly packaging or ECO Product and will develop policies and guidelines to develop environmentally friendly products, which are expected to be promulgated by 2024. This includes reducing the size of packaging to reduce packaging waste, which will reduce the problem of plastic waste being dumped and left in the environment, which has a positive impact on the overall ecosystem of the world. In addition, it also creates engagement with both internal and external stakeholders in environmental responsibility, which will help build the company's reputation and good image.

Environmentally friendly product and packaging management goals

1. The number of products certified as environmentally friendly according to the international standard ISO 14020 Environmental Label is not less than 5% of the total number of products.
2. The amount of packaging of the Company's products that can be reused or biodegradable. Not less than 5% of the total number of products.
3. Percentage of packaging containing recycled materials Not less than 5% of the total number of products.
4. Customer satisfaction in terms of packaging, such as beauty, ease of use, saving storage space of consumers not less than 50 percent.
5. The number of cases or incidents of violation of laws or environmental impact does not exceed 2 cases per year.
6. The value of damage or fines caused by violation of laws or environmental impact is 0 baht.

Implementation Plan

1. Arrange a meeting agenda with packaging raw material manufacturers to update information on technology or natural raw materials that can be used to produce products in a modern and environmentally friendly way by 2024.
2. Exterior packaging design (box) reduce the use of plastic from packaging design to be suitable for the size of the product to reduce damage. By reducing the gap of goods in the box.
3. SCM ECO Product Project by 2024. The Company's new products will use more eco-friendly packaging to demonstrate environmental responsibility.

Performance in 2023

1. Percentage of ECO Products sales to total product sales

Percentage of sales of environmentally friendly products (ECO Products) per total product sales	Year 2020	Year 2021	Year 2022	Year 2023
	2.55%	2.41%	2.72%	2.33%

2. Customer satisfaction in terms of packaging, such as beauty, ease of use, saving storage space for consumers in 2023. Customer satisfaction is assessed in terms of packaging, such as beauty, ease of use, saving storage space for consumers. Produced after simplifying packaging and focusing on space savings, it will begin to explore every new product in the future.

This is based on data collection through questionnaires by dividing customer satisfaction levels. In terms of packaging, it is issued as 5=most satisfied, 4=very satisfied, 3=moderately satisfied, 2=less satisfied, 1=least satisfied. The results of the assessment are as follows:

Detail	Average X	Satisfaction Assessment Results
Opt for eco-friendly packaging	4.8	Have the highest level of satisfaction
Reduce the use of redundant packaging	4.8	Have the highest level of satisfaction
ease of use	5	Have the highest level of satisfaction
Save consumer storage space	5	Have the highest level of satisfaction
Beauty	5	Have the highest level of satisfaction

3. The total weight of all packages, classified by type and features, such as reusable packaging. Reusable packaging. The company does not currently sell products with eco-friendly packaging, but in the future, it is expected that in 2025. The company will design the packaging to have various components that can be reduced. For example, outer packaging, individual layers of wrapping film. This includes reducing the number of materials used to produce packaging to save natural resources and reduce the amount of waste generated from packaging that has an impact on the environment while still doing the same job of protecting the product.

4. The number of cases or incidents of violation of laws or environmental impact is 0.

5. The value of damage or fines caused by violation of laws or environmental impact is 0 baht.

Environmentally friendly product design

The Neatly Home product line is a household product that focuses on the use of gentle raw materials that are safe for users and do not damage the environment.



- Concentrated laundry detergent and fabric softener products. It has properties to help prevent stains from returning to the fabric, helping to keep the fabric clean, not tarnished. Does not damage fabric fibers. It also helps inhibit the color of the fabric (in case of washing together with the fabric that has lost color) with natural extracts such as:
 - Sodium Methyl Ester Sulfonate is obtained from palm.
 - Sodium Lauryl Ester Sulfonate is obtained from palm.
 - Lauryl Glucoside is obtained from coconut oil.
 - Palm Stearin Fatty Acid is obtained from palm.
 - Coco Glucoside & Glyceryl Oleate is obtained from coconut oil, palm oil, sunflower oil.
- Concentrated dishwashing products Use to wash and clean the cup. It removes stubborn stains and grease thoroughly and is used to clean up stains that stick to the surface of fruits and vegetables. Contains natural plant cleaning agents such as:
 - Sodium Methyl Ester Sulfonate is obtained from palm.
 - Sodium Lauryl Ester Sulfonate is obtained from palm.
 - Coconut and corn extract.
 - Aloe vera extract.

Products with natural extracts can be used by children with gentleness, helping to soften the skin to the touch, giving a feeling of softness to the skin, gentle to sensitive skin. It does not cause significant irritation, Importantly, it can be biodegradable naturally, not remaining in the environment, and has also been certified by MUI HALAL CERTIFICATION from Indonesia.

Category 3 Disclosure and Transparency

The company operates businesses with potential and growth opportunities by focusing on using expertise, technology, and management to develop business efficiency and create a variety of shareholder returns in long-term stability. Therefore, the Board of Directors gives importance by allowing the company to disclose important information both financial and non-financial information or information that may have an impact on changes in the company's securities prices to shareholders and investors correctly, completely, adequately, timely,

transparently, and fairly through channels with easy access that is equal and reliable for shareholders and interested parties to get the important news of the company with accuracy, completeness, promptness, transparency, equality and the same quality.

➤ **Category 3.1 Important financial information**

1. Disclose important information in both financial and non-financial

The company has disclosed important information of the company in both financial and non-financial information under the regulations of the Stock Exchange of Thailand and the SEC correctly completely, timely, and transparently, which have been reviewed according to specified procedures and published through the Stock Exchange of Thailand and the company's website in Thai and English as follows:

Information disclosed in the annual information / annual report (Form 56-1 One Report)

The company has prepared and disclosed clearly and completely under the regulations of the Stock Exchange of Thailand and the SEC for the benefit of shareholders in making decisions. The information is always up to date and published through the company's website.

In 2023, the company has not been operated from The Stock Exchange of Thailand or the SEC due to the disclosure of information being not complied with the requirements.

Annual financial statements and quarterly financial statements

The company has prepared financial statements authorized by the auditor of the company, approved by the audit committee and the Board of Directors before disseminating to the shareholders and submitting them to the Stock Exchange of Thailand and the SEC before the expiration of the specified period. It also disclosed the additional important information in the notes to the financial statements with an explanation and analysis of the management for the disclosure of the financial statements every quarter, which can be used by the shareholders and general investors for investment consideration.

Quarterly operating result report

The company reports its operating results quarterly in case that the net profit according to the latest financial statements has changed from the same period of the previous year by more than twenty percent. It has published a quarterly explanation of its performance through the information dissemination system of the Stock Exchange of Thailand and the company's website.

In 2023, the company's financial statements and annual financial statements are disclosed quarterly in Thai and English, downloadable via the company's website. The company's financial statements are certified unconditionally by the auditor of the company. It has submitted financial statements to the Stock Exchange of Thailand and the SEC on time and has not been ordered to amend the financial statements in any parts and has not been dealt with due to non-compliant disclosure.

2. Disclosure of the connected transaction and/or acquisition or disposition of assets

The transaction of the company must be approved by the Audit Committee and the Board of Directors to eliminate conflicts of interest prudently, reasonably. For the best interests of the company and shareholders, the company has disclosed the items that have been considered and approved complying with the regulations of the Stock Exchange of Thailand and the SEC, disclosing names of persons doing the

transaction, relationships, nature of the transaction, and the value of the transaction in Thai and English to the Stock Exchange of Thailand through the company's website with a summary list in item "9.2 Connected Transactions"

3. Disclosure of audit fee

The company's auditors are well-informed, expert, independent, and have been approved by the SEC. Also, they have no relationship or interest in the company/subsidiary/associated company/ management/major shareholders or those related to mentioned persons. Therefore, they are independent in auditing and express their opinions on the company's financial statements. The company has disclosed the audit fee and other service fees which are paid to the auditor in "7.6.3 Auditor's Fee".

4. Corporate Governance

The company has prepared and disclosed the corporate governance policy, code of business conduct, risk management policy, internal use policy, conflicts of interest prevention policy, connected transactions policy, social and environment responsibility policy including internal anti-corruption policies and regulations in writing on the company's website.

In 2023, the company reported the performance of the corporate governance policy corresponded to the good corporate governance principles for listed companies of the Stock Exchange of Thailand and was published on the company's website.

5. Policy of social responsibility, community, and environment

The Company has established a policy of social and environmental responsibility and defined in the mission of the company to be a guideline and implement a concrete action that everyone in the organization must be involved in.

6. Meeting and communication of information between the Executive Committee, the senior management, and the highest commander of all departments throughout the company

The company holds a meeting between the executive committee, the senior management, and the highest commander of every department on a weekly and monthly to be informed of the organization's business goals and business strategies by informing all employees to understand and act in the same direction. It is also a guideline in duty performance as assigned to achieve business goals.

In 2023, the Chairman of the executive emphasizes attending meetings with the Executive Committee, senior management, and the highest commander of all departments by suggesting the main idea, SO strategy, philosophy and being ready to exchange ideas independently to support the management to achieve the business goals of the organization.

➤ Category 3.2 Basic Business Information

The Company aims to create sustainable growth that is flexible and adaptable quickly to cope with uncertain situations in order to grow sustainably. By dividing goals and strategies for 2023 - 2025 as follows:

1. The ability of internal personnel and business people level up to become competitive.
2. Upgrading technology that helps in management. Providing customer service and having digital tools and managing digital marketing that can help expand the market.

3. Leading and managing effective change across the organization, including the businessman team.
4. The power of brand values and brand awareness. Recognition and get support from the people who are in the position of the brand until create many brands and product lovers.
5. Creating consistently impressive experiences for businessmen and customers at every point of contact with the brand.

Business strategies for achieving goals

1. Expand Membership Base
Target to expand the membership base in Thailand and overseas as a total of 250,000 members.
2. Build the Brand to be acceptable
Build brand lover by creating a Hero Brand
3. Enhance the standard of work system and people system
Create a role model of successful businessmen.
4. Create a positive customer experience
Manage good customer experiences.

Sustainable growth from 2024 onwards

Sustainable Business Development Policy

1. Operate business under short-term and long-term strategies.
The Company has strategies for both short-term and long-term business growth, however, we still have the flexibility to adapt taking into account both internal and external risk factors completely.
2. Conduct business with transparency.
The company has a policy to conduct business with transparency and accountability by focusing on ethical principles, against fraud, and corruption in all stages of business operations.
3. Conduct business with regard to all stakeholders.
The Company has a policy to operate its business by focusing on minimizing negative impacts or none at all to the stakeholders both near and far society, both directly and indirectly, and also strives to create mutual values with sincerity.
4. Conduct business with environmental responsibility.
The Company has a policy to manage the use of natural resources for maximum efficiency as well as creating awareness in the operation in order to cause minimal or no impact on the environment and community.

Sustainable Talent Development

2024 goals

- There are sufficient personnel and can be recruited to meet the needs of the department at 100%.
- 50% of the vacant management positions are filled by promoting internal positions.
- All employees are trained to develop their skills not less than 18 hours per year.
- All employees passed the skill test criteria and ability to enhance corporate and leadership brands.

Operational Guidelines

- Organize learning and development courses for effective employees.
- Continuously promote the development of high potential executives and leaders.
- Cultivate awareness of social responsibility among employees and stakeholders.
- Set criteria, skill test, and employee assessment.

ESG Risk Management Guidelines

The Company does not find high environmental, social and governance risks, but focuses on addressing such issues as follows:

1. Environmental

- Realize and implement the use of resources and energy according to the 3Rs principle (Reduce, Reuse, Recycle), covering electricity, water, and waste management.
- Focus on product design and use environmentally friendly packaging. Does not waste energy and does not cause waste or pollution to the world. Any part of the product or all of it can be recycled through the 3Rs process (Reduce, Reuse, Recycle).
- Take into account the impact of global climate change by effectively managing energy consumption to reduce the impact of climate change, such as reducing energy consumption, by setting indicators and targets to reduce greenhouse gas emissions.

2. Social

- Promote occupational health and safety management of employees to have a safety management system that is conducive to work, help reduce and control risks arising from work, and can mitigate possible impacts on life safety.
- Establish policies that take into account the labor rights that corporate workers deserve, such as wages, salaries, and strengthening diversity, mutual respect and non-discrimination, as well as accepting diversity in terms of age. Gender, sexual orientation, religion, disability, education, and citizenship in accordance with the Universal Declaration of Human Rights
- Empower employees to develop themselves and advance in career path, by providing appropriate welfare and remuneration that supports and promotes employee health and well-being.
- Create value together with the community and society by using Successmore's specialized expertise in determining guidelines for organizing activities or projects that benefit the community and society according to SDGs standards in order to build community confidence. The Company has CSR activities that target 3 projects per year, such as a project to provide health knowledge to the community, running project to promote exercise, etc.

3. Governance

- Conduct and disclose good corporate governance information in accordance with the requirements and standards of corporate governance disclosure in accordance with the requirements of the Stock Exchange of Thailand and other relevant laws.

- Promote transparency in managing suppliers throughout the supply chain responsibly in accordance with the Company's business ethics policies and practices.
- Always listen to and evaluate customer satisfaction with products and services. To ensure that customers receive quality, safe products, and services, and to have confidence in choosing the Company's products and services, including quality management and product recall in accordance with the international standard ISO 9001: 2015 and in accordance with relevant requirements.
- Develop product innovations to make them effective for consumers. Participate in the development of information system platforms to customers to respond to the expectations of stakeholders according to the Company's Software Requirements Specification (SRS) and IT Procedures.
- Protect data security and cyber security of all stakeholders. It manages stakeholder access to privacy data in accordance with PDPA requirements in 2019 and conduct information systems in the field of information system security testing in accordance with the requirements of Cyber Security in 2019.
- Manage work continuity from uncertainties or emergencies that may occur. By developing a financial liquidity management plan, consolidation of overdue debts, and the preparation of income and expense control plans to enable the Company to continue operating its business under unusual circumstances and overcome various circumstances effectively.

Emerging Risk in business operations

The Company is aware of emerging risk factors that may have a significant impact on business operations in the next 3-5 years, the Company has analyzed potential risks and impacts on the business and operations of each risk factor. The Company has established effective risk mitigation measures and continuously monitored emerging risks in the medium to long term. To reduce the impact of emerging risk factors and enable the Company to achieve its goals according to the specified strategies and directions.

Risk factors	Management measures
1. Risks from changes in rules and regulations due to climate change.	Monitor and analyze trends in government policy changes due to climate change, including the selection of modern and environmentally friendly technologies in production to reduce greenhouse gas emissions of businesses.
2. Risk of consumer concern towards data transparency nutrition and product labeling (Health-Conscious Behavior Risk): Most consumers strive to purchase ethical food products, as consumers look for transparency at currently it is increasing.	<ul style="list-style-type: none"> - Require audit management. Reverse Traceability) Able to monitor all production processes. - Continuously develop health products with clear and accurate product label information or consumption information to build confidence in the Company's product selection.

The company discloses information through various and easily accessible channels in both Thai and English through the channels of the Stock Exchange of Thailand and the company's website: www.successmore.com to make all stakeholders confident.

In addition to the disclosure of financial reports or other information to the Stock Exchange of Thailand and the SEC via various channels following the requirements accurately, completely, and timely, the company has also disclosed the following information:

1. Disclose the nature of the company's business and analyze the industrial situation and competitive capability of the company including operating results and financial status of the company in item "1.2 Nature of business" published and downloadable through the company's website.

2. Disclose the dividend policy of the company and a subsidiary in item 1.6 Dividend Policy of the Company and a Subsidiary.

3. Disclose the structure of the company and subsidiaries' business group in item "1.3 Structure of the group of company's shareholdings" published and downloadable through the company's website.

4. Disclose the structure of the company's organization in item "7.1 Corporate Governance Structure" published and downloadable through the company's website.

5. Disclose the structure of Executive Information in item "7.4 Executive Information" published and downloadable through the company's website.

6. Disclose shareholding structure with shareholding proportion and list of first ten major shareholders of the company as book closing date for general shareholder meeting before the meeting date published via the company's website.

7. Disclose the change in shareholding of the directors and executives by presenting several shares being hold early and final in the year and traded between the year of the directors and executives directly and indirectly in item "7.2 Information about the Board of Directors".

8. Disclose the regulations, vision, and mission of the company in Thai and English via the company's website.

9. Disclose the's company risky factors, risks, causes, Impacts, and solution to prevent or lessen the risks in item "2 Risk Management".

10. Disclose the information of development and training attendance in the past years in "category 5 Board Responsibilities No. 21 Directors and Executive Development.

11. Disclose the designation of the auditor who is independent and approved by the SEC and disclose the audit fee and other fees which are paid to the auditor or audit company in item "7.6.3 Auditor Remuneration".

12. Disclose internal control and internal control evaluation result under requirements of SEC and report the corporate governance from the audit committee in item "Attachment 6 Corporate Governance of Audit Committee Report".

13. Disclose whistleblowing policy in "Category 3 Roles of stakeholders No. 14 Anti-Corruption and Bribery Policy and Guidelines via the company's website.

14. Disclose the company's final statement quarterly in Thai and English published and downloadable through the company's website.

15. Disclose annual information/ annual report (Form 56-1 One Report) of the company and shareholder invitation letter in Thai and English published and downloadable through the company's website.

➤ **Category 3.3 Information Channel of the Company**

The company focuses on the disclosure of complete, correct, and transparent information with various communication channels for the benefit of stakeholders.

1. Provide an investor relation to be a direct channel to contact investors

The company has designated a person who acts as a center for the disclosure of important information to investors and related parties to facilitate stakeholders to access information easily with various channels, which can be contacted at

Tharika Thannakornwat

The company's secretary and Investor Relation Department

Phone: 02-511-5955 ext. 113

E-mail: info.ir@successmore.com

2. Important information published on the company's website in Thai and English are as follows:

- Vision and Mission
- Nature of Business
- Financial Information
- Stock Information
- Financial Statement of the Company
- Company Press Release
- Shareholder Structure
- Organization Structure
- Groups of the Company Structure
- Directors and Executives Information
- Investor Relation Information
- The Company's Regulations
- Annual Information Form 56-1 One Report / Annual Report
- Shareholder's Meeting invitation Letter
- Shareholder's Meeting Report
- Good Corporate Governance
- Organization's Anti-Corruption Policy
- Business Ethics
- Report of Directors

3. Meeting and communicating with investors, shareholders, and analysts.

The Company participated in the Opportunity Day in 4th times, which was report the results of the year 2022, first quarter, the second quarter and the third quarter of the year 2023 and met with analysts at the company Held at the press conference for the investment in Power Agrotech (Thailand) Company Limited and Successmore Being Public Company Limited on October 24, 2023.

Category 4 Board Responsibilities

The Board of Directors plays an important role in guiding the direction of the Company's operations, follow up on the work of the management, establish a policy on good corporate governance, set up Code of Conduct for Anti-corruption policy within the organization. Including guidelines to follow the Anti-corruption policy, ready to be prepared in writing and published for acknowledgment and practice throughout the organization through the company's website by supervising the business for the best outcomes of the Company and shareholders ready to take care of the Company with various kind of activities in properly and legally.

The company gives importance to the roles and responsibilities of the company to protect the interests of shareholders and stakeholders, such as setting business strategies, monitoring the operation to be transparent. The company has performed as follows:

➤ Category 4.1 Board Structure

1. The Board of Directors had the Board of Directors consists of directors with various qualifications in terms of skills, experience, abilities, and specific characteristics to ensure that there will be an overall committee with suitable qualifications, able to understand and meet the needs of stakeholders. The Board of Directors considers the necessary skills that are still lacking in the Board of Directors without limitation on gender, age, educational history, professional experience, skills, and knowledge to become a director to enable the Board of Directors to operate more efficiently in line with business strategies and support the composition of the entire Board of Directors to be complete in knowledge, competence, and diversity dimensions for the best capability.

In this regard, the Company has set a policy for diversity of the Board of Directors which is contain Gender diversity, professional skills and competency components of the Board of Directors (Skill Matrix) such as business administration, organizational management, engineering, accounting, financial, medical, legal, etc. It should consist of at least 3 people with knowledge and competence in the business of the company, at least 1 legal person, at least 1 financial accounting person, and at least 1 medical person.

At present, it consists of 7 directors, 5 of which are non-executive directors (there are 4 independent directors in these 5 and 2 executive directors who have completed their structure. The company has no directors holding positions in more than 5 listed companies.

2. To lead to effective corporate governance, the Board of Directors has set policies on directors are as follows:

- (1) The Chairman of the Board of Directors is an independent director so that the position of Chairman of the Board of Directors and the position of Chief Executive Officer is not the same person and no one has unlimited power.
- (2) Independent directors holding the position for a continuous period of not more than 9 years from the date of the first appointment as an independent director.
- (3) Appoint independent directors to be the chairman of other committees such as the chairman of the audit committee, Chairman of the Nomination and Remuneration Committee and Chairman of the Corporate Governance and Sustainability Committee.
- (4) The number of listed companies in which each director may hold the director positions is not more than 5 companies.
- (5) Independent directors holding positions as directors are not more than 3 listed companies.
- (6) Executives holding director positions in other listed companies are not more than 2 companies.

In 2023 1) The Chairman of the Board of Directors is an independent director.

- 2) Holding a position of independent director is not more than 9 consecutive years.
 - 3) There are 7 directors in total, 5 are male directors and 2 are female directors.
 - 4) Each director holds a director position in 2 listed companys.
 - 5) Independent directors hold director positions in 2 listed companys.
 - 6) There is no executive director that holds a director position in other listed companies.
 - 7) All directors attend the Board of Directors' meetings regularly counted as 100 percent of all Board meetings.
3. Disclose names of directors, independent directors, and sub-committees including their profile, roles, duties, the number of attendances of each director's meeting, shareholding proportion, the tenure of the directors and independent director positions in listed companies, the date of appointment as directors and independent directors were appointed in item "7.2 Information on the Board" and "8.1.2 Meeting attendance and remuneration of the Individual Directors".
 4. The criteria and process for recruiting and selecting new directors are in case of a vacancy of the company's directors. Nomination and Remuneration Committee will be responsible for considering recruiting new directors by qualifications, knowledge, ability, work experience, essential skills that are still lacking on the board of directors according to the business operations of the company to perform their duties fully Including having no prohibited characteristics under the law and good corporate governance principles. Also, the company has the policy to give shareholders the right to nominate suitable candidates to be the director. The Nomination and Remuneration Committee is responsible for scrutinizing the qualifications and suitability of applicants or directors who are due to retire by rotation by offering opinions to the Board of Directors to the shareholders' meeting to elect the company's directors by considering at least the following features:
 - (1) Must be qualified and does not have prohibited characteristics under the Public Limited Companies Act 2535 (including the amendments), the Securities and Exchange Act B.E. 2535 (including the amendments), or under the rules prescribed by the Securities and Exchange Commission including having no characteristics indicating the lack of suitability to be entrusted to manage businesses

with the general public as shareholders as prescribed by the Office of the Securities and Exchange Commission and other related rules.

- (2) Being knowledgeable, capable, honest, moral, and ethical in business operations and have experience in conducting the business of the company.
 - (3) Can exercise fair and independent discretion from the management and any other interest group.
 - (4) Can devote sufficient time to the company that he or she is a director and take care of the performance of their duties according to their responsibilities.
5. Disclose the remuneration policy of directors and executives of the company including the form, nature, amount of remuneration each person will receive from being the company's directors and sub-committee members, and the remuneration policy of senior management and chief executive officer. The Company has no policy to compensate other than the remuneration as a director or employee, which is normally received from the company in "7.4.3 Executive compensation" and "8.1.2 Meeting attendance and remuneration of the Individual Directors".



Category 4.2 Performance of supervisory duties

1. The Board of Directors gives great importance to the establishment of a good corporate governance system and strives to continuously raise the standards of good corporate governance to conduct business with transparency, efficiency, stability, and sustainable growth. It also increases the economic value and long-term wealth for shareholders and creates fairness to all stakeholders. The policy is to manage operations under economic and social conditions with balance following good corporate governance principles for listed companies.

The Board of Directors is aware of the roles and duties of a leader of the organization. Therefore, it has considered and reviewed the application of CG Code to be applied under the company's business context annually to create sustainable value for the business. Compliance with each CG code was assessed to ensure that a process was applied or there is a development plan suitable for the business.

The Company has disseminated the 8 principles of good corporate governance policy for employees, shareholders, and the general persons through the company's website under the heading of "Investor Relations". Corporate Governance: Corporate Governance Report and Download Document: Policy on Corporate Governance

(The 8 good corporate governance policies, please refer to Attachment 5.)

2. The company has prepared and disclosed the code of conduct for business operations and made in writing to create sustainability for the business and protect the interests of stakeholders and society. To give stakeholders an opportunity to express their opinions on business operations to be a mechanism and the process to supervise the business operation seriously leading to a true corporate governance which the executives and employees of the Company must adhere to as a guideline for working as representatives of the Company.

In 2023, the Company organized a business ethics training for executives and employees, which are in the course of Successmore employees through the G-suite program at completely 100%. Directors, executives and employees of the Company strictly followed the business ethics. There was no misconduct related to business ethics.

The company has disseminated the code of conduct for conducting business with stakeholders and society to employees, shareholders, and the general persons through the Company's website under the heading "Investor Relations" in the section of Corporate Governance: Corporate Governance Report and Download Documents: Business Conduct

(Code of Business Conduct, please refer to Attachment 5.)

3. The Board of Directors is aware of the roles, duties, and responsibilities of supervising the company with good management as a leader of the organization with a clear goal that business operation of the company must not only aim to generate economic growth but also has the intention of creating a sustainable business and driving society at the same time including social and environmental responsibility and good governance as a "value organization".
4. The Board of Directors has established objectives and goals to create value and sustainable growth for the group of companies and for the best interest of all stakeholders which is the ultimate goal of the company under the principles of good corporate governance and taking into account all stakeholders whether it considers the maximum return and passes that return to the shareholders.
5. The Board of Directors has appointed sub-committees, namely the Audit Committee, the Nomination, and Remuneration Committee, Risk Management Committee, the Corporate Governance and Sustainability Committee, the Executive Committee and Chief Executive Officer with clear authority and duties (Disclosed in Clause 7.3 Sub-Committees Information).
6. The Board of Directors has supervised the operations of the company, subsidiaries, and associated companies with a governing mechanism to control and monitor the management and operational responsibility of subsidiaries and associated companies to maintain the interests of the company's investments. The company will send a representative of the company which has qualifications and experiences that are suitable for the business of the company, to invest in a subsidiary and an associated company director of that company, which can be the chairman of the board, Chief Executive Officer, Director, Senior Executive, or any person of the company who has no conflict of interest with the business of those subsidiaries and associated companies. To control and supervise the business and the operation of the subsidiary company as a department of the company and/or able to inspect and supervise the operations of associated companies effectively, the company, therefore, requires its representatives to manage the subsidiary's business and/or associated companies (depending on cases) to comply with the rules and regulations set out in the regulations and laws relating to the business operation of subsidiaries and/or the associated company. Also, sending a representative to be a director of the subsidiary and the associated company has to be under a shareholding proportion of the company and/or agreements between shareholders in the subsidiary or associated company.

7. The Company has prepared a written information and communication technology security policy for the Company's information technology and communication systems to be efficient. The Company have security and can operate continuously including preventing problems that may arise from incorrect use of information and communication systems. As well as being threatened by various threats which may cause damage to the Company, which is an offense under the Computer Crimes Act BE 2550 and other related laws. The Company has therefore established a security policy for information and communications of the organization as follows: (1) Procurement, development and maintenance of information technology systems (2) Management of outsourcing service providers (3) Access control (4) Information exchange (5) Security in operations (6) Security in the network system (7) Encryption (8) Area Security

The Company has established an Information Technology (IT) unit with sufficient personnel with knowledge and ability to support the process. Tools and methods are under control or reduce security impacts are at a level appropriate to the diversity of the Company's operations.

8. The Board of Directors has jointly set the company's strategies and annual work plans that must be consistent with the vision and mission. In setting strategies and plans for each year, the Board of Directors will consider all aspects including the risk factors, such as financial, strategic and operational, etc., concerning the society, environment, and all stakeholders. It has reviewed and approved the company's vision, mission, and strategy to provide executives and employees to work in the same direction and set guidelines for participation as follows:
- (1) Determination of the company's vision, mission, strategies, goals, business plans, and budgets by expressing opinions independently to jointly determine the organization direction through annual workshops between the Board of Directors and the management
 - (2) Determine the review and practice each year to monitor the management to consistently comply with business plans and directions.
 - (3) Provide an independent discussion and express opinions of the management freely to define the organization's direction and prepare for the situation that may change in the economy.
 - (4) Provide advice, opinions, and guidelines for organizational management for the use in arranging a plan meeting the goals.
 - (5) Communicate policies, goals, and operational directions to all employees through the company's communication channel monthly, explained by the Chairman of the Executive Committee and the Chief Executive Officer.

The Board of Directors monitors and supervises the implementation of the company's strategy. That is, the Board of Directors has monitored the operating results of the management in every quarter. The results of operations and results of the Company are required to be reported especially in terms of strategic plans and financial goals to be following the strategies specified.

For the year 2023, the company reviewed the vision and mission one time and set short, medium, and long-term goals to focus on developing products that are strong in cost, quality, delivery, and meet the customers' need including creating value for stakeholders in all aspects.

9. In the Board of Directors' meetings each year, apart from setting a mission, they also jointly formulate strategies and operating policies to be in line with the missions each year for the management division to act according to the policy. The directors of the company are required to manage the company's operations under the law, regulations, resolutions of the shareholder meeting as well as the guidelines that have been set. There is also a process for approving important operations to be under the law including the determination of the authority to approve various matters of the company.
10. The Board of Directors has arranged to review the scope, roles, powers, and duties of the company's directors regularly at least once a year.
11. The Board of Directors establishes a risk management policy with an adequate risk management system and regularly monitors risk management.
12. Director position policy requires that the Company's directors and the Chief Executive Officer be able to serve as directors, no more than 5 listed companies in total.
13. The company, directors, and senior management have no record of violating the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.
14. Directors and senior management of the company have never been an employee or partner of an external audit that the company has served in the past 2 years.
15. Provide compliance unit and assign Mr. Amarin Suthat Na Ayutthaya, compliance assistant, to operate.
16. The Board of Directors provides an internal control system covering both financial and operations under relevant laws, regulations, and relevant rules as well as provides an appropriate and adequate risk management and checking and balance mechanism that are effective enough in the operation. Also taking care of the property by an external independent internal audit, namely Isbar Corporation Company Limited, and Mr. Sirisak Manithkunacarn position Chief Audit Executive which is an independent agency, reporting directly to the Audit Committee and with Mrs. Tharika Thannakornwat as the audit committee secretary. They will prepare the audit committee report which revealed the number of audit committee meetings that year with an assessment, check, and review of the internal control system, connected transaction, consideration of an auditor appointment, review of financial reports. They also establish a risk management policy, compliance with rules and policies, and have conclusions and opinions of the Audit Committee towards the operations in various areas overall.
17. All directors attend the Board of Directors' meetings regularly counted as 100 percent of all Board meetings, both physical Meeting and E-Meeting formats.
18. The Board of Directors sets a schedule for the Board of Directors and sub - committees' meetings for the whole year in advance. Each meeting has a clear agenda. It is an agenda to know and agenda for approval with complete and sufficient documents for the meeting and delivers to the directors at least 7 days in advance for them to study the information with sufficient time before attending the meeting. In the meeting, the Chairman of the Board of Directors will be the chairman of the meeting so that all directors can freely open up and express their opinions. The chairman will compile the opinions and summarize the issues raised from the meeting. The company secretary prepares the minutes of the

meeting in writing, which will be kept at the company secretary at the company office after the meeting has been approved.

19. The company has a policy for Non-Executive Directors: NED having the opportunity to meet with each other to discuss issues related to business or other matters that they are interested in with no management at least once a year, meeting on December 26, 2023.
20. The company is aware of the preparation of financial reports to be correct, complete, under the accounting standards. The disclosure has been audited by an independent auditor and has been approved by the Audit Committee and the Board of Directors before publishing to the shareholders. To ensure confidence, the Board of Directors has prepared a report of the Board of Directors' responsibility for financial reports, presented with the auditor's report. The auditor's report shows compliance with generally accepted accounting principles uses appropriate accounting policies for the investors' consideration.
21. The Board of Directors and the Nomination and Remuneration Committee have set the performance measured as a performance index (KPI) compared to the targeted KPIs associated with the rate of compensation received following the criteria set by the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee will consider the remuneration appropriately according to the company's compensation structure and will compare the remuneration survey data from institutions, organizations, trusted agencies that are trusted, GDP growth rate, and inflation rate. It also considers the work performance following the assigned duties and responsibilities. (Disclosed in clause 7.4.3 Total Remuneration of Executive Directors and Executives)

22. Board of Directors Establish criteria for performance appraisal of the Chief Executive Officer (CEO) on an annual basis. At least once a year on the topic about Leadership, Strategy, Strategy Implementation, Financial Planning and Performance, Relationship with the Board Administration and personnel relations, Product Knowledge by using the evaluation guidelines from the Stock Exchange of Thailand.

The Company arranges a performance appraisal process for the Chief Executive Officer (CEO) on an annual basis to assess the performance in the past year. The Company Secretary will deliver the assessment form to each director to perform the performance evaluations and bring the evaluation results to discuss at the Board of Directors' meeting and determine the appropriateness of the remuneration in further action.

In the year 2023, the results of all assessments above overall, the average score was 99.77 percent, at a very good level, indicating overall satisfaction with the performance during the past year. Therefore, the results were reported to the Board of Directors' Meeting No. 1/2024 held on at February 22, 2024.

23. The Board of Directors has planned a succession plan and established a clear and transparent recruitment process based on knowledge, abilities, experience, ethics, and leadership to ensure that the company and its subsidiaries receive professional executives. Besides, there is an assessment of the effectiveness and potential of the executives and continuously monitor the development results to ensure

that the operations of the company and its subsidiaries can continue as planned. The company's succession plan covers the following positions:

1) Chief Executive Officer Level

When the position of chief executive officer level is vacant or the person in the position is unable to perform his duties, the company will provide a system for management at a similar level or the secondary level, acting in the position until the recruitment and selection of persons with qualifications according to the criteria set by the company. The qualifications of the person to be the Chief Executive Officer must have a vision, knowledge, experience, and expertise and be suitable for the organization's culture. The Nomination and Remuneration Committee will nominate and present the names to the Board of Directors' meeting to consider and approve the appointment of suitable persons to replace in the next position.

2) Executive Level

When a position at the executive level from more than chief officer position becomes vacant or the person in the position is unable to perform the role. The direct supervisor in the line of work is primarily responsible for the recruitment and submission for approval. Executive succession planning has the following processes:

- (1) Analyze the business situation of the company in terms of company strategy, investment plan, and expansion plan.
- (2) Assess the readiness of manpower following the strategy of the company both for the short and long term.
- (3) Establish a plan to create the readiness of manpower by developing employees or recruiting employees to prepare for the replacement.
- (4) Create recruitment and employee training and development in advance before employees retire or leave their positions early.
- (5) Define competencies, which refer to the knowledge, skills, personality, and desirable attitudes of the employees in that position and make an individual development plan.
- (6) Select, evaluate work performance and potential of employees to determine suitability.
- (7) Use tools for testing and evaluating personnel to analyze the potential of employees.
- (8) Identify successors from the assessment and analysis of the potential of the employees, and employee performance. Employees must be informed in advance to prepare and determine to find an alternate successor.
- (9) Develop and evaluate employees who are expected to be heirs that can develop and produce works as expected. The heirs are subject to be changed in case that the assessment results are not as expected.

24. Criteria and process for recruiting chief executive especially the position of Chief Executive Officer, the company assigns the Nomination and Remuneration Committee to be responsible for recruiting, selecting, and nominating qualified persons with appropriate qualifications, knowledge, experience, talents, and specific skills that are beneficial to the company or involved in the business that the company

is operating following the strategy and business direction of the company to propose to the Board of Directors for the appointment.

25. The Company appoints Mrs. Tharika Thannakornwat as the Company Secretary to responsible for giving advice on laws and regulations to the Board of Directors and overseeing the activities of the Board of Directors, including coordinating the implementation of the Board's resolutions. (Disclosed in clause 7.6.1, list of persons assigned)
26. Designation of Company Directors and Executives must prepare securities trading and the company's securities holding reports. Relevant persons are spouses and underage children by preparing various reports according to the law relating to the directors and executives. The company will report to the Board meeting and the SEC as follows:
 - Report any changes in the Company's securities holding when trading, transferring (Form 59) within 3 business days from the date of the change.
 - Display of names of persons in the information system of directors and executives of the issuing company (Form 35-E1) within 7 business days from the date of taking office.

In 2023, the company directors and executives including the spouses and underage children of mentioned person had already made a report on securities trading, company securities holding if there is a change in the year with a summary list in item "7.2 Information about the Board of Directors."

27. Set policies on prevention of conflicts of interest, the policy of using internal information of the company, the policy of entering into connected transactions of the company to prevent the use of opportunities for personal gain.
28. The company has set up a communication channel for employees and all stakeholders (external, internal, personal, personal group, an organization such as employees, investors, customers, partners, community, society, environment, governmental organization, and corporate governance organization) to be able to communicate and report any suspicious whistleblowing or complaints when encountering situations that may be a corruption, directly and indirectly, illegal actions, misconduct of the business ethics/ the company policy as well as behavior that may cause problems and damage to the company, and suggestions about the company's business operation. The company has provided the channels for reporting as follow:
 - By E-mail, please contact
Assoc. Prof. Dr. Kanyarat Sanoran (Chairman of Audit Committee)
E-mail: scm.advise.bod@successmore.com
 - By mail, please contact
Assoc. Prof. Dr. Kanyarat Sanoran
Address: The Faculty of Commerce and Accountancy, Chulalongkorn University
254 Phayathai Road., Wangmai, Pathumwan, Bangkok 10330

Whistleblowers, complaints, and suggestions will be considered and taken appropriate action on a case by case.

The Board of Directors has assigned the Chairman of the Audit Committee to take the responsibility of reporting clues, complaints, and suggestions of stakeholders to the Audit Committee and investigate and report to the Board of Directors by whistleblowers and various complaints will be kept confidential.

In 2023, the company and its subsidiaries had no complaints about giving or receiving bribes for the benefit of the company's business.

29. The Company has established criteria for assessing the performance of the Board of Directors and sub-committees both group and individual assessment forms (self-assessment) on an annual basis, at least once a year. Using the evaluation guidelines from the Stock Exchange of Thailand to adapt to suit the characteristics and structure of the Board of Directors to be used as a framework for examining the performance of duties of the Board of Directors and encourage joint consideration of works and problems on various issues related to the operations of the company and good corporate governance.

The Company has established a performance appraisal process for the Board of Directors. and committees annually to assess the performance in the past year. The company secretary will deliver the evaluation form to each director to assess both as a group and individually. (Self-assessment) and compiled to present to the Board of Directors' meeting to make an assessment. This is for various suggestions and the results obtained from the performance evaluation of the Board of Directors will be used to improve the effectiveness of the Board's performance in order to maximize the benefit of corporate governance.

In the year 2023, the results of all assessments above both the Board of Directors and sub-committees, the overall average is at a very good level. Showing satisfaction with the performance during the past year as an overview, the results were reported to the Board of Directors Meeting No. 1/2024 on February 22, 2024.

For the performance evaluation of the company directors, sub-committee, and chief executive officer, the board of directors conducts a self-assessment of the performance of the whole board at least once a year to utilize the results of the assessment to improve the performance of duties of the board of directors, sub-committee, and chief executive officer by informing the assessment results to the board of directors and analyzing the evaluation results to develop and improve operational efficiency. The score ratings are as follows:

Score Range	Criteria
More than 80 percent	Very Good
More than 70-80 percent	Good
More than 60-70percent	Fair
Lower or equal to 60 percent	Below the Standard

In 2023, the assessment results of the board of directors, sub-committees, and chief executive officer are as follows

(1) The Board of Director Assessment

- Assessment results of the board of directors **by group**

Topics of Assessment	Result (Percent)	Level
1. Structure and qualification of the board of directors	99.52	Very Good
2. Roles, duties, and responsibilities of the board of directors	99.37	Very Good
3. The board of directors meeting	97.35	Very Good
4. Performance of the board of directors	100.00	Very Good
5. Management department relationship	100.00	Very Good
6. Self-development of the directors and executives	93.65	Very Good
Average Overall	98.32	Very Good

- Assessment results of the board of directors **by person**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of the board of directors	92.86	Very Good
2. The board of directors meeting	97.62	Very Good
3. Roles, duties, and responsibilities of the board of directors	100.00	Very Good
Average Overall	96.83	Very Good

(2) Audit Committee Assessment

- Assessment results of Audit Committee **by group**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of Audit Committee	97.78	Very Good
2. Audit Committee meeting	96.30	Very Good
3. Roles, duties, and responsibilities of Audit Committee	98.15	Very Good
Average Overall	97.41	Very Good

- Assessment results of Audit Committee **by person**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of Audit Committee	94.44	Very Good
2. Audit Committee meeting	100.00	Very Good
3. Roles, duties, and responsibilities of Audit Committee	97.78	Very Good
Average Overall	97.41	Very Good

(3) Nomination and Remuneration Committee Assessment

- Assessment results of Nomination and Remuneration Committee **by a group**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of Nomination and Remuneration Committee	97.77	Very Good
2. Nomination and Remuneration Committee meeting	100.00	Very Good
3. Roles, duties, and responsibilities of Nomination and Remuneration Committee	91.11	Very Good
Average Overall	96.29	Very Good

- Assessment results Nomination and Remuneration Committee **by person**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of Nomination and Remuneration Committee	100.00	Very Good
2. Nomination and Remuneration Committee meeting	100.00	Very Good
3. Roles, duties, and responsibilities of Nomination and Remuneration Committee	100.00	Very Good
Average Overall	100.00	Very Good

(4) Executive Committee Assessment

- Assessment results of Executive Committee **by a group**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of Executive Committee	97.22	Very Good
2. Executive Committee meeting	100.00	Very Good
3. Roles, duties, and responsibilities of Executive Committee	97.22	Very Good
Average Overall	98.15	Very Good

- Assessment results of Executive Committee **by person**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of Executive Committee	100.00	Very Good
2. Executive Committee meeting	97.22	Very Good
3. Roles, duties, and responsibilities of Executive Committee	100.00	Very Good
Average Overall	99.07	Very Good

(5) Risk Management Committee Assessment

- Assessment results of Risk Management Committee **by a group**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of Risk Management Committee	100.00	Very Good
2. Risk Management Committee meeting	98.15	Very Good
3. Roles, duties, and responsibilities of Risk Management Committee	100.00	Very Good
Average Overall	98.38	Very Good

- Assessment results of Risk Management Committee **by person**

Topics of Assessment	Results (Percent)	Level
1. Structure and qualification of Risk Management Committee	100.00	Very Good
2. Risk Management Committee meeting	100.00	Very Good
3. Roles, duties, and responsibilities of Risk Management Committee	100.00	Very Good
Average Overall	100.00	Very Good

(6) Chief Executive Officer Assessment

Topics of Assessment	Results (Percent)	Level
1. Leadership	100.00	Very Good
2. Strategy Formulation	100.00	Very Good
3. Strategy Compliance	100.00	Very Good
4. Financial Planning and Results	100.00	Very Good
5. Relationship with Directors	98.41	Very Good
6. Performance and Relationship with Personnel	100.00	Very Good
7. Knowledge of Products	100.00	Very Good
Average Overall	99.77	Very Good

**Category 4.3 Directors of development**

1. Orientation for new directors

In the case of new directors, the company has established guidelines for the performance of the directors so that the directors can perform their duties immediately. The company secretary is the coordinator in various areas as follows:

- (1) Coordinate to provide information about the company in legal and other areas such as company regulations, company objective, organizational structure, manual policy on good corporate governance, anti-corruption policy within the organization, policy of using internal information of the company, and code of business ethics, etc.

- (2) Arrange a meeting of the Chairman of the Board of Directors, Board of Directors, Sub-committees, and the management of the company to receive information about business operations.

In 2023, there was no orientation for new directors since there is no appointment of a new director.

2. Directors and executives development

The Board of Directors has given importance to the development of directors by encouraging them to attend various training courses or course seminars that are beneficial to the performance of their duties. The company sees the benefits of education/training that it will be the development of directors to gain up-to-date knowledge in the competitive business situation with a policy to develop the capacity of executive personnel by organizing both internal and external training to be a learning organization. As of lately, the company directors have participated in the director training courses of the Thai Institute of Directors Association (IOD) as required by the Securities and Exchange Commission (SEC) training at least one course, including the Director Accreditation Program (DAP) and Director Certification Program (DCP). Apart from the required courses, the company directors also give importance to attending other training courses of the Thai Institute of Directors Association (IOD), such as the Roles of Compensation Committee Program (RCC), Company Secretary Program of the Thai Institute of Directors Association (IOD), intending to enhance professional leadership potential, a real understanding of roles and be a model to drive an organization to lead to good corporate governance. The Board of Directors has completed a basic training course, Director Accreditation Program (DAP).

In 2023, the company directors and the executives attended the seminars and training as follows

Company Directors / Executives	Courses / Trainings / Activity Attendance
Mr. Narongrit Tavorvisitporn - Chairman of the Board - Chairman of Corporate Governance and Sustainability Committee - Audit Committee - Independent Director	- Advanced Audit Committee Program (AACP 49/2023)
Dr. Sitthawee Kriatchawanun - Chairman of the Executive Committee - Vice Chairman of the Board - Corporate Governance and Sustainability Committee	- Wealth Of Wisdom (WOW) No. 2 - Agriculture & Cooperatives Executive Program No.4 - "Design Thinking" develops work processes and develops new products with innovative ideas.
Mr. Noppakrit Nithilertvijit - Chief Executive Officer - Chairman of Risk Management Committee - Vice Chairman of the Board	- Risk Management Program for Corporate Leaders (RCL 32/2023) - "Design Thinking" develops work processes and develops new products with innovative ideas.

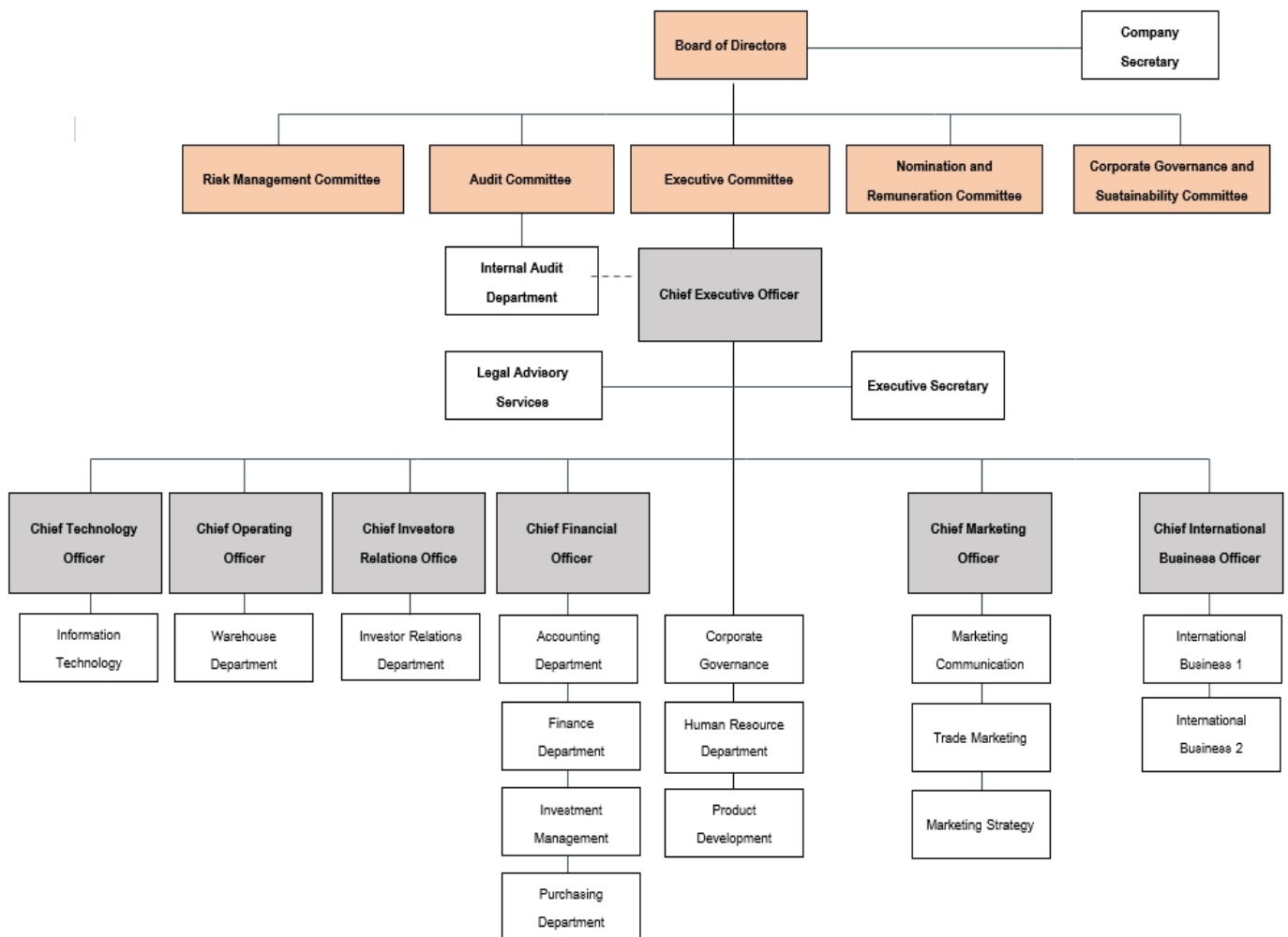
Company Directors / Executives	Courses / Trainings / Activity Attendance
<ul style="list-style-type: none"> - Vice Chairman of the Executive Committee - Nomination and Remuneration Committee - Corporate Governance and Sustainability Committee 	
<p>Assoc. Prof. Dr.Kanyarat Sanoran</p> <ul style="list-style-type: none"> - Independent Directors - Chairman of Audit Committee - Nomination and Remuneration Committee - Risk Management Committee - Corporate Governance and Sustainability Committee 	<ul style="list-style-type: none"> - Direction and Role of ESG Data in Accounting - Fundamental Knowledge of Community Enterprise - Using PEAK Accounting Software - Positive System Design and Implementation - TRCloud System Design and Implementation - The Growth Mindset - Generative AI & ChatGPT - Data Driven Analytics, Data Driven Dashboards - Workshop on Creating Dashboards with Tableau Software - Building a Sustainable Data-Driven Organization - Ethics for Accounting Professionals - TDRI Annual Public Conference: Transforming Thailand into a Low-Carbon Economy and Society - Using AI Tools for Research - Importance of the Audit Committee in Building Confidence in the Thai Capital Market
<p>Mr. Nitchakul Kongphawitthakul</p> <ul style="list-style-type: none"> - Executive Director - Chief Marketing Officer (Acting) 	<ul style="list-style-type: none"> - Transforming Business performance - Growth mindset - Change Management - "Design Thinking" develops work processes and develops new products with innovative ideas.
<p>Mr. Suchart Thanathitiphan</p> <ul style="list-style-type: none"> - Chief Financial Officer (CFO) 	<ul style="list-style-type: none"> - Transforming Business performance - Growth mindset - Change Management - "Design Thinking" develops work processes and develops new products with innovative ideas. - Risk Management for CFOs - Fintech: Financial Technology

Company Directors / Executives	Courses / Trainings / Activity Attendance
	<ul style="list-style-type: none"> - Green Assets: Opportunities for Sustainable Development - RPA (Robotic Process Automation) in finance - What is the future of the CFO role? - Guidelines for issuing and offering debt instruments for environmental conservation - Refresher Course for Bond Trader - Guidelines for disclosing ESG information in One Report
<p>Ms. Sangsupavee Sompisonpavee</p> <ul style="list-style-type: none"> - Chief Operating Officer (Acting) - Senior Accounting Manager 	<ul style="list-style-type: none"> - Transforming Business performance - Growth mindset - Change Management - "Design Thinking" develops work processes and develops new products with innovative ideas. - Tax Burden and Tax Planning of hire purchase business leasing, installment sale and legal changes in contracting - Productivity Tools, for management accounting work under economic uncertainty - Budgeting for Performance Control, proactive budgeting to control operations
<p>Mrs. Tharika Thannakornwat</p> <ul style="list-style-type: none"> - Chief Investor Relations (Acting) - Senior Investor Relations Manager 	<ul style="list-style-type: none"> - Preparation of reports on conflicts of interest and policies on the use of inside information - Guidelines for disclosing ESG information in One Report - Transforming Business performance - Growth mindset - Change Management - "Design Thinking" develops work processes and develops new products with innovative ideas. - Uncover the secrets of creating habits for success

7. Corporate Governance Structure and Important Information of the Board of Directors, Sub-Committee, Executives, Employees, and Others

7.1 Corporate Governance Structure

Corporate Governance Structure as 31 December 2023



7.2 The Board of Directors Information

7.2.1 The Board of Directors Composition

To comply with the principles of corporate governance and to have a balance between independent directors, non-executive directors, and executive directors. Therefore, the composition of the Board of Directors as of December 31, 2023 consists of

The Board of Directors Composition	Number (Person)			Percent
	Male	Female	Total	
Executive Director	2	-	2	29
Non-Executive Director	-	1	1	14
Independent Director	3	1	4	57
Total	5	2	7	100

- 4 Independent Directors, representing 57% of the entire Board of Directors, which is more than the standard 1/3 or 33.33% as required by the Capital Market Supervisory Board.
- 2 Executive Directors, representing 29% of the entire Board of Directors.
- 5 Non-executive Directors, representing 71% of the entire Board of Directors.
- 2 Female Directors, representing 29% of the entire Board of Directors.
- 1 Non-executive Director who has work experience related to the Company's business.

Board Skills Matrix

List of Company Directors		Specialized Knowledge								
		Direct Selling Business	Doctors	Legal	Accounting and Financial	Management	Organizational Development and Innovation	Information Technology and digital	Society Environment and Safety	Risk and Crisis Management
1. Mr. Narongrit	Tavornvisitporn				X	X	X		X	
2. Dr. Sitthawee	Kriatchawanun	X	X	X	X	X	X	X	X	
3. Mr. Noppakit	Nithilertvijit	X		X	X	X	X	X	X	X
4. Assoc. Prof. Dr. Kanyarat	Sanoran				X	X				X
5. Mr. Sahasak	Srisarnparnk			X	X	X				
6. Dr. Wijit	Techakasem				X	X	X	X	X	X
7. Ms. Kamonthip	Kriatchawanun	X			X	X	X			

7.2.2 Information of the Board of Directors and Individual Company Regulators

The Board of Directors of Successmore Being Public Company Limited as of December 31, 2023, has a total of 7 people according to the Ministry of Commerce's Certificate of Registration which consists of experts who have knowledge, abilities, and experience that are beneficial to the company's business operations with names as follows

List of Company Directors		Position	Appointment date	Years in the Position
1. Mr. Narongrit	Tavornvisitporn	- Independent Director - Chairman of the Board - Chairman of Corporate Governance and Sustainability Committee	20 February 2019	4 year 10 months
2. Dr.Sitthawee	Kriatchawanun	- Vice Chairman - Chairman of the Executive Committee - Corporate Governance and Sustainability Committee	20 February 2019	4 year 10 months
3. Mr. Noppakit	Nithilertvijit	- Vice Chairman - Vice Chairman of the Executive Committee - Chief Executive Officer - Chairman of Risk Management Committee - Nomination and Remuneration Committee - Corporate Governance and Sustainability Committee	20 February 2019	4 year 10 months
4. Assoc. Prof. Dr. Kanyarat	Sanoran	- Independent Director - Chairman of Audit Committee - Nomination and Remuneration Committee - Risk Management Committee - Corporate Governance and Sustainability Committee	20 February 2019	4 year 10 months

List of Company Directors		Position	Appointment date	Years in the Position
5. Mr. Sahasak	Srisarnparnk	- Independent Director - Audit Committee - Chairman of Nomination and Remuneration Committee - Corporate Governance and Sustainability Committee	20 February 2019	4 year 10 months
6. Dr.Wijit	Techakasem	- Independent Director - Risk Management Committee - Corporate Governance and Sustainability Committee	20 February 2019	4 year 10 months
7. Ms. Kamonthip	Kriatchawanun	- Director - Corporate Governance and Sustainability Committee	20 February 2019	4 year 10 months

As of December 31, 2023, the company has 4 independent directors out of the total 7 directors of the company, accounting for 57% and 3 members of the audit committee who have qualifications as independent directors and audit committees according to the criteria of the Board of Capital Market Supervisory Directors are:

- | | | |
|-----------------------------|-----------------|--|
| 1. Mr. Narongrit | Tavornvisitporn | Independent Director / Audit Committee |
| 2. Assoc. Prof. Dr.Kanyarat | Sanoran | Independent Director / Audit Committee |
| 3. Mr. Sahasak | Srisarnparnk | Independent Director / Audit Committee |
| 4. Dr.Wijit | Techakasem | Independent Director |

Director with authority to sign on behalf of the company

The Director with the authority to sign on behalf of the company is Dr. Sitthawee Kriatchawanun signed with Mr. Noppakrit Nithilertvijit with the company's seal.

Personal profile of directors

Please refer to Attachment 1, details of the directors, executives, authority, persons who have been assigned the highest responsibility in accounting and finance, persons who have been assigned to be directly responsible for the supervision of bookkeeping, and company secretary.

7.2.3 Roles of Directors

Charter of the Board of Directors

The Board of Directors has an important role in conducting corporate governance for the best interests of the company and its shareholders to be under the policy, law, objectives, company regulations, resolution of the Board of Directors and the shareholders' meeting with responsibility, caution, and honesty to protect the interests of the company. Also, the Board of Directors is responsible for determining the direction, business policies, and strategies of the company and its subsidiaries to ensure that the company and its subsidiaries will operate in a direction that is the most beneficial to the shareholders including following up the operation of the management to examine, balance, and be responsible for the performance of the company to the shareholders, which reviewed the charter of the Board of Directors and was approved by the Board of Directors Meeting No. 4/2023 on November 8, 2023.

(Charter of the Board of Directors is announced and published to shareholders and the general public through the company's website under the heading of "Investor Relations" in the Corporate Governance category: Corporate Governance Report and Download Documents: Charter of the Board of Directors).

Authorities and Responsibilities of the Board of Directors

The Board of Directors has the authority, duties, and responsibilities in conducting the company's affairs with honesty and avoids conflicts of interest to be careful with the interests of the company as a whole without being limited to any groups of shareholders or any individual. In general, the board will have the authority and duty to supervise the company in formulating policies ensuring that there is an appropriate management process with a monitoring and audit system to comply with the specified policies:

- (1) Perform duties following the law, objectives, regulations, company policies, and the board meeting resolution as well as the resolution of the shareholders' meeting with responsibility, caution, and honesty to protect the rights and interests of the company and all shareholders.
- (2) Consider approval and setting details on vision, mission, goals, business objectives, business strategy, business plan, and annual budget plans of the company and its subsidiaries as prepared and presented by the management.
- (3) Supervise the administration and the performance of the management team or any person who is assigned to perform the above duties to be under the vision, mission, goals, business objectives, business strategy, business plan, and the annual budget set by the board of directors.
- (4) Continually and regularly monitor the performance of the company and its subsidiaries to comply with the operational plan and budget of the company.
- (5) Conduct the company and its subsidiaries to adopt an appropriate and efficient accounting system including an internal control system and an adequate and effective internal audit system, also providing a process for assessing the suitability of the internal control system of the company and its subsidiaries regularly.
- (6) Provide a balance sheet and income statement as of the end of the fiscal year of the company and sign to certify the financial statements to propose to the shareholders' meeting at the annual general meeting for approval.

- (7) Consider and approve the selection and propose to appoint an auditor and consider appropriate compensation as proposed by the Audit Committee before presenting to the shareholders' meeting in the annual general meeting for the approval.
- (8) Establish a written corporate governance policy and the effective implementation of the policies to ensure that the company has a fair responsibility to all stakeholders.
- (9) Appoint persons having qualifications and not having prohibited characteristics as prescribed in the Public Limited Companies Act B.E. 2535 (including the amendments), the Securities and Exchange Act B.E. Amendments), including relevant announcements, regulations and/or regulations, inauguration in case that the director position is vacant due to reasons other than the termination. Also, consider and approve the appointment of directors to replace the directors who retired by rotation (Unless the remaining term of directors is less than 2 months) and the determination of remuneration for directors to propose to the shareholders' meeting for the approval.
- (10) Appoint sub-committees and determine the powers and duties of the aforementioned sub-committees to assist and support the performance of the committee and to determine the total remuneration for the sub-committees under the budget proposed by the management. (Not more than the total approved by the shareholders)
- (11) Appoint the Chief Executive Officer, evaluate the performance, and determine the compensation of the Chief Executive Officer.
- (12) Consider and approve the money spent for investment, various operations, any loan or loan application from financial institutions as well as being a guarantor for business operations of the company and its subsidiaries under the company regulations and related regulations of the Stock Exchange of Thailand and The Securities and Exchange Commission.
- (13) Consider and approve the connected transaction between the company, subsidiary company, associated company, and connected person as specified in the Securities and Exchange Act 2535 (including amendments) as well as related regulations of the Stock Exchange and The Securities and Exchange Commission. Also, consider approving the principles of trade agreements with general trade conditions in entering into transactions between companies and subsidiaries with directors, executives, or related persons to establish a framework for the management to have the power to conduct such transactions within the framework and scope of relevant laws and regulations.
- (14) Provide appropriate communication channels with each group of shareholders and supervise the disclosure of information to ensure accuracy, clarity, transparency, reliability with the highest standards.
- (15) Appoint a person to take a position as a director or the executive of a subsidiary or associated company at least in proportion to their shareholding in subsidiaries or associated companies. Set boundaries, powers, duties, and responsibilities of the appointed directors and executives. This includes setting a clear discretionary power framework, voting in the board of directors' meetings of the subsidiaries or associated companies in important matters, which must be approved by the Board of Directors first to control the management to be following the company policy and to make various transactions legally including disclosing financial position information, performance result, connected transaction, and the acquisition or disposition of significant assets completely and correctly.

- (16) Approve the payment of interim dividends to the shareholders of the company.
- (17) Determine and amend the names of directors who are authorized to sign to bind the company.
- (18) Ask for professional opinions from external organizations if necessary to make an appropriate decision.
- (19) Monitor the operation of the company to be efficient and protect any interests related to all stakeholders.
- (20) Hold an annual general meeting of shareholders within 4 months from the end of the accounting period of the company.
- (21) Arrange a meeting of the board of directors at least every 3 months.
- (22) Prepare the annual report of the committee and be responsible for the preparation and disclosure of financial statements of the company and its subsidiaries to demonstrate their financial status and the performance of the company and its subsidiaries in the past year and present to the shareholders' meeting for consideration and approval.
- (23) Evaluate the performance results of the entire committee to review the performance, problems, and obstacles each year to be able to use the evaluation results to develop and improve performance in various fields.
- (24) Supervise the management and various operations of the company and its subsidiaries to comply with the company's policies, securities laws, as well as announcements, regulations, and rules related to The Securities and Exchange Commission, the Securities and Exchange Commission and Stock Exchange of Thailand, such as connected transactions and the acquisition or disposition of important assets as they are not contrary to or inconsistent with other laws. Also, provide an adequate and appropriate internal control and internal audit system.
- (25) Supervise a subsidiary as a division of the company and subsidiaries to strictly abide by the regulations of subsidiaries.
- (26) Review the Board of Directors charter at least once a year.
- (27) Approve various matters by concerning the interests of shareholders and all groups of stakeholders fairly.

The Board of Directors can authorize and/or assign other persons to perform specific tasks on their behalf. The authorization is within the scope of the authorization under the power of attorney provided and/or following the rules, regulations, or orders set by the Board of Directors and/or the company. The delegation of powers, duties, and responsibilities of the Board of Directors will not be the delegation that enables the Board of Directors or the attorney of the Board of Directors to approve transactions that may have conflicts (According to the definition of the Notification of the Securities and Exchange Commission and/or the Notification of The Securities and Exchange Commission and/or the stock exchange and/or relevant agencies), a stake, or it may benefit in any way, or there may be a conflict of interest with the company/a subsidiary of the company. The exception is the approval of the transaction that complies with the policy and the criteria approved by the shareholders' meeting or the board of directors following normal business and normal commercial conditions. This is under the announcement of the Securities and Exchange Commission and/or the announcement of The Securities and Exchange Commission and/or the stock exchange and/or related agencies.

Report of changes in securities holding of directors and executives of the company

As of December 31, 2023

List of Directors and Executives		Brought Forward As of December 1, 2023			Increase (Decrease) between 2023			As of December 31, 2023				
		Directors/ Executives	Spouse	Underage Child	Directors/ Executives	Spouse	Underage Child	Directors/ Executives	Spouse	Underage Child	Total	%
1. Mr. Narongrit	Tavornvisitporn	None	None	None	None	None	None	None	None	None	None	-
2. Dr.Sitthawee	Kriatchawanun	184,800,000	25,200,000	None	25,390,000	(25,200,000)	None	210,190,000	None	None	210,190,000	34.87
3. Mr. Noppakrit	Nithilertvijit	138,367,800	None	None	None	None	None	138,367,800	None	None	138,367,800	22.95
4. Assoc. Prof. Dr.Kanyarat	Sanoran	220,000	None	None	None	None	None	220,000	None	None	220,000	0.04
5. Mr. Sahasak	Srisarnparnk	None	None	None	None	None	None	None	None	None	None	-
6. Dr.Wijit	Techakasem	None	None	None	None	None	None	None	None	None	None	-
7. Ms. Kamonthip	Kriatchawanun	25,200,000	184,800,000	None	(25,200,000)	25,390,000	None	None	210,190,000	None	210,190,000	34.87
8. Mr. Nitchakul	Kongphawitthakul	220,000	None	None	None	None	None	220,000	None	None	220,000	0.04
9. Mr. Suchart	Thanathitiphan	170,000	None	None	None	None	None	170,000	None	None	170,000	0.03
10. Ms. Kantapakon	Attakamol	82,300	None	None	None	None	None	82,300	None	None	82,300	0.01
11. Mrs. Tharika	Thannakornwat	None	None	None	306,700	1,462,800	None	306,700	1,462,800	None	1,769,500	0.29
12. Ms. Channutcha	Kaewsupahirun	None	None	None	None	None	None	None	None	None	None	-

Note: No. 8 - 12 are executives, according to the definition of the Securities and Exchange Commission

7.3 Sub-Committee Information

7.3.1 Sub-Committee Structure

As of December 31, 2023, consists of 5 sub-committee which are: Audit Committee

1. Audit Committee
2. Nomination and Remuneration Committee
3. Executive Committee
4. Risk Management Committee
5. Corporate Governance and Sustainability Committee

7.3.2 Names and Scope of Powers and Duties of the Sub-Committee

Audit Committee

The Audit Committee consists of committees that are independent to audit the operations of the company and subsidiaries, review the effectiveness of the internal controls to ensure that the performance is effective, legitimate, and appropriate complying with good operating regulations. The Audit Committee is also responsible for reviewing the financial reports of the company and its subsidiaries to build confidence and credibility to investors and stakeholders carefully, fairly, transparently with an operation following good corporate governance principles.

In this regard, the resolution of the Board of Directors' Meeting No. 1/2022 held on February 23, 2022 resolved to re-appoint the Audit Committee who retired by rotation to be the Audit Committee for another term, totaling 3 members who are Independent Directors, to be hold for a term of 3 years.

As of December 31, 2023, there are 3 audit committee members as follows:

Lists of Audit Committee	Position	Experience/ Expertise	Number of Attendance
1. Assoc. Prof. Dr.Kanyarat Sonoran	- Independent Director - Chairman of Audit Committee	Accounting and Finance Expertise	4/4
2. Mr. Narongrit Tavorntvisitporn	- Independent Director - Audit Committee	Business Management Expertise	4/4
3. Mr. Sahasak Srisarnparnk	- Independent Director - Audit Committee	Law Expertise	4/4
Mrs. Tharika Thannakornwat	Audit Committee Secretary		

The Audit Committee by Assoc. Prof. Dr.Kanyarat Sanoran, Chairman of the Audit Committee, has knowledge and experience in reviewing the reliability of the company's financial statements.

The Audit Committee has regular meetings and reported to the Board of Directors. In 2023, the Audit Committee held a total of 4 times and reviewed the Audit Committee Charter at the Board of Directors Meeting No. 4/2023 on February 23, 2022.

All of the Audit Committee of the company have no business relationship or professional service with the company, subsidiaries, associated companies, or juristic persons that may have conflicts and do not hold any position as an audit committee member of a subsidiary or an associated company.

Scope of authority and duty

- (1) Review the company and its subsidiaries to have accurate and reliable financial reports including adequate information disclosure following financial reporting standards by coordinating with external auditors and management who are responsible for preparing financial reports both quarterly and annually. The Audit Committee may recommend the auditor to review or examine any items which are deemed important and necessary during the audit of the company and its subsidiaries.
- (2) Review the internal control system and the internal audit system of the company to be appropriate and effective, and may suggest for a review or audit of any items deemed necessary and important with suggestions on improvements and revisions of the internal control system and internal audit systems that are important and necessary to the Board of Directors together with the external auditors and the internal system audit department manager.
- (3) Consider the independence of the internal audit department and approve the appointment, transfer, and termination of the head of the internal audit unit or any other department responsible for internal auditing.
- (4) Have the power to access all information at all levels of the company including inviting executives, management, supervisors, employees, or related persons to attend the meeting to clarify information, deliver and provide relevant information under the performance of duties as assigned by the Board of Directors.
- (5) Review compliance with Securities and Exchange Act 1992, including announcements, regulations, and/or regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and other laws related to the company.
- (6) Consider, select, and appoint an independent person to act as the company's auditor along with the proposed audit fee and to attend a meeting with the auditor without the management of the meeting at least once a year to propose to the meeting.
- (7) Consider the connected transaction or transactions that may lead to conflicts of interest to be under the law on securities and exchange including regulations and announcements of the Stock Exchange of Thailand/related laws which is effective for the company and/or the business of the company to ensure that the transactions are reasonable and most beneficial for the company and its shareholders.
- (8) Review the company's internal audit plan according to normal accepted methods and standards.

- (9) Consider and approve the annual budget, the rate of manpower, and necessary resources for the performance of the internal audit department. Also, approve the annual audit plan including reviewing and modifying the audit program in the significant matter and supervise the performance of the internal audit department to be under approved annual audit plan and international standards in the performance of internal auditing and assess the quality of internal audit activities annually.
- (10) Jointly share opinions in the consideration of appointment, removal, and evaluation of the staff of the internal audit unit.
- (11) Review to ensure that the company has an appropriate and efficient risk management system.
- (12) Report on the performance of the Audit Committee to the Board of Directors for acknowledgment at least 4 times a year.
- (13) In the performance within the scope of duties, the Audit Committee has the power to invite the management, executives, or employees of the company to share opinions and attend the meetings or send documents that are relevant or necessary.
- (14) Have the power to propose and consider hiring an advisor or third party according to the company's regulations to share opinions or give advice if necessary.
- (15) Prepare a report on the corporate governance of the audit committee disclosed in the annual report of the company and must be signed by the Chairman of the Audit Committee.
- (16) The Audit Committee must evaluate the performance by a self-assessment and report the results of the assessment, including problems and obstacles in the work that may cause the operation to fail to achieve the objectives of setting up the audit committee to the Board of Directors every year.
- (17) Review and revise the Audit Committee Charter.
- (18) Prepare a report of the Audit Committee to the Board of Directors which is disclosed in the annual report of the company and must be signed by the Chairman of the Audit Committee and must contain at least the following information.
 - (A) Opinions on the accuracy, completeness, and creditability of the financial reports of the company and its subsidiaries.
 - (B) Opinions on the adequacy of the internal control system of the company and its subsidiaries.
 - (C) Opinions on the compliance with the law on securities and exchange, regulations and notifications of the Stock Exchange of Thailand, and other relevant laws, applicable to the company and its subsidiaries and/or the business of the company and subsidiaries.
 - (D) Opinions on the suitability of the auditor.
 - (E) Opinions on transactions that may lead to conflicts of interest.
 - (F) A number of audit committee meetings and the attendance of each audit committee's meeting.
 - (G) Comments or overall remarks received by the Audit Committee in the performance of their duties under the charter.
 - (H) Other items that the shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
- (19) Review and propose to the Board of Directors to consider revising the scope of powers, duties, and responsibilities assigned by the Board of Directors.

- (20) Examine and investigate relevant persons under the authority of the Audit Committee with the power to hire or bring in specialized experts to assist in the inspection and investigation.
- (21) If there is any doubt of the following items or actions which may have a significant impact on the financial position and results of operations of the company. Chairman of the Audit Committee promptly reports to the Board of Directors. for the Board of Directors to improve.
 - (A) Transactions leading to conflicts of interest
 - (B) Fraud or unusual or defect in the internal control system.
 - (C) Violation of the law on securities and exchange, regulations, and notifications of the Stock Exchange of Thailand or other relevant laws, applicable to the company and/or business of the company.

If the Board of Directors or executives do not adjust within the time mentioned above, Chairman of the Audit Committee report any of the above transactions or actions to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

- (22) Review and comment on the corporate governance policy, social responsibility, and anti-corruption.
- (23) Review the corporate governance and social responsibility including the anti-corruption of the company.
- (24) Review and comment on the company's annual corporate governance, social responsibility, and anti-corruption assessment report.
- (25) Perform other tasks as assigned by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

(Charter of the Audit Committee was announced and published to shareholders and the general public through the Company's website under the heading of "Investor Relations" in Corporate Governance: Corporate Governance Report and Download Documents: Audit Committee Charter).

Remuneration and Nomination Committee

The nomination and Remuneration Committee was established to carry out the duties and responsibilities in the implementation of the nomination process approved by the Board of Directors with transparency to acquire a person with appropriate qualifications, ethics, and experience for a director or independent director position. Be responsible for considering the criteria, remuneration method, and benefits to directors, sub-committees, and groups appointed by the Board of Directors with fair and reasonable, and propose to the Board of Directors to the shareholders' meeting for approval.

In this regard, the resolution of the Board of Directors' Meeting No. 1/2022 held on February 23, 2022 resolved to re-appoint the Nomination and Remuneration Committee who retired by rotation to hold the position of the Nomination and Remuneration Committee for another term as of 3 persons, 2 of which are Independent Directors, and Executive Directors is the Chief Executive Officer of 1 person, holding the position for 3 years in each time.

As of December 31, 2023, the Nomination and Remuneration Committee has 3 members with the details are as follows:

Lists of Remuneration and Nomination Committee	Position	Number of Attendance
1. Mr. Sahasak Srisarnparnk	- Independent Director - Chairman of the Remuneration and Nomination Committee	2/2
2. Assoc. Prof. Dr.Kanyarat Sanoran	- Independent Director - Remuneration and Nomination Committee	2/2
3. Mr. Noppakrit Nithilertvijit	- Remuneration and Nomination Committee - Chief Executive Officer	2/2
Mrs. Tharika Thannakornwat	Remuneration and Nomination Committee Secretary	

In 2023, the Nomination and Remuneration Committee held 2 meetings and reviewed the Nomination and Remuneration Committee Charter at the Board of Directors Meeting No. 1/2023 on February 23, 2023.

Scope of Authorities and Duties

(1) Recruiting

1. Define qualifications, criteria, and policies for nominating company directors, sub-committee, and chief executive by considering the appropriateness of the number, structure, and composition of the board to comply with relevant rules and/or laws to propose to the Board of Directors and/or propose for approval at the shareholders' meeting case by case.
2. Recruit, select, and propose suitable persons to serve as directors of the company that expires and/or has a vacant position and/or appoints more than another.
3. Recruit and select top executives of the company especially the position of managing director or Chief Executive Officer.
4. Consider criteria for evaluating the performance of the Chief Executive Officer to the board of directors for consideration and approval.
5. Consider and share opinions with the board of directors and monitor the implementation of the vision and the company's human resource strategy, as well as the company's management development plan.
6. Perform any other selection activities as assigned by the board of directors.

(2) Remuneration Consideration

1. Prepare the criteria and policies on determining the remuneration of the board of directors, sub-committees, and chief executives to propose to the board of directors and/or propose for approval at the shareholders' meeting, case by case.
2. Determine necessary and appropriate remuneration, both monetary and non-monetary, of the board of directors individually considering the suitability of duties, performance, responsibility, comparison with companies in similar businesses, and the benefits expected to receive from the directors and executive of the company to propose to the board of directors for consideration and approval.

3. Be responsible to the board of directors providing clarification and answering the questions on the remuneration of the directors, sub-committee, and chief executive of the company at the shareholders' meeting.
4. Report policies, principles, and reasons for determining remuneration for directors and executives according to the regulations of the Stock Exchange of Thailand disclosed in the annual registration statement (56-1) and the annual report of the company.
5. Perform any other activities related to the determination of remuneration as assigned. The board of directors, executives, and other departments must report or present relevant information and related documents to the Nomination and Remuneration Committee to support the performance of the Nomination and Remuneration Committee to achieve their assigned duties.

(Charter of the Nomination and Remuneration Committee was announced and published to shareholders and general public through the company's website under the heading of "Investor Relations" section of corporate governance: Corporate Governance Report and Download Documents: Charter of the Nomination and Remuneration Committee)

Executive Committee

The Executive Committee was established to assist the board of directors in managing the company's affairs to be under any policies, plans, regulations, and orders, as well as established goals under the framework assigned by the Board of Directors. The Executive Committee has to perform their duties, manage the company's operations following the policy with care, prudence, honesty, and adhere to the principles of management according to the principles of good governance rising to clarity on the composition, tenure, authority, responsibility, and executive committee Meetings to use as a guideline in performing duties legally.

In this regard, the resolution of the Board of Directors' Meeting No. 1/2022 held on February 23, 2022 resolved to re-appoint the Executive Committee who retired by rotation to be on the Executive Committee for another term as of 3 persons who are 2 Independent Directors, 1 Executive Director, holding positions for 3 years in each time.

As of December 31, 2023, the Executive Committee consists of 3 people as follows:

Lists of Executive Committee		Position	Number of Attendance
1. Dr.Sithawee	Kriatchawanun	Chairman of Executive Committee (Executive Director)	12/12
2. Mr. Noppakrit	Nithilertvijit	Executive Committee (Executive Director)	12/12
3. Mr. Nitchakul	Kongphawitthakul	Executive Committee (Executive)	12/12
Mrs. Tharika	Thannakornwat	Executive Committee Secretary	

In 2023, the Executive Committee held at least 1 meeting per month, totaling 12 meetings, in each meeting being attended by an Executive Director of the Company, namely the Chief Executive Officer attend the meeting to report the Company's performance and arrange for a review of the Executive Committee Charter, at the Board of Directors Meeting No. 1/2023 on February 23, 2023.

Scope of Authorities and Duties

- (1) Prepare and present policies, vision, missions, goals, objectives, business strategies, and annual work plan and establish a business plan, annual budget, and various management powers of the company and its subsidiaries by considering business factors appropriately to propose for approval to the board of directors.
- (2) Be responsible for managing the business of the company following the objectives, regulations, requirements, orders, goals, business policies of the company, and the resolution of the board meeting.
- (3) Supervise, audit, and follow up on the company's business operations and subsidiaries to be under the vision, mission, goals, business objectives, business strategy, business plan, and annual budget plans of the company and its subsidiaries, which are approved by the Board to be efficient and effective contributing to business conditions and with advice on management to senior management.
- (4) Be responsible for the operation of the company following the law, objectives, regulations of the company, shareholders meeting resolution, board of directors meeting resolution as well as related regulations. Also, set the organization structure and determine the position of the company including revisions. Once finishing reporting to the board of directors, must review and revise the executive committee charter and present it to the board of directors for approval.
- (5) Study the possibility of investing in new projects and has power to consider and approve the company and its subsidiaries to invest or co-invest with individuals, juristic persons, or any other business organization in a form that the Executive Committee deems appropriate to operate the business according to the objectives of the company and its subsidiaries as well as considering and approving such investment expenditures, entering into juristic acts, contracts and/or any other action related to the matters until the completion of the specified credit limit and/or the relevant laws and regulations and/or the regulations of the company and its subsidiaries.
- (6) Monitor the performance and progress of each business investment project and report the results including problems or obstacles arising, and ways to improve and resolve to the board of directors.
- (7) Advise on the dividend payment of the company and subsidiaries to the board of directors
- (8) Consider and provide suggestions or opinions to the board of directors regarding the operation, any offers, or transactions related to the business operations of the company and its subsidiaries including considering funding options when necessary and/or where applicable laws, regulations, or the articles of Association of the Company Approval of the shareholders' meeting and/or the board of directors.
- (9) Consider and approve the expenditure of money for investment, engagement in financial transactions with financial institutions for opening accounts, loans, pledging, mortgages, guarantees, and others including the purchase and registration of any land ownership according to the objectives for the benefit of the company's business operations and subsidiaries as well as entering into juristic acts, contracts, submitting requests for proposals, making contact with the government agencies to acquire the rights of the company and its

- subsidiaries and/or any action related to the matters until the completion of the specified limit and/or the relevant laws and regulations, or the articles of Association
- (10) Consider and approve rules, regulations, management policies, and business operations of the company and subsidiaries or any action which are binding on the company and subsidiaries.
 - (11) Determine the organizational structure and authority of the organization
 - (12) Appoint and/or assign an executive director or anyone or groups doing any act within the scope of the authority of the Executive Committee and within the period as the Executive Committee deems appropriate. The Executive Committee may cancel, withdraw, or modify the power as appropriate with no power of attorney that will be given to persons who may have a conflict of interest to operate.
 - (13) Have the executive or employees attend an executive board meeting or prepare and provide the information related to matters that will be discussed at the Executive Committee meeting.
 - (14) Have any authority and responsibility as assigned or as from the policies assigned by the board of directors from time to time.
 - (15) Provide consultants or a person with independent opinions to provide opinions or advice as needed.
 - (16) Report to the Board of Directors on the activities performed by the Executive Committee within the scope of the authority and duties of the Executive Committee regularly. Including any other matters necessary and appropriate to be presented to the Board of Directors.
 - (17) Consider and approve the operating manual and the scope of responsibility of the management to make various actions following the steps systematically.
 - (18) Approve the operation which is a normal business transaction of the company according to the investment budget or the budget approved by the Board of Directors with the credit limit for each item is as specified in the approval power table approved by the Board of Directors, but not exceeding the annual budget approved by the Board of Directors, including entering into various contracts related to the aforementioned matters
 - (19) Evaluate the performance of the Chief Executive Officer, the entire Executive Committee including the performance of individual executive directors to consider and review the work problems and obstacles each year to be able to use the evaluation results to develop and improve performance in various fields.
 - (20) Perform any other duties as delegated by the Board of Directors. Also, the responsibilities of the Executive Committee is not a delegation or delegating power during the period that the Executive Committee or a person who is authorized by the Executive Committee to approve the transaction that oneself or someone who may have a conflict (As defined in the Notification of the Securities and Exchange Commission) having interests or maybe a conflict of interest with the company and/or subsidiaries except for the approval of transactions that are under the policy and regulations which the Board of Directors has approved, following the Securities and Exchange Act B.E. 2535, including announcements, regulations and/or regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and other relevant laws.

(Charter of the Executive Committee was announced and published to shareholders and the general public through the company's website under the heading of "Investor Relations" in Corporate Governance: Corporate Governance Report and Download Documents: Charter of the Executive Committee).

Risk Management Committee

Risk Management Committee was established to support the performance of the Board of Directors in overall management of the Company's major risks in an acceptable level. To ensure the implementation of the company's business policies and strategies are under an efficient risk management system in order to maintain the benefits of the group of companies and shareholders.

In this regard, the resolution of the Board of Directors Meeting No. 1/2021, on February 25, 2021, resolved to appoint the Risk Management Committee of 3 persons, which are 2 independent directors and Executive Directors is the Chief Executive Officer 1 person for a term of 3 years.

As of December 31, 2023, the Risk Management Committee consists of 3 people as follows:

Lists of Risk Management Committee		Position	Number of Attendance
1. Mr. Noppakrit	Nithilertvijit	- Chairman of Risk Management Committee - Chief Executive Officer	2/2
2. Assoc. Prof. Dr.Kanyarat	Sanoran	- Independent Director - Risk Management Committee	2/2
3. Dr.Wijit	Techakasem	- Independent Director - Risk Management Committee	2/2
Mrs. Tharika	Thannakornwat	Risk Management Committee Secretary	

In 2023, there were 2 Risk Management Committee meetings and a review of the Risk Management Committee Charter at the Board of Directors Meeting No. 1/2023 on February 23, 2023.

Scope of Authorities and Duties

- (1) Consider assess and review the nature of the risks that the Company experiencing or expected to occur and affect the Company (Identification of Risk) and determine the acceptable risk level of the company (Risk Appetite).
- (2) Consider setting the policy for risk management both outside and inside the company to comprehensive and in accordance with the strategy and direction of the business which is at least 4 risks must be covered as follows:
 - a) Financial Risk
 - b) Operational Risk
 - c) Strategic Risk
 - d) Compliance Risk
- (3) Consider formulating strategies and guidelines for risk management in accordance with the risk management policy, assessment, monitor, and supervise the risk level to an acceptable level.
- (4) Consider determining the structure and appointing a risk management working team to assess and monitor the results of risk management.

- (5) Review the appropriateness and adequacy of the Company's policies, strategies and risk management practices. To ensure that such policies, strategies and practices are consistent with the Company's strategy and business direction and can monitor the level of risk to be at an acceptable level.
- (6) Review the scope of powers, duties and responsibilities of the Risk Management Committee in accordance with the circumstances and propose to the Board of Directors for consideration.
- (7) Evaluate and report on the performance of the Risk Management Committee and propose to the Board of Directors for consideration including preparing a report of the Risk Management Committee to disclose in the Company's annual report.
- (8) To perform any other tasks as assigned by the Board of Directors or according to the policy set by the Board of Directors.

Corporate Governance and Sustainability Committee

The Board of Directors is in charge of the Corporate Governance and Sustainability Committee to ensure that the implementation of the Company's good governance principles is appropriate and transparent and able to grow steadily and sustainably covering 3 dimensions, including the Environmental Dimension, Social and Governance or ESG. By having a business management system that shows responsibility for the environment (E) and society (S) under a system of ethical corporate governance, efficient, transparent and verifiable (G) until being cultivated as a corporate culture which strengthens the confidence of shareholders, investors, stakeholders and all stakeholders.

In this regard, the resolution of the Board of Directors Meeting No. 4/2022 held on November 8, 2022 resolved to appoint the Corporate Governance and Sustainability Committee at 7 persons of the Board of Directors, holding office for a term of 3 years.

As of December 31, 2023, the Corporate Governance and Sustainability Committee consists of 7 persons as follows:

Name of the Board of Directors		Position	Number of times to attend the meeting
1. Mr. Narongrit	Tavornvisitporn	- Independent Director - Chairman of Corporate Governance and Sustainability Committee	-
2. Dr.Sitthawee	Kriatchawanun	- Corporate Governance and Sustainability Committee	-
3. Mr. Noppakrit	Nithilertvijit	- Corporate Governance and Sustainability Committee	-
4. Assoc. Prof. Dr.Kanyarat	Sanoran	- Independent Director - Corporate Governance and Sustainability Committee	-

Name of the Board of Directors	Position	Number of times to attend the meeting
5. Mr. Sahasak Srisarnparnk	- Independent Director - Corporate Governance and Sustainability Committee	-
6. Dr.Wijit Techakasem	- Independent Director - Corporate Governance and Sustainability Committee	-
7. Ms. Kamonthip Kriatchawanun	- Corporate Governance and Sustainability Committee	-

Scope of Authorities and Duties

- (1) Consider setting guidelines and suggest policies in operational framework, goals, operational guidelines for good corporate governance, business ethics, anti-corruption policy within the organization, including whistleblowing and offenders' policy as well as social and environmental responsibility affecting sustainable development that is in line with the business of the Company to propose to the Board of Directors for approval.
- (2) Support and give advice on good corporate governance and sustainable development, encourage to Directors, Executives and Employees of the Company understand and practice in accordance with the same direction. To develop and upgrade the standards of corporate governance and sustainable development of the company in accordance with international practice.
- (3) Supervise and review operations related to corporate governance and sustainability which covers the implementation of social, community and environmental care (Social Community & Environment) in order to lead to the implementation and participation in the various projects under the framework of corporate governance and sustainability with related agencies both internally and externally.
- (4) Evaluate the performance and review the corporate governance policy. Business Ethics Anti-Corruption Policy within the organization and whistleblowing and offenders policy To propose to the Board of Directors to consider and approve the improvement and development of such policies. as well as giving recommendations to the Board of Directors.
- (5) Proceed to disclose the principles of Good Corporate Governance, Sustainability Development, and best practices related to all groups of stakeholders.
- (6) Annually review and update the Corporate Governance and Sustainability Committee Charter to match the situation and if it is deemed appropriate to make improvements, it shall be presented to the Board of Directors for approval.

Chief Executive Officer

In this regard, the resolution of the Extraordinary General Meeting of Shareholders No. 1/2019 on February 20, 2019, resolved to appoint Mr. Noppakrit Nithilertvijit to be the Chief Executive Officer.

Scope of Authorities and Duties

- (1) Be the attorney of the Board of Directors in the management of the company to comply with the objectives, regulations, policies, rules, regulations, orders, resolutions of the shareholders' meeting, and/or the resolution of the Board of Directors meeting within the relevant legal framework and the scope of powers set by the commission.
- (2) Supervise the operation and/or daily management of the company.
- (3) Jointly with the board of directors and management to set the vision, business direction, policy, business strategy, goals, operation plan, and annual budget plans of the company and its subsidiaries including defining the structure and administrative authority to propose to the Board of Directors for further approval.
- (4) Review the report on the company's business operation plan and provide an appropriate internal control system following the guidelines assigned by the Board of Directors and/or other sub-committees.
- (5) Bring the policy of the Board of Directors to determine the direction, strategy, and business goals to define the primary tasks for the management to carry out, inspect, and follow up the performance of the management team and suggest the solutions to various problems and obstacles for the executive and the management to operate by the strategy and the business plan to comply with the policy of the company.
- (6) Regularly monitor and evaluate the performance of the company and its subsidiaries. Including supervising the company to have an appropriate risk management and control system to prevent risks from internal and external factors together with the duty to report the performance, management, and working progress towards the Executive Committee Audit Committee and the Board of Directors.
- (7) Seek new business and investment opportunities related to the main business of the company and its subsidiaries to increase income for the company.
- (8) Take care of the human resource management of the company as a whole.
- (9) Approve expenses including any compensation under the budget, work plan, or framework approved by the board of directors and according to the assigned authority.
- (10) Approve the appointment of consultants in various fields that is necessary for the operation of the enterprise to comply with the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- (11) Be a representative of the company in promoting the organization to the public, especially in the area of building networks, relations, and a good image of the organization nationally and internationally.
- (12) Have the authority to hire, appoint, transfer, remove employees, set the rate of wages, remuneration, bonus, and various benefits for employees under the workforce framework approved by the Board of Directors.
- (13) Have the authority to issue orders, regulations, announcements, and records to perform the operations following the policy of the company and to maintain work discipline within the organization.
- (14) Have the authority to approve according to the operating regulations and the approval authority approved by the Board of Directors meeting.
- (15) Have the power to delegate and/or to assign another person to perform a specific task on their behalf by submission of the delegation of authority and/or assignment to be under the scope of the authorization under the power of attorney and/or to comply with the regulations, requirements, or orders set by the Board of Directors.

The delegation of authority, duty, and responsibility for any matter that the Chief Executive Officer or an attorney from the Chief Executive Officer or people who may have a conflict (According to the definition of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant departments) having a stake or a conflict of interest with the company and/or subsidiaries and/or related companies. The Chief Executive Officer has no authority to approve the action in this regard and these matters must be proposed to the Board of Directors and/or the shareholders' meeting. (depending on cases) for further approval except for the approval of transactions that are in normal business and normal trade conditions under the announcement of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or related agencies.

- (16) Support the Board of Directors in establishing regular communication channels with shareholders and provide the standard and transparent disclosure of information.
- (17) Perform other activities as assigned by the Board of Directors and/or various sub-committees which is subject to the rules and regulations of the company Securities laws, as well as announcements, regulations, and rules related to the Capital Market Supervisory Board Securities and Exchange Commission, and the Stock Exchange of Thailand.

(Scope of duties and responsibilities of Chief Executive Officer was announced and published to shareholders and the general public through the company's website under the heading of "Investor Relations" in Corporate Governance: Corporate Governance Report and Download Documents: Scope of Authority and Responsibility of Chief Executive Officer)

Non-Executive Directors

The Board of Directors emphasizes good corporate governance by allowing non-executive directors to meet among themselves as appropriate with no executive director or management attending the meeting to allow discussing various problems which are related to the company's business and matters that are of interest. On December 26, 2023

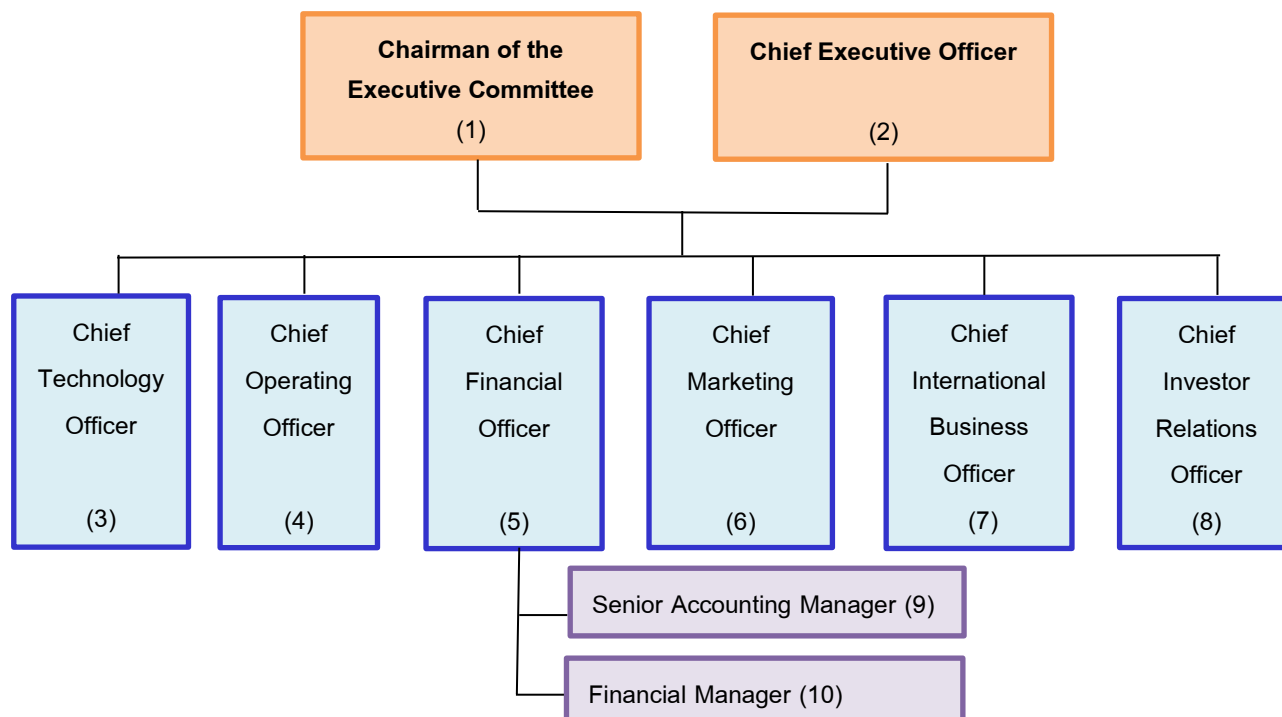
Regulator

- None -

7.4 Executive Information

7.4.1 Names and Positions of Executive

Executive refers to an employee of the company who holds an executive position and/or has management authority of the company. And being an executive according to the definition of the Securities and Exchange Commission, which is, the Chief Executive Officer, or the first four executive positions after the Chief Executive Officer, (The highest person holding the position of the company) who holds the position equivalent to every fourth executive-level position including persons holding managing positions in accounting or finance with a department manager or above or equivalent level.

Executive Chart as of December 31, 2023

Note No. 1 -10 are the management of the company. according to the announcement of the SEC.

As of December 31, 2023, the company has 7 executives as follows:

List of Executive		Position
1. Dr. Sitthawee	Kriatchawanun	Chairman of the Executive Committee
2. Mr. Noppakrit	Nithilertvijit	Chief Executive Officer Chief Technology Officer (Acting) Chief International Business Officer (Acting)
3. Ms. Sangsupavee	Sompisonpavee	Chief Operating Officer (Acting) Senior Accounting Manager
4. Mr. Suchart	Thanathitiphan	Chief Financial Officer
5. Mr. Nitchakul	Kongphawitthakul	Chief Marketing Officer (Acting)
6. Mrs. Tharika	Thannakornwat	Chief Investor Relations Officer (Acting) Senior Investor Relations Manager
7. Ms. Channutcha	Kaewsuphahirun	Financial Manager

All 7 executives have no following prohibited qualifications:

1. Have no record of criminal offenses related to property committed dishonestly.
2. Have no record of transactions that may cause a conflict of interest with the company.

Also, the company executives are not a person with a lack of trust according to the notification of the Securities and Exchange Commission KorJor. 8/2553, Determination of Trust Characteristics of Company Directors and Executives.

Personal Profile of Executive

Please refer to Attachment 1, details of directors, executives who have control power of the company, a person who has been assigned the highest responsibility in accounting and finance, a person who has been assigned to be directly responsible for the supervision of bookkeeping, the company secretary.

7.4.2 Remuneration Policy for Executive Directors and Executives

Remuneration Policy for Executive Directors

The company has no remuneration policy for executive directors.

Remuneration Policy for Executive

The Board of Directors has established policies and criteria for the remuneration of the top executives reviewed by the Nomination and Remuneration, namely the Chief Executive Officer, to propose to the Board of Directors for approval. Also, define appropriately according to the company's compensation structure and compare the remuneration survey data from trusted institutions, organizations, agencies, GDP growth rate, inflation rate including considering the work performance results to be under the assigned duties and responsibilities.

The Chief Executive Officer will consider the appropriateness of the compensation and annual adjustments of the executive director level by considering the performance of the company, obligations, and responsibilities for the implementation of the business plan, assigned level of responsibility, and the performance of individual executives.

The Board of Directors sees that the chief executive's compensation structure is suitable for their responsibilities and be able to motivate the chief executive to lead the organization to achieve both short-term and long-term goals and be comparable with the industrial practicable level.

7.4.3 Number of Total Remuneration of Executive Directors and Executives

Remuneration for Executive Officer

-None-

(1) Monetary Remuneration

Remuneration of Executive

The remuneration of the Chairman of the Executive Committee, Chief Executive Officer and the first four executives, a deputy from the Chief Executive Officer, and all of the fourth level of the executives has 7 persons as follows:

Remuneration of Executive	2023 (Million Baht)	2022 (Million Baht)
Salary, Bonus, and OT	33.11	20.15
Other remuneration such as provident fund, social security	2.31	0.64
Total	35.42	20.79

Variable Remuneration

Variable remuneration for executive refers to the remuneration that the company has given to personnel and main executives of the company, namely the Chairman of the Executive Committee, Chief Executive Officer, Vice Chairman of Chief Executive Officer, or other personnel as the Board of Directors deems appropriate. This is to be a motivation for personnel and executives who play an important role in the performance of their duties in the organization, build motivation and confidence in business people including duties of senior management such as strategic planning, leadership the training seminars, etc.

The Board of Directors Meeting No. 1/2023 on February 23, 2023, has considered the variable remuneration for the executive to prevent over-payment of variable remuneration to the primary executive in a situation where the operating results are not as expected. Therefore, the variable remuneration for an executive is considered about the variable profit. (Contribution Profit) by the calculation from the separate financial statements, that is, calculated from the gross profit from the product sales excluding affiliates product sales, and other incomes related to direct operations, including income from membership fees and commemorative merchandise sales deducted from selling expense of the company by setting a minimum variable profit of 25 million Baht per quarter and consider paying the remuneration quarterly. Payable by the 15th day of the following month after the end of each quarter.

In 2023, the company has paid variable remuneration for the executive to Dr. Sitthawee Kriatchawanun, Chairman of Executive Committee, and Mr. Noppakrit Nithilertvijit, Chief Executive Officer, in a total of 11.992 million baht. The remuneration is considered appropriate since it is within the average rate of remuneration that executives in the direct selling industry normally receive and at the same level as the remuneration that the company paid to the chief executive each year. The mentioned remuneration will be reviewed appropriately by the Nomination and Remuneration Committee at least once a year or when the Nomination and Remuneration Committee deems it necessary. The stakeholder directors must abstain from voting in the resolution to review the variable executive remuneration.

Remuneration	2023 (Million Baht)	2022 (Million Baht)
Variable Remuneration for Executive	11.99	27.92

(2) Non-Monetary Remuneration Other Benefits

It consists of group health insurance, which is a group insurance transaction with a group of employees throughout the organization. Besides, the company does not provide any remuneration policy other than remuneration as a director or employee, which is normally received from the company with no shares, debentures, ESOP, EJEP warrants or securities, or any other directors and executives of the company.

The Company has set up a provident fund, executives who are provident fund members will receive a monthly contribution at the rate of 2-5% of the wages. Members can accumulate money into the fund at the rate of 2-15 percent of the member's voluntary wages. Upon the termination of the membership, the member will receive contributions including the net benefit average according to the fund conditions.

(3) Compensation Received from Subsidiaries

All subsidiaries do not pay any monetary and non-money other remunerations or other benefits to all executives.

7.5 Employee Information

7.5.1 Total Employees

As of December 31, 2023, the company and its subsidiaries has a total of 179 employees, with details as follows:

Field	2023	2022
Branch Management Department	77	96
Warehouse Management Department	23	22
Marketing and Communicating Department	18	15
Human Resources Department	12	12
Production and Product Development Department	7	8
Accounting and Finance Department	19	18
Other	23	22
Total	179	193

7.5.2 Significant Change in Number of Employees in the Last 3 Years

- None -

7.5.3 Significant Labor Disputes over the Last 3 Years

- None -

7.5.4 Total Remuneration for all employees

In 2023, the company and its subsidiaries pays the remuneration to its employees with details as follows

Employee Remuneration	2023 (Million Baht)	2022 (Million Baht)
Salary, Bonus, and OT	92.95	84.79
Other Remuneration such as provident fund, social security, and other benefits	5.70	3.20
Total	98.65	87.99

- **Salary and wages**

Monthly remuneration paid to employees for their performance for the company, determined by the job position, duties, and responsibilities towards the organization

- **Bonus**

Extra money is paid to employees based on the results of that year without setting a fixed rate.

- **Provident Fund Contribution**

The company established a provident fund (PVD) as welfare provided to its employees and to promote money-saving, also an incentive for employees to work with the company for a long time. Employees who are members of the provident fund members will receive a monthly contribution at the rate of 2-5% of the wages. Members can accumulate money into the fund at the rate of 2-15% of the member's voluntary wages. Once the member is terminated, the member will receive a contribution including the net benefit average of the fund.

The Company / Subsidiaries	With / Without PVD	Employees attending PVD (Persons)	Rate of Employees Attending PVD / All Employee (%)
Successmore Being Public Co., Ltd.	With	132	97%
Success Spirit Co., Ltd.	With	40	97%
Chadhai Leasing Co., Ltd.	With	-	-
SCM Spirit (Myanmar) Co., Ltd.	Without	-	-
SCM Innovative Co., Ltd.	Without	-	-

7.5.5 Employee Development Policy

The Company and its subsidiaries have realized that human resources as valuable to corporate development for sustainable growth, the company, therefore, has established a policy for the development of directors, executives, and employees which was approved by the Board of Directors Meeting No. March 14, 2019, to be used as a guideline for the development of the capabilities of all personnel for them to have increased knowledge and abilities and progress in their positions and duties and strengthen the personnel to be happier in their work.

Director and Executive Development

The company and its subsidiaries have the policy to promote and facilitate training and education for those involved in the corporate governance system of the company. Including the company's directors, Audit Committee, Sub-committees, executive, and company secretary to be knowledgeable about the current situation and to improve operations continue through the training internally or using the services of an external institution.

For training courses, the company will consider as appropriate with the duties and responsibilities of each director and executive position, related to the business operation of the company and its subsidiaries following the regulations and requirements of the Securities and Exchange Commission, The Stock Exchange of Thailand, and related government agencies.

In case of a change of director or new directors or those involved in the above corporate governance systems, the management and/or the human resources department will provide documents and useful information for their performance including the introduction of the nature of the business and the business conduct of the company and its subsidiaries to the directors or personnel in that position.

Employee Development

The company and its subsidiaries value the development of knowledge and employee competence by providing thorough and consistent opportunities through the policy of continuous training and development of personnel of the company at all levels in academic knowledge, personality development including developing a positive attitude to provide employees with the ability to meet job requirement, preparing to perform work in a higher position, job duties, and responsibilities in the future, and to progress along the career path. The company and its subsidiaries will support training and seminars both internal and external with expertise in that particular area as appropriate.

- In-House Training

The Human Resources Department of the company and its subsidiaries will provide necessary training courses to run the business of the company and subsidiaries and for the performance of personnel in each department by defining as an annual development plan and curriculum. Also, external experts may be invited to provide training to company personnel to give employees with the knowledge, capabilities, and skills necessary to perform their jobs both present and in the future.

- Public Training

External training provides an opportunity for employees to train with various standardized and internationally accepted organizations to keep up with changing situations and develop employees to have the knowledge and skills necessary to perform their duties in the present and future. Employees who will take the external training courses will be considered with moral aspects, the effectiveness of the training organization, and the benefits that will be received worthwhile.

Also, the company and subsidiaries have set guidelines with a system of training and development of all employees to be following the organizational development plan and training and development plans by observing the needs of departments in the group of company to be appropriate enhancing their capability.

7.6 Other Important Information

7.6.1 List of Persons Assigned to be Responsible

Company Secretary

The company provides a company secretary to perform various activities of the Board of Directors, including the meeting of the board of directors and shareholders as well as advising the Board of Directors on how to perform and operate following relevant laws and regulations. Also, ensure that the directors and the company have correct, complete, and transparent disclosure of information and support corporate governance to be the good corporate governance standards being ready to comply with the regulations and announcements of the Stock Exchange of Thailand. In this regard, the Board of Directors Meeting No. 5/2020 on November 12, 2020, resolved to appoint Mrs. Tharika Thannakornwat t as the company secretary, who has passed the Company Secretary Program (CSP) of the Thai Institute of Directors Association (IOD 7/2004).

Qualifications

- (1) Know and understand the company business.
- (2) Understand the roles and duties of the company secretary.
- (3) Have knowledge and understanding of the law of the Securities and Exchange Act B.E. 2535, the Public Limited Company Act B.E. 2535, the regulations of the Securities and Exchange Commission, and the Stock Exchange of Thailand.
- (4) Do not seek personal gain from the company's business opportunities and keep the company secret.
- (5) Have a good human relationship and the ability to coordinate with various departments internal and external.

Authorities, Duties, and Responsibilities

- (1) Prepare and maintain the following documents
 - (A) Director Registration
 - (B) Invitation letter to the board meeting, board meeting minutes, and the annual report of the company.
 - (C) Invitation letter to the shareholders' meeting and minutes of the shareholders' meeting.
- (2) Keep the reports of interest as reported by directors or executives.
- (3) Have directors and executives prepare the reports of interests of themselves and related persons according to legal requirements including sending a copy of the report of interest under Section 89/14 to the Chairman of the Board and the Chairman of the Audit Committee within 7 business days from the date the company received the report. The company must set up a system of documents and evidence keeping, which are related to the presentation of information completely and verifiable within not less than 10 years from the date that the document or information is prepared.

Storage of documents and evidence under paragraph one means to include the storage by a computer system or any other system that can be viewed without alteration of the text.

- (4) Organize and coordinate the board meetings, the Board of Directors, and shareholders' meetings including supervising and coordinating follow the objectives, articles of association, resolutions of the Board of Directors/ shareholders, and other relevant legal and regulatory requirements.
- (5) Advise on related laws, regulations, and supervisory practices in conducting activities of the commission to be under the law.
- (6) Contact the regulators such as the Office of the Securities and Exchange Commission, monitor the disclosure of information, and report the information to the regulators and the public correctly and completely according to the law.
- (7) Organize training/orientation and provide information that is necessary for the performance of duties to current and newly appointed directors.
- (8) Perform other activities as specified by the Capital Market Supervisory Board.
- (9) Other duties as assigned by the company.

Principles of Practice of Company Secretary

The company secretary must perform their duty with responsibility, caution, and honesty. The performance also has to align with the Public Limited Company Act, B.E.2535, The Securities and Exchange Act, B.E.2535, as well as objectives, articles of association, board meeting resolution, and shareholders meeting resolution by

- (1) Decisions must base on sufficient information believed to be in good faith.
- (2) Decisions must be made without having any interest, whether it is direct or indirect.
- (3) Act with honesty for the best interests of the company is essential.
- (4) Act with a legitimate and appropriate purpose and do not act contradict with the benefit of the company.
- (5) Not taking advantage of the use of known company information, unless it is a disclosed information that has been published to the public. Also, the use of company assets or company business opportunities in terms of violating the rules as specified by the capital market supervisory board is not allowed.
- (6) Not entering into any agreement or contract that might lead to a conflict of interest with the company, employees, or clients. It is also contrary to their duties.

In case the company secretary vacates office or is unable to perform their roles

Guidelines for when company secretary vacates the office or is unable to perform is listed below

- (1) The board of directors has to appoint a new company secretary within 90 days from the day he/she is vacated or unable to perform his/her duty.
- (2) The board of directors has the authority to assign any directors to be a temporary substitute during the period when the company secretary vacates or is unable to perform his/her duty.
- (3) The chairperson of the board has to report the name of the secretary to the SEC and SET within 14 days from the day of appointment for the position.
- (4) Proceed to notify the SEC and SET to know the storage of company documents and report any interests by the directors or the executives.

(Qualifications for the company secretary is shown in attachment 1)

Those assigned to be directly responsible for the supervision of accountancy

Company assigned individuals to be directly responsible for supervising accounting and finance, to have a qualified financial report and the management that is under the guidelines from SEC and SET. Fim appoints Mr. Suchart Thanathitiphan to be the Chief Financial Officer (CFO) and get to train for improvements in accounting 12 hours per year. Ms. Sangsupavee Sompisonpavee is also appointed to be accounting supervisor and get to train for improvements in accounting 18 hours per year. Both of those have the qualifications to be accountants according to criteria from the Department of Business Development (DBD), Ministry of Commerce.

(Qualification for those who are assigned to be responsible for supervising in accounting and finance is shown in attachment 1)

Internal Audit Supervisor

The board of directors assigns the audit committee to review for the company to have a sufficient internal control system that is suitable and efficient for business operation, and the audit committee must report to the board of directors and the shareholders. The company hires Isbar Corporation Co., Ltd ("Internal auditor"), who is widely accepted and reliable with experts and specialists, to review the assessment of adequacy, suitability, and qualifications of the company internal control system and assigned Mrs. Tharika Thannakornwat, the secretary of the Audit Committee, as coordinator.

(Qualifications for supervisor of internal audit is shown in attachment 3)

Supervisor for Compliance Department

The Board of directors has appointed Mr. Amarin Sutat Na Ayutthaya, assistant manager of the compliance department, to be the supervisor for the Corporate Compliance Department. He must supervise the operation. However, the compliance department is under the command Chairman of the Executive Committee.

(Qualifications for supervisor for compliance department is shown in attachment 3)

7.6.2 Investors relation supervisor

The company focuses on disclosing complete, accurate, transparent information by having several channels for communication, and messages for benefit of the stakeholders. Therefore, the company arranges a division for investor relations to provide direct communication channels with investors. The firm appoints Mrs. Tharika Thankornwat, senior manager of investors relation, to be the center of disclosing important information to investors and related parties. All in all, the stakeholders can access the information conveniently with several channels by contacting

Mrs. Tharika Thannakornwat

The company secretary and Investors relation department

Tel.: 02-511-5955 dial 113

E-mail: info.ir@successmore.com

7.6.3 Auditor's Remuneration (Audit fee)

Company and subsidiary pay the audit fee to

- Company's auditor in the past fiscal year for the total of **4,925,000 Baht** with details as follows

No.	Company	Amount (Baht)
1.	Successmore Being Public Company Limited	3,650,000. -
2.	SCM Innovative Co., Ltd.	500,000. -
3.	Chadhai Leasing Co., Ltd.	300,000. -
4.	Success Spirit Co., Ltd.	475,000. -
Total		4,925,000. -

- The audit firm that the auditor affiliate with, individuals or businesses related to the auditor and audit firm that the auditor affiliate with in the past fiscal year has a total of **-None-**

In 2023, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the company auditor for the year 2023. The auditor is not a director, employee, staff, or holding any position in the company as defined in section 112 of public limited company act B.E.2535. The auditor also does not have any relationship and has no interest with the company, subsidiary, executives, major shareholders, or a person related with those who previously mentioned. The auditor is independent and has been approved by the Securities Commission and the SET. Also, the company does not use other professional services from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited.

Besides, company directors and executives have never been an employee, partner, or related in any way with Deloitte Touche Tohmatsu Jaiyos Audit Company Limited in the past two years.

Non-audit fee

Company and subsidiary do not pay for any non-audit fee.

8. Corporate Governance Report

8.1 Summary of the board's performance from the past year

8.1.1 Recruiting, Improving, and Assessing the Performance of the Board of Directors

(1) Criteria for selecting directors and independent directors

The board of directors pays attention to the selection of company directors and independent directors to be transparent according to the principles of good corporate governance. Therefore, the company has established a policy for recruiting company directors and independent directors for the management structure comprises of directors with various qualifications and corresponding to the direction of the management strategy, as well as having qualifications set by the board of directors.

Criteria for selecting company directors and independent directors

To consider selecting an individual to be a director and an independent director, the company has set the criteria as follows

1. The characteristics of the directors that the company want is to be diverse (Board Diversity), in terms of educational level, professional skills, the specialization that is beneficial to the business of the company and according to the company business strategy without any gender, age, race discrimination
2. Have leadership, vision, morality, and ethics with transparent work experiences.
3. Qualified and does not have any prohibited characteristics according to the law and company's regulation
4. In case of proposing the name of former directors to be re-elected, the board will consider the past performance when he/she was in a committee and subcommittee.
5. In the case of recruitment of independent directors, they must qualify for the position according to the criteria of the Capital Market Supervisory Board.

The process of selecting directors and independent directors

1. The nomination and remuneration committee, two independent directors from three directors in the committee, is responsible for recruiting an individual who is qualified and suitable to be the company director and an independent director. The committee has to make a proposal in the board of directors meeting to consider before proposing to the annual general meeting of the shareholders. During the annual meeting, shareholders will elect by the majority vote of the shareholders who attend the meeting. Unless it is the case that is not a retirement with more than two months of the remaining term, then the board of directors can choose one person from the nomination and remuneration committee to be directors or independent directors with a vote of not less than three-fourth of the remaining directors. In this case, the person who got elected will have the term of office equal to the remaining term of the director whom he/she replaces.
2. The nomination and remuneration committee will analyze the skills, experiences, knowledge, and specialization of the directors (Board Skill Matrix) for information used in the consideration of the nomination of the directors following the business strategy.

Also, when selecting new directors, the nomination and remuneration committee provides more knowledge, skills, and experiences that are beneficial for directors' performance and crucial for the absent elements of the board structure. The committee also allows the shareholders to participate in nominating qualified directors as well.

3. The selection of an individual to be an independent director, the nomination and remuneration committee will consider from the qualifications of independence set by the company, which is under the announcement from the Capital Market Supervisory Board, besides the basic qualifications mentioned above.

The company has defined the definition of independent directors following requirements of the Capital Market Supervisory Board, which requires independent directors to be able to ensure shareholders' benefit equally and does not create a conflict of interests. Moreover, he/she has to have sufficient time to perform the director's duty and can attend board of directors meeting regularly and able to freely express opinions.

The resolution from the board of directors meeting 5/2020 on November 12, 2002, **determined the stricter qualifications than the requirements qualifications of independent directors from the Capital Market Supervisory Board as follows**

1. The number of holding shares must not exceed 0.50 percent of the total number of shares with voting rights of the company, subsidiary, affiliate company, major shareholders, or control person of the company. Moreover, this shall include shares held by persons related to that independent directors.
2. Have not been of used to be directors who take part in the management, employees, staffs, consultant who receive a regular salary or who has controlling authority of the company, subsidiary, affiliate company, same level subsidiary, major shareholders or that of controlling person. Unless he/she is retired from the aforementioned position for at least 2 years before the date of appointment. Also, such prohibited characteristics do not include the case of when independent directors used to be government officials or government counsel, who is the major shareholder who has control of the company.
3. Not being a person who has blood relatives or relationships registered by law in terms of father, mother, spouse, siblings, and the child. This also includes the spouse of the child, directors, major shareholders, controlling person, or individual who will be offered to be executives or person who has authority in the company and subsidiary.
4. Never have a business relationship with the company, subsidiary, affiliate company, major shareholders, or controlling person in a manner that may impede one's independent exercise of judgment. He/she must have never been a significant shareholder or a person with authority that has a business relationship with the company, subsidiary, affiliate company, major shareholders, or controlling person. Unless he/she is retired from the aforementioned position for at least 2 years before the date of appointment.

The business relationship mentioned in the previous paragraph and the business transactions that are normally performed to operate a rental business, property for rent, transactions relating to assets or services, giving or receiving financial aid by receiving, lending, guaranteeing, giving assets for collateral liabilities, and other similar circumstances. All of those results in the company or counterparty having an obligation to pay for the other party from 3% of the net tangible assets of the company or 25 million baht or more, depending on which one is lower. The calculation of the liability shall be following the method of calculation of connected transactions as announced by the capital market supervisory board regarding the rules of connected transactions. However, determining the aforementioned debt shall include the liability arising within 1 year before agreeing to have a business relationship with that person.

5. Never and never used to be the auditor for company, subsidiary, affiliate company, major shareholders, or controlling person and he/she is not a significant shareholder, a person with authority, or a partner of the auditing firm that has the auditor of the company, subsidiary, affiliated company, or the person that control the company. Unless he/she is retired from the aforementioned position for at least 2 years before the date of appointment.
6. Never or have not been any professional service providers, including legal advisory service or financial advisor, which receives a service fee for more than 2 million baht per year from the company, subsidiary, major shareholders, affiliate company, or controlling person, also not a significant shareholder, person with authority to control, as well as a partner of that professional service provider. Unless he/she is resigned from the aforementioned position for at least 2 years before the date of appointment.
7. Not being an appointed director to represent the directors of the company, major shareholders, or the shareholders who related to the significant shareholders.
8. Shall not operate in a business that has the same essence and is insignificant competition with the company business, subsidiary. Not being a significant partner that has implications in a partnership. Also, must not be a director who takes part in managing the operation, employees, staffs, advisors who receive a regular salary or holds more than 1 percent of the shares that have voting rights of other companies, which do not operate in a business that has the same essence and can be significant competitors with the company and subsidiary.
9. Does not contain any other characteristics that may prevent the individual from expressing opinions freely about the company operation.

After being appointed as an independent director who has characteristics following clauses 1 to 9, the independent director might be assigned by the board of directors to decide on the operation of the company, subsidiary, affiliated company, major shareholders, or person with authority. The decision can be in a form of a collective decision.

In 2023, the company's independent directors did not have any business relationship or academic service provision. If they did, the value business or academic service did not exceed the specified criteria stipulated in the announcement of the Capital Market Supervisory Board regarding the application and the approval for the sale of newly issued shares.

Case of Election of Company Directors and Independent Directors through the Shareholder's Meeting

To vote for the directors, shareholders have to use ballot papers to elect individual directors. The shareholders are required to cast all their votes to elect individuals nominated as directors one by one.

Rights of minor shareholders to appoint directors

The company gives opportunities to the minor shareholders to have rights to nominate individuals to be considered for the election of company directors in advance, before the general meeting of shareholders, according to the criteria set by the company. More details can be found on the company website under the section "Investors Relation": Shareholder's information: Shareholder's meeting.

Number of the company directors from each group of shareholders

-None-

(2) Recruitment of Senior Management

Top management of the company means Chief Executive Officer for the selection of the top management of the company. The company has considered and assigned the nomination and remuneration committee to consider the selection of individual who has suitable knowledge, skills, and has qualifications and sufficient understanding of the business, also he/she can perform to achieve the objectives and goals set by the board of directors, and there are no prohibited characteristics stated by the law. After the consideration, the committee can propose the board of directors meeting for further consideration. The selection process will screen for a qualified individual who is completely qualified with knowledge, skills, and experiences that are beneficial for the operation. He/She must clearly understand the business and be able to manage the work to achieve the objectives set by the board of directors.

In 2023, the structure of the management has the proportion of directors who are the executives, directors who are not the executives, and independent directors, which was suitable and had to perform following the good principles of good corporate governance. Independent directors 57 percent

Besides, directors and senior management of the company have never been employed by or partnered with the external auditing firm that the company has been using in the past two years.

8.1.2 Meeting attendance and remuneration for individual directors

Number of Attendance in Shareholder's Meeting in 2023

The Board of Directors, Audit Committee, Executive Committee, Nomination and Remuneration Committee, Risk Management Committee and Corporate Governance and Sustainability Committee have scheduled the normal meeting for each committee one year prior and will have extra meetings if necessary. Each committee has met and can be summarized as follow

Each committee meeting	Total number in 2023
Annual General Meeting 2023	1
Extraordinary General Shareholders' Meeting	1
The Board of Directors Meeting	5
Audit Committee Meeting	4
Executive Committee Meeting	12
Nomination and Remuneration Committee Meeting	2
Risk Management Committee Meeting	2
Corporate Governance and Sustainability Committee Meeting	-

List of Directors		Attendance / Total Meeting (Times)							
		Annual General Meeting	Extraordinary General Shareholders Meeting	The Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Risk Management Committee	Corporate Governance and Sustainability Committee
1. Mr. Narongrit	Tavornvisitporn	1/1	1/1	5/5	4/4	-	-	-	-
2. Dr.Sitthawee	Kriatchawanun	1/1	1/1	5/5	-	12/12	-	-	-
3. Mr. Noppakrit	Nithilertvijit	1/1	1/1	5/5	-	12/12	2/2	2/2	-
4. Assoc. Prof. Dr.Kanyarat	Sanoran	1/1	1/1	5/5	4/4	-	2/2	2/2	-
5. Mr. Sahasak	Srisarnparnk	1/1	1/1	5/5	4/4	-	2/2	-	-
6. Dr.Wijit	Techakasem	1/1	1/1	5/5	-	-	-	2/2	-
7. Ms. Kamonthip	Kriatchawanun	1/1	1/1	5/5	-	-	-	-	-
8. Mr. Nitchakul	Kongphawitthakul	1/1	1/1	-	-	12/12	-	-	-

Benefits for the directors in 2023

The company has set the compensation clearly and transparently according to their roles and duties, abilities, and responsibility, along with the profits and the turnovers. Mainly considering the benefits of the shareholders and the company.

Monetary Remuneration

- Company

The remuneration for the board of directors and subcommittees got consent from the Nomination and Remuneration Committee and was considered by the Board of Director on February 23, 2023; and approved by Annual General Meeting on April 27, 2023. The payment term will be in the form of Monthly Remuneration and Meeting Allowances which same compared to the year 2022. Considering their roles, duties, responsibilities, achievements, and comparing to other companies in related fields and benefits from the committees, details are as follows

Position	Monthly Remuneration (Baht/Month)	Meeting Allowances (Baht/Meeting)
Chairman of the Board of Directors	35,000. -	15,000. -
Board of Directors	28,000. -	12,000. -
Chairman of Audit Committee	-	12,500. -
Audit Committee	-	10,000. -
Chairman of Nomination and Remuneration Committee	-	12,500. -
Member of Nomination and Remuneration Committee	-	10,000. -
Chairman of Risk Management Committee	-	12,500. -
Member of Risk Management Committee	-	10,000. -

In 2023, the company has paid the remuneration for the board of directors in a total of 3,131,000 Baht, details are as follow

Names of the directors/Position	Compensation (Baht)					
	Monthly Remuneration	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Total
	Salary	Meeting Allowances	Meeting Allowances	Meeting Allowances	Meeting Allowances	
1. Mr. Narongrit Tavorntvisitporn - Independent director - Chairman of the board of Directors - Chairmand of Corporate Governance and Sustainability Committee - Audit Committee	420,000.-	75,000.-	40,000.-	-	-	535,000.-
2. Dr.Sitthawee Kriatchawanun - Vice Chairman of the board of directors - Chairman of the Executive Committee - Corporate Governance and Sustainability Committee	336,000.-	60,000.-	-	-	-	396,000.-
3. Mr. Noppakrit Nithilertvinij - Vice chairman of the board of directors - Vice Chairman of the Executive Committee - Chairman of Risk Management Committee - Chief Executive Officer - Nomination and remuneration Committee - Corporate Governance and Sustainability Committee	336,000.-	60,000.-	-	20,000.-	25,000.-	441,000.-

Names of the directors/Position	Compensation (Baht)					
	Monthly Remuneration	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Total
	Salary	Meeting Allowances	Meeting Allowances	Meeting Allowances	Meeting Allowances	
4. Assoc. Prof. Dr.Kanyarat Sanoran - Independent director - Chairman of the audit Committee - Nomination and remuneration Committee - Risk Management Committee - Corporate Governance and Sustainability Committee	336,000.-	60,000.-	50,000.-	20,000.-	20,000.-	486,000.-
5. Mr. Sahasak Srisarnparnk - Independent director - Audit committee - Chairman of Nomination and Remuneration Committee - Corporate Governance and Sustainability Committee	336,000.-	60,000.-	40,000.-	25,000.-	-	461,000.-
6. Dr.Wijit Techakasem - Independent director - Risk Management Committee - Corporate Governance and Sustainability Committee	336,000.-	60,000.-	-	-	20,000.-	416,000.-
7. Ms. Kamonthip Kriatchawanun - Director - Corporate Governance and Sustainability Committee	336,000.-	60,000.-	-	-	-	396,000.-
Total	2,436,000.-	435,000.-	130,000.-	65,000.-	65,000.-	3,131,000.-

Other non-monetary compensation or other benefits

Group health insurance includes the whole organization. However, the company does not have any other compensation apart from the one given for the director or employees as usual. the company does not give out stocks, bonds, ESOP, EJEP, Warrant, or any securities for the directors and the executives.

The company has set up a provident fund for the management team, the directors who register for the provident fund will get monthly contributions at the rate of 2-5 percent of their salaries. Members can choose the contribution rate between two and fifteen percent of their earnings. After the membership expires, the members will earn back their funding payment and the net average benefit of the fund.

- **Subsidiaries**

All subsidiaries have no monetary compensation payments and other non-monetary benefits for the directors.

8.1.3 Subsidiary and Affiliated company Governance Policy

The extraordinary general meeting 1/2019 on February 20, 2019, had an approval for the policy for direct and control the subsidiaries and associated companies as follow

The company will manage the business and the operation of the subsidiaries and/or the associated companies as if they are one of the company's institutions. Moreover, the firm has to be able to check the operations of the subsidiaries and/or the associated companies efficiently following the company's policy, as well as the Public Limited Companies Act, Limited Companies Act, Securities, and Exchange Act, and other related acts. Also, the company will follow announcements, rules, and guidelines related to Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and investment policy and the supervision in the subsidiaries and the associated companies from the Securities and Exchange Commission of Thailand. To retain the return on investment of the subsidiaries and the associated companies, the company has set rules for any nominations and exercises of voting rights for appointing individuals to be directors in the subsidiaries and/or the associated firms by having to be approved from the board of directors at least according to the proportions of the shares they have in the subsidiaries and/or the associated companies. The individuals who got appointed to be directors in the associated firm or the subsidiaries will have the duty to act to gain maximum benefit for the particular subsidiaries and the associated firms. Also, the appointed individuals must have approval from the board of directors before voting or exercising their voting rights for important matters that are the same level of requirements for the approval from the board, if the operation is run by the company themselves.

In the case of the subsidiary, the company has set regulations for appointed individuals for having to regulate rules and major policies for business operation in the subsidiary and/or associated company, including performance reporting, planning, disclosure of information and internal control system, making a connected transaction, acquisition or disposition of assets, or others important matters of that particular company, and must use related guidelines for the transaction above in a similar manner with the company. Moreover, the subsidiary has to supervise data storage, and accounting records for the company to be able to examine and gather for preparing financial statements on time.

(The policy of supervision and operations of the subsidiaries and the associated companies has publicized and published on the company's website for the shareholders and guests under "Investor Relation": Corporate Governance: Corporate Governance Report and Download Documents: Subsidiary and Joint Venture Governance policy)

Agreement between the company and the shareholders in terms of managing the subsidiary and joint venture (shareholder's agreement) **-None-**

8.1.4 Ensuring compliance with corporate governance policies and practices

The company focuses on having good corporate governance by setting policies and guidelines relating to good governance and the code of business conduct. The firm also encourages real action to gain trust from all groups of stakeholders.

In 2023, the company has been following up with practices to ensure results in compliance with corporate governance covering 1) Supervising employees and non-discrimination 2) Resistance unfair competition 3) Caring for the environment, health, and safety in the organization 4) Information security. The result has shown that the firm has completely followed the guidelines of each subject.

Besides, the company has to ensure that good corporate governance practices are relying on the four subjects of guideline as follows

(1) Prevention of Conflicts

The company has a clear shareholding structure; therefore, this prevents any conflict of interests to any party. The firm has disclosed the company's shareholding structure in 56-1 One Report / annual report thoroughly, along with revealing all of the securities holdings of the board of directors and the executives.

To make transactions, the board of directors has proceeded with cautions and considering maximum benefits of the company. The firm has set the price to be at the same level as the market price following the market policy with morality as the transaction with customers. The transaction system is transparent and follows the guidelines from the Stock Exchange of Thailand, which is one of the policies to make good corporate governance and define in the code of business conduct that must be practiced towards the firm and the shareholders.

The company has shared the information to provide equality in receiving the information, such as any connected arrangement, the company has followed the announcement from the Board of Governors of the Stock Exchange of Thailand and the topic is Disclosure of Information and Actions of Listed Companies on Connected Arrangement. In case of the transactions that needed to be disclosed and required approval from the shareholders, the company also has followed the required procedures from the Stock Exchange of Thailand and the requirements from The Securities and Exchange Commission (SEC). Before the arrangements, the company has disclosed the details and reasons of every transaction to the shareholders as usual.

The firm determines that the stakeholders must leave the meeting room and/or abstain from their votes in that term to let the third-party comments freely and have the freedom to vote. The company secretary will inform in the agenda if stakeholders are attending the meeting. After the meeting is finished, the company will reveal names, involved persons, prices, transaction value, and if there is any disagreement between directors and the board to the SET on time, and will post on the website as well to clarify the necessary information. The secretary will also write down the minutes of the meeting, which will be able to check easily.

In 2023, the company has controlling policies for making connected subject matters, and has restricted financial support to a company that is not the subsidiaries and does not have any connected violating subjects; or if the company does not follow SET rules and the SEC. The firm has revealed connected matters that act fairly following the market price and follow the business standard in the year 2023 in the section "9.2 connected subjects"

(2) Use of inside information for benefits

Inside Information

The company has measurements to monitor the use of inside information which is determined in the policy of using company inside information and securing secret information that has effects on the company, shareholders, stakeholders. They would have to act with integrity, full responsibility has discipline, and have a good sense of public and themselves, they must not use the company information and assets for themselves and/or others. They are also prohibited to support and encourage others to compete with the company/ the subsidiaries. Also, the company has imposed penalties for the case of violating the use of inside information of the company for personal gain in the company's regulations. The penalties can be from verbal admonition to termination of employment.

Besides, the regulations of the work of the company also have determined the issues above by establishing disciplinary penalties. This is mandatory for the board of directors, executives, and employees to act toward the rules.

In 2023, executives, directors, and employees have followed the rules and policies strictly and it did not appear that there was any use of company information in the wrong way.

Other information that may affect the price of securities

The company has prohibited directors, executives, and employees, who are in the position to know the inside information, from trading company securities for one month before disclosing financial statements to the public, and they are not allowed to trade until the statement is launched for 24 hours. Also, directors and executives (including spouses and underage child), who is responsible for reporting their holdings of securities, have to inform the SEC and SET within three days from making changes and have to send copies to the company secretary. This considers as duties that must be taken into action.

Also, the company secretary has made a schedule for the annual board of directors meeting and distributed it to all the directors in advance for them to know the suitable duration of refraining from trading securities. Moreover, the company secretary also sent out letters to acknowledge the duration of refraining from trading securities every time before disclosing the financial statement.

For the directors and senior management, not only do they have to report changes in their holding of securities to the Securities Commission and the Stock Exchange of Thailand, but they also have to acknowledge the company secretary one day before trading the securities.

In 2023, directors and the senior managers have followed the rules strictly and there is no trading during the period when trading securities is prohibited.

(3) Anti-corruption

The company has shown an intention to join the Thai Private Sector Collective Action Against Corruption (CAC) which was approved in the shareholders' committee meeting 5/2020 on November 12, 2020 and in 2021, the meeting of the Board of Directors No. 4/21, held on November 11, 2021. The meeting resolved to approve a self-assessment on anti-corruption measures and been submitted to the CAC committee for the certification

process and in 2022, the Company has been certified by the Thai Private Sector Collective Action Coalition Committee (CAC).

The company has following the anti-corruption policy by

1. The company communicates with directors, executives, and employees to acknowledge that all the operation must be strictly under the scope of the law. If there is an error during the operation because of negligence, or unawareness, then there must receive punishment from the government without any lobbying.
2. The firm has set a policy and process for anti-corruption. The board of directors assigns the audit committee for the internal control system and the executives for having the duty to raise awareness and communicate the performance of their duties with honesty.
3. The company hires ISBAR CORPORATION COMPANY LIMITED, who is an expert, to train directors, executives, and employees to acknowledge the rules and guidelines for anti-corruption, gifts, and entertainment policy.
4. The company conveys the policy and the initiative for anti-corruption. Also, there are platforms for declaring the information, complaints, punishments, or suggestions for all groups of company's stakeholders, such as an orientation for directors and employees, and Internet system, company's website, and an annual report to build knowledge, understanding, and implementing the policy.
5. The company has provided reporting channel in case if there is any policy violation or corruption and also has protection measures for the reporter.

The company discloses the details about policy and the process for preventing any involvements in corruption on the company's website www.successmore.com under the topic "Investor Relations": Corporate Governance: Corporate Governance Reports and Download Documents

In 2023, the company strictly followed the policy, and there were not any irregularities at all.

(4) Whistleblowing

The company has channels for employees and all stakeholders to contact or report for any indication when corruption might occur, both direct and indirect way. The reporting channels for any act against the law, business ethics, company policy, any complaints of the right violation, as well as potentially problematic behavior that cause damage for the business, also an unfairness are as follow

- By E-mail, please contact
Assoc. Prof. Dr.Kanyarat Sanoran (Chairman of Audit Committee)
E-mail: scm.advise.bod@successmore.com
- By mail, please contact (Chairman of Audit Committee)
Asstoc Prof. Dr.Kanyarat Sanoran
Address: The Faculty of Commerce and Accountancy, Chulalongkorn University
254 Phayathai Road., Wangmai, Pathumwan, Bangkok 10330

The indication, complaints, and suggestions will be considered and taken into action as they are needed appropriately case by a case basis.

Company directors assign the chairperson of the audit committee to be the person considering and accepting the indications, complaints, and suggestions of stakeholders with the audit committee. The audit committee may assign individuals or subcommittee to investigate the person who involves in corruption and consider the received information, as well as other evidence. If the occurred misconduct is intentional and affected the company directly, then the audit committee will consider which action to take using appropriate measures to make the situation better and report to the board of directors.

In 2023, the company did not receive any complaints in giving or receiving bribes for the benefit of the company in any way.

8.2 The Report on the Performance of the Audit Committee from the Past Year

8.2.1 Number of Meeting and Attendance

In 2023, the audit committee had four meetings in total, all of which are predetermined. The attendees are listed as follows

Member of the Audit Committee	Position	Number of Times of Attendance
1. Assoc. Prof. Dr.Kanyarat Sanoran	Chairman of Audit Committee	4/4
2. Mr. Narongrit Tavornvisitporn	Audit Committee	4/4
3. Mr. Sahasak Srisarnparnk	Audit Committee	4/4

8.2.2 Performance Result of the audit committee

The audit committee consists of three company directors, who have an independent quality as the announcement from the SET and the company definition. All of the audit committees are intellectual and have a deep understanding of experiences in accounting, finance, and management. The committee has authority, role, and performance according to the audit committee charter. The audit committee is an independent organization that supports and operates on behalf of the board of directors following the guidelines in eliminating conflicts of interests. Their duties also include reviewing the financial information offered to shareholders and other relevant parties, as well as reviewing the internal controlling system and the internal audit process and communication with the auditors of the company. Moreover, they also play a role in selecting, proposing, and terminating the auditors of the company. The audit committee has a term of three years.

8.3 Summary of the performance of others committee

8.3.1 Number of meeting and attendance

Nomination and remuneration committee

In 2023, the nomination and remuneration committee had two meeting in total, which was a predetermined meeting. The attendees are listed as follows

Names of the nomination and remuneration committee	Position	Number of times of attendance
1. Mr. Sahasak Srisarnpamk	Chairman of nomination and remuneration committee	2/2
2. Assoc. Prof. Dr.Kanyarat Sanoran	Nomination and remuneration committee	2/2
3. Mr. Noppakrit Nithilertvijit	Nomination and remuneration committee	2/2

Executive Committee

In 2023, the executive committee had twelve meetings in total, all of which were predetermined. The attendees are listed as follows

Names of the executive Committee	Position	Number of Times of Attendance
1. Dr.Sitthawee Kriatchawanun	Chairman of the executive committee	12/12
2. Mr. Noppakrit Nithilertvijit	Executive committee	12/12
3. Mr. Nitchakul Kongphawitthakul	Executive committee	12/12

Risk Management Committee

In 2023, Risk Management Committee had two meetings in total, all of which were predetermined. The attendees are listed as follows

Names of the executive Committee	Position	Number of Times of Attendance
1. Mr. Noppakrit Nithilertvijit	Chairman of Risk Management Committee	2/2
2. Assoc. Prof. Dr.Kanyarat Sanoran	Risk Management Committee	2/2
3. Dr.Wijit Techakasem	Risk Management Committee	2/2

Board meeting of Non-Executive Directors

The board of directors emphasizes good corporate governance by allowing non-executive directors to hold a meeting among themselves as appropriate without executive directors or executives attend the meeting to allow discussing various problems relating to business or matters of interest, number of times: 1 time, December 26, 2023.

8.3.2 Results of performance of sub-committees

In the year 2022, the company disclosed information on performance reports of Nomination and Remuneration Committee Board of Directors Risk Management Committee and the Corporate Governance and Sustainability Committee, the details can be found in the topic “7.3 Information about the sub-committees” and “Attachment 6”.

9. Internal control and Connected Transaction

9.1 Internal Control

The Board of directors values the internal controlling system and appoints the audit committee to support the performance of the board of directors, reviews the internal system, and inspects the internal system to be following good corporate governance policy, requirements, and ethics that should be performed effectively. Moreover, they are appointed to prevent corruption and conflicts of benefits and to have accurate and credible accounting and financial reports by disclosing complete information.

The board of directors meeting 1/2024 on February 22, 2024, had four independent and three auditing directors, all of which attended the meeting, the committee evaluated the adequacy of the company and the subsidiary internal control system. By asking for information from the executives can conclude that from the evaluation of the internal system according to the sufficiency assessment from the specified internal control system in a total of 17 principals and use the concept of "COSO" including 5 elements which are

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The meeting has an opinion that the company's internal and auditing system is adequate and appropriate for the essence and the size of the business according to the five elements. The board of directors has an opinion that the company and subsidiary manage the internal control system adequately and appropriately for the business. All five elements of the internal control system are effective and they comply with the accounting standard that is generally accepted, the announcement from SEC and SET, and the regulations of the Stock Exchange of Thailand and consistently reporting quarterly and annual financial statements. Moreover, there are also processes of preparation and disclosure of complete financial statements adequately and in time. Having a sufficient, suitable internal control system with effective adjustment for inconsistent situations will help to achieve the objective of the company operation and comply with the applicable laws and regulations. Nonetheless, no issues that may cause damage to the operation were found, as well as there is an efficient internal system related to the business with major shareholders, directors, executives, or those related to such person. The system can prevent company and subsidiary assets from being used by the executives without any authorities. The independent director and the auditing committee agree with the board of directors, and the audit committee will focus more on supervising the organization to have good corporate governance.

The company manages to have good and sufficient management and internal control system. The executives are encouraged to recognize the importance of internal control by managing to have good corporate governance, clearly define duty and responsibility, as well as set appropriate rules, order, policies, executive levels, and approval levels in written form. Moreover, the firm manages to have an independent internal auditor who has the right to follow and evaluate the performance of the internal control system, which can achieve the company objectives and goals. Overall, there were no issues or drawbacks that were directly affected the internal controlling system from the past evaluation. For other topics in internal control, the directors have concluded that the company had already had a sufficient internal control system.

The company assigned Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be the company auditor for the year 2023. The auditing firm has checked the accounting department of the company in regards to account closing, preparation of the financial statement, and details of the financial statement to keep up with the demand of the information and disclose them in time. Moreover, the auditor evaluated the internal control system related to the preparation of financial reports which was important for the determination of the inspection method to find a conclusion in expressing opinions on the financial statement of the company. In the meeting of audit committee 1/2024 on February 22, 2024, the auditing firm reported to the audit committee that there were no conditions and notices from the auditing in 2023.

In the audit committee meeting 4/2022 on November 8, 2022, the company assigned Isbar Corporation Co., Ltd. to be the auditor of the company since January 1, 2023 – December 31, 2023. The auditing firm appointed Mr. Sirisak Manitkunacarn, Managing Director and head of internal audit to have the main responsibility to be the internal auditor for the company.

The audit committee had considered the quality of Isbar Corporation Co., Ltd. and Mr. Sirisak Manitkunacarn, and see the possibility and suitability for this position, because of the independence and experiences in the auditing field.

All in all, the consideration and approval for appointing, transferring, laying off the internal audit supervisor or other agency responsible for internal audit must receive approval from the auditing committee.

(The quality of the internal audit supervisor is shown in attachment 3)

The company has appointed Mr. Amarin Sutat Na Ayuthaya to be head of the compliance department and responsible for supervising the compliance with the rules of government policy that supervise the operation of the business

(The quality of the internal audit supervisor is shown in attachment 3)

9.2 Connected Transaction

9.2.1 Summary of the connected transaction of the company, the subsidiary, and related company or person who might have benefit conflicts

The company has done some businesses with people who might have conflicts. The related business that occurs was the business with directors, executives, and/or shareholders of the company and the subsidiary. Also, the business with people who might have conflicts with directors, executives, and/or the shareholders, which happened for the period ended on December 31, 2023. (The connected business from the year before is shown in section 56-1 for that particular year)

Summary of the relationship between individuals and a juristic person that may have conflicts with the company

Person/Juristic Person who might have conflicts	Types of Relationship
1. Chadhai Leasing Co., Ltd.	- Company; holding 100.00% and having common directors
2. Success Spirit Co., Ltd.	- Company; holding 100.00% and having common directors
3. SCM Spirit (Myanmar) Co., Ltd.	- Success Spirit Co., Ltd. holds 100% of paid-up capital and have common directors
4. SCM Innovative Co., Ltd.	- Company; holding 100.00% and having common directors
5. Dr. Sitthawee Kriatchawanun	- Authorized director / Vice Chairman / Chairman of the Executive Committee A major shareholder of the company with the holding of 34.87%
6. Mr. Noppakrit Nithilertvijit	- Authorized director / Vice Chairman / Vice Chairman of the Executive Committee / Chairman of Risk Management committee / Nomination and Remuneration Committee / Chief Executive Officer / Chief International Business (Acting) / Chief Technology Officer (Acting) A major shareholder of the company with the holding of 22.95%

Summary of related transactions of individuals and a juristic person that may have conflicts with the company.

Item Description	Value of Transaction (Baht)	Necessity and reasonability	Opinions of the Audit Committee
Variable Compensation for variable manager			
The company has paid remuneration to <ul style="list-style-type: none"> - Dr. Sitthawee Kriatchawanun (Chairman of the Executive Committee) 		The compensation is considered normal in the industry. It is a variable compensation depending on sales revenue for the company management team according to the	The mentioned transaction is a normal transaction for business operations. However, the mentioned compensation will be review to determine the reasonableness by the

Item Description	Value of Transaction (Baht)	Necessity and reasonability	Opinions of the Audit Committee
<ul style="list-style-type: none"> - Mr. Noppakrit Nithilertvijit (Chief Executive Officer) <p>Accounted for 2.50% of the total sales revenue. The compensation is considered normal in the industry that the key management of the company shall receive with details as follows:</p> <ul style="list-style-type: none"> - Dr.Sitthawee Kriatchawanun - Mr.Noppakrit Nithilertvijit <p>Total</p>	<p>5,993,348.20</p> <p>5,993,348.20</p> <p><u>11,986,696.40</u></p>	<p>workload of the executive, such as planning business strategy, leading training seminars, etc. So that the returns that the executives receive are in line with the returns that the business receives.</p>	<p>nomination and remuneration committee once a year or when the committee sees the necessity. The director with interests will not be able to vote in the resolution for the variable manager compensation.</p>

9.2.2 The necessity and reasonableness of the connected transaction

The auditing committee has considered the connected transaction as mention in the table above and they mention that the transaction is reasonable and beneficial for the business operation.

9.2.3 Measures or procedures for approval of the related transaction

To make transactions of company and subsidiary with individuals who may have a conflict of interests, or there might be a conflict of interest in the future with the company, such as major shareholders, directors, executives, controlling person, or any related parties, the company will obey the Securities and Exchange Act B.E.2535, rules, announcements, and order of the Capital Market Supervisory Board, and the SET. Besides, the company will comply with the requirements on disclosure of related parties' transactions in the notes of financial statements that have been reviewed by the company auditor and an annual registration statement (56-1). However, stakeholders are unable to participate in the consideration and approval of the aforementioned transaction.

In case if the law has required that the related transactions must be approved by the Board of Directors, and requires to have an audit committee attend the meeting to consider and comment on the necessity of the transactions, under morality with consideration for the highest benefits of the company and the shareholders before proposing to the board of directors. The board will ensure that such transactions comply with the criteria of the Capital Market Supervisory Board, Securities and Exchange Commission, and the SET, along with consideration of disclosing information of related transactions to the public correctly and completely. Also, to enter into a transaction that is both commercial and noncommercial terms generally shall accord to the following principles:

(1) Transactions that are commercial agreements with general commercial terms

The board of directors has approved that the management can accept the transactions that are commercial agreements with general commercial terms between the company, the subsidiary, and the directors, executives, or any related party. The aforementioned transactions shall be in the same manner as when people will act with the general contractors in a similar situation, with trade bargaining power, and without any power from the status of directors, executives, or related parties (depending on the case) and does not cause any transfers of benefits, and/or can show that the transactions have reasonable pricing or conditions.

Also, the company will prepare a report of the aforementioned transactions to report in the audit committee meeting and the board of directors meeting quarterly.

(2) Transactions that are the commercial agreement, but are not in general terms of trade

Transactions that are commercial agreements, but are not in general terms of trade, shall be considered by the audit committee in advance before proposing to the board of directors, or the shareholders meeting (depending on the case) for further consideration. Also, the process shall comply with the Securities and Exchange Act B.E.2535, the rules, the announcements, the order of the Capital Market Supervisory Board, and the SET, as well as complying with the requirements on the disclosure of related transactions.

In case of the audit committee lack of expertise in considering related transactions that may occur, the company will appoint an independent expert or an auditor to give an opinion on the related transactions, to provide information for the audit committee, the board of directors, or the shareholders (depending on the case to use for decision making, to assure that the transaction is necessary and reasonable. This shall consider the company benefits. Besides, the company will disclose the related transaction in the annual report and notes in the financial statements that have been reviewed by the company's auditor.

9.2.4 Trends or Policies on Related Transactions in the Future

For the related transactions that may occur in the future, the board of directors must follow the Securities and Exchange Act B.E.2535, and the rules, announcements, and orders from the Capital Market Supervisory Board, and the SET. As well as following the requirements for disclosure of the related transactions of the company, the subsidiary according to the prescribed accounting standards by certified accountants and auditors associated with Thailand. Also, the transactions shall not be an evacuation or a transfer of interests of the company, but to be the transactions that consider the benefits of the company and the shareholders.

Part 3
Financial Statement

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS SUCCESSMORE BEING PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Successmore Being Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Successmore Being Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2023, and the related consolidated and separate statements of comprehensive income, changes in shareholders’ equity, and cash flows for the year then ended, and notes to the consolidated and separated 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 Successmore Being Public Company Limited and its subsidiaries and of Successmore Being Public Company Limited as at December 31, 2023, 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	Audit Responses
<p>Accuracy of compensations for members</p> <p>The Company paid compensations to its members which is a part of its sales and marketing strategy. There are various types of compensations including different payment conditions and calculation methods. Therefore, we have focused on accuracy of such compensations which were recognized as part of selling expenses in the statements of comprehensive income.</p> <p>For the year ended December 31, 2023, compensations for members of Baht 331.89 million was disclosed in Note 3.20 and 26 to the financial statements.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Understanding the compensation plan and internal control procedures related to compensations for members. • Evaluating the design and implementation of internal controls over the accuracy of compensations for members. • Testing of the operating effectiveness of internal control over the accuracy of compensations for members. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the compensations' terms, conditions and calculation methods, and performing substantive test of details of compensations for members with the Cycle Matching Business Plan. - Examining supporting documents for the compensations for members payments - Performing disaggregate analytical review of compensations for members.

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 or 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If 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 auditor's 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.



Porakoch Jongkolsiri
Certified Public Accountant (Thailand)
Registration No. 7150

BANGKOK

February 22, 2024

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	226,024,771	251,834,657	129,867,601	161,731,334
Trade and other current receivables	7	144,028,062	185,741,727	140,989,074	179,367,944
Current portion of hire-purchase receivable	8	14,307,232	10,002,604	-	-
Short-term loan to a company	9	15,000,000	-	10,000,000	-
Current portion of long-term loan to a related company	4.2	-	-	7,600,000	-
Inventories	10	117,043,454	68,265,017	117,759,344	67,031,696
Current financial assets	12.1	30,738,000	-	30,738,000	-
Assets foreclosed		2,072,730	-	-	-
Other current assets		7,407,285	9,354,173	3,502,990	3,823,792
Total Current Assets		<u>556,621,534</u>	<u>525,198,178</u>	<u>440,457,009</u>	<u>411,954,766</u>
NON-CURRENT ASSETS					
Bank deposit used as collateral	11	5,700,000	5,700,000	5,700,000	5,700,000
Other non-current financial assets	12.2	20,232,367	127,703,097	20,232,367	127,703,097
Investments in subsidiaries	4.1	-	-	225,004,940	225,004,940
Hire-purchase receivables	8	68,190,280	69,317,917	-	-
Long-term loan to a related company	4.2	-	-	7,400,000	-
Property, plant and equipment	13	81,491,091	87,451,333	33,746,791	36,156,092
Right-of-use assets	14	23,429,988	34,463,871	22,028,960	32,676,478
Intangible assets	15	119,749,970	130,086,824	20,822,867	20,603,319
Deferred tax assets	16	-	-	4,458,280	2,542,787
Other non-current assets	17	12,174,760	4,684,760	11,974,760	4,484,760
Total Non-current Assets		<u>330,968,456</u>	<u>459,407,802</u>	<u>351,368,965</u>	<u>454,871,473</u>
TOTAL ASSETS		<u><u>887,589,990</u></u>	<u><u>984,605,980</u></u>	<u><u>791,825,974</u></u>	<u><u>866,826,239</u></u>

Notes to the financial statements form an integral part of these statements

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2023

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		As at December 31, 2023	As at December 31, 2022	As at December 31, 2023	As at December 31, 2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	18	93,496,581	106,436,835	78,417,170	113,872,927
Current contract liabilities	19	13,347,399	12,985,777	12,972,399	12,570,781
Current portion of lease liabilities	20	13,596,469	16,216,219	13,227,915	15,869,318
Corporate income tax payable		13,680,766	24,255,678	11,621,076	21,934,880
Other current liabilities		2,676,683	3,573,622	2,141,639	2,391,146
Total Current Liabilities		136,797,898	163,468,131	118,380,199	166,639,052
NON-CURRENT LIABILITIES					
Lease liabilities	20	11,804,271	20,853,295	10,723,289	19,403,759
Deferred tax liabilities	16	14,275,359	17,461,589	-	-
Non-current provision for employee benefits	21	21,092,661	17,383,126	19,629,548	10,633,501
Total Non-current Liabilities		47,172,291	55,698,010	30,352,837	30,037,260
TOTAL LIABILITIES		183,970,189	219,166,141	148,733,036	196,676,312
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital	22				
895,600,000 ordinary shares of Baht 0.50 each		447,800,000		447,800,000	
800,000,000 ordinary shares of Baht 0.50 each			400,000,000		400,000,000
Issued and paid-up share capital					
604,061,863 ordinary shares of Baht 0.50 each, fully paid		302,030,932		302,030,932	
600,000,000 ordinary shares of Baht 0.50 each, fully paid			300,000,000		300,000,000
Premium on ordinary shares		203,303,496	197,210,670	203,303,496	197,210,670
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	34,050,000	34,050,000	34,050,000	34,050,000
Treasury shares reserve	24	17,968,872	-	17,968,872	-
Unappropriated		71,317,109	129,120,892	97,147,871	128,885,194
Treasury shares	24	(17,968,872)	-	(17,968,872)	-
Other components of shareholders' equity		8,865,720	10,413,418	6,560,639	10,004,063
Total shareholders' equity of the parent company		619,567,257	670,794,980	643,092,938	670,149,927
Non-controlling interests		84,052,544	94,644,859	-	-
TOTAL SHAREHOLDERS' EQUITY		703,619,801	765,439,839	643,092,938	670,149,927
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		887,589,990	984,605,980	791,825,974	866,826,239

Notes to the financial statements form an integral part of these statements

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
REVENUES					
Revenues from sales		917,102,444	1,118,535,540	917,495,442	1,117,563,535
Revenues from rendering services		3,064,336	5,159,186	-	-
Interest income from hire-purchase		9,314,158	-	-	-
Other income	25	53,535,031	56,866,980	70,840,601	64,842,503
Total revenues		<u>983,015,969</u>	<u>1,180,561,706</u>	<u>988,336,043</u>	<u>1,182,406,038</u>
EXPENSES					
Costs of sales	10	214,773,805	252,730,745	242,002,935	280,531,538
Costs of services		2,135,134	3,800,297	-	-
Distribution costs		500,686,067	582,164,614	477,883,237	549,249,113
Administrative expenses		144,895,603	116,150,978	128,132,658	116,182,111
Loss on foreign exchange rates - net		849,446	3,471,272	842,778	3,400,644
Total expenses		<u>863,340,055</u>	<u>958,317,906</u>	<u>848,861,608</u>	<u>949,363,406</u>
PROFIT FROM OPERATING ACTIVITIES		119,675,914	222,243,800	139,474,435	233,042,632
FINANCE COST	27	2,296,949	2,829,031	2,197,451	2,809,345
PROFIT BEFORE INCOME TAX EXPENSE		<u>117,378,965</u>	<u>219,414,769</u>	<u>137,276,984</u>	<u>230,233,287</u>
INCOME TAX EXPENSE	16	28,306,611	48,744,359	25,045,855	46,269,205
PROFIT FOR THE YEAR		<u>89,072,354</u>	<u>170,670,410</u>	<u>112,231,129</u>	<u>183,964,082</u>
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss					
Exchange rate differences on translation of financial statements		(26,994)	(299,628)	-	-
Gains (losses) on measuring financial assets		(2,316,632)	2,535,009	(2,316,632)	2,535,009
Income tax on item will be reclassified to profit or loss		463,327	(447,076)	463,327	(507,002)
Total items that will be reclassified subsequently to profit or loss - net of income tax		<u>(1,880,299)</u>	<u>1,788,305</u>	<u>(1,853,305)</u>	<u>2,028,007</u>
Items that will not be reclassified subsequently to profit or loss					
Gains (losses) on re-measurements of defined benefit plans		126,567	-	(1,987,648)	-
Income tax on item will not be reclassified subsequently to profit or loss		206,034	-	397,529	-
Total item that will not be reclassified subsequently to profit or loss - net of income tax		<u>332,601</u>	<u>-</u>	<u>(1,590,119)</u>	<u>-</u>
Other comprehensive income (loss) for the years - net of income tax		<u>(1,547,698)</u>	<u>1,788,305</u>	<u>(3,443,424)</u>	<u>2,028,007</u>
Total comprehensive income for the year		<u>87,524,656</u>	<u>172,458,715</u>	<u>108,787,705</u>	<u>185,992,089</u>

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
Profit attributable to:					
The Company's shareholders		86,164,669	167,402,910	112,231,129	183,964,082
Non-controlling interests		2,907,685	3,267,500	-	-
Profit for the years		<u>89,072,354</u>	<u>170,670,410</u>	<u>112,231,129</u>	<u>183,964,082</u>
Total comprehensive income attributable to:					
The Company's shareholders		84,616,971	169,191,215	108,787,705	185,992,089
Non-controlling interests		2,907,685	3,267,500	-	-
Total comprehensive income for the years		<u>87,524,656</u>	<u>172,458,715</u>	<u>108,787,705</u>	<u>185,992,089</u>
Basic earnings per share (Baht)	28	0.14	0.28	0.19	0.31
Weighted average number of ordinary shares (Thousand shares)	28	600,721	600,000	600,721	600,000
Diluted earnings per share (Baht)	28	0.13	0.28	0.17	0.31
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (Thousand shares)	28	655,092	600,000	655,092	600,000

Notes to the financial statements form an integral part of these statements

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

													Unit : Baht	
Notes	Shareholders' equity of the parent company											Non-controlling interests	Total shareholders' equity	
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Tresury Shares	Other components of shareholders' equity				Total shareholders' equity of the parent company				
			Appropriated			Unappropriated	Other comprehensive income (loss)							
			Legal reserve	Treasury shares reserve			Exchange rates differences on translation financial statements	Gains on remeasurements of defined benefit plans	Gains on measurements financial assets		Total other components of shareholders' equity			
Beginning balances as at January 1, 2022	-	300,000,000	197,210,670	23,900,000	-	163,846,993	-	(1,135,285)	9,760,398	-	8,625,113	693,582,776	97,002,359	790,585,135
Changes in shareholders' equity	-													
Legal reserve	23 and 31	-	-	10,150,000	-	(10,150,000)	-	-	-	-	-	-	-	-
Dividends to the Company's shareholders	31	-	-	-	-	(191,979,011)	-	-	-	-	-	(191,979,011)	-	(191,979,011)
Dividends to non-controlling interests of a subsidiary	31	-	-	-	-	-	-	-	-	-	-	-	(5,625,000)	(5,625,000)
Total comprehensive income for the year		-	-	-	-	167,402,910	-	(239,702)	-	2,028,007	1,788,305	169,191,215	3,267,500	172,458,715
Ending balances as at December 31, 2022		<u>300,000,000</u>	<u>197,210,670</u>	<u>34,050,000</u>	<u>-</u>	<u>129,120,892</u>	<u>-</u>	<u>(1,374,987)</u>	<u>9,760,398</u>	<u>2,028,007</u>	<u>10,413,418</u>	<u>670,794,980</u>	<u>94,644,859</u>	<u>765,439,839</u>
Beginning balances as at January 1, 2023		300,000,000	197,210,670	34,050,000	-	129,120,892	-	(1,374,987)	9,760,398	-	10,413,418	670,794,980	94,644,859	765,439,839
Changes in shareholders' equity														
Increase in ordinary shares	22	2,030,932	6,092,826	-	-	-	-	-	-	-	-	8,123,758	-	8,123,758
Tresury shares	24	-	-	-	-	-	(17,968,872)	-	-	-	-	(17,968,872)	-	(17,968,872)
Tresury shares reserve	24	-	-	-	17,968,872	(17,968,872)	-	-	-	-	-	-	-	-
Dividends to the Company's shareholders	31	-	-	-	-	(125,999,580)	-	-	-	-	-	(125,999,580)	-	(125,999,580)
Dividends to non-controlling interests of a subsidiary	31	-	-	-	-	-	-	-	-	-	-	-	(13,500,000)	(13,500,000)
Total comprehensive income for the year		-	-	-	-	86,164,669	-	(26,994)	332,601	(1,853,305)	(1,547,698)	84,616,971	2,907,685	87,524,656
Ending balances as at December 31, 2023		<u>302,030,932</u>	<u>203,303,496</u>	<u>34,050,000</u>	<u>17,968,872</u>	<u>71,317,109</u>	<u>(17,968,872)</u>	<u>(1,401,981)</u>	<u>10,092,999</u>	<u>174,702</u>	<u>8,865,720</u>	<u>619,567,257</u>	<u>84,052,544</u>	<u>703,619,801</u>

Notes to the financial statements form an integral part of these statements

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

											Unit : Baht
	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Treasury shares	Other components of shareholders' equity			Total shareholders' equity	
				Appropriated			Unappropriated	Other comprehensive income			
				Legal reserve	Treasury shares reserve			Gains on			Total other components of shareholders' equity
								remeasurements of defined	benefit plans		
Beginning balances as at January 1, 2022		300,000,000	197,210,670	23,900,000	-	147,050,123	-	7,976,056	7,976,056	676,136,849	
Changes in shareholders' equity											
Legal reserve	23 and 31	-	-	10,150,000	-	(10,150,000)	-	-	-	-	
Dividends to the Company's shareholders	31	-	-	-	-	(191,979,011)	-	-	-	(191,979,011)	
Total comprehensive income for the year		-	-	-	-	183,964,082	-	-	2,028,007	185,992,089	
Ending balances as at December 31, 2022		<u>300,000,000</u>	<u>197,210,670</u>	<u>34,050,000</u>	<u>-</u>	<u>128,885,194</u>	<u>-</u>	<u>7,976,056</u>	<u>2,028,007</u>	<u>670,149,927</u>	
Beginning balances as at January 1, 2023		300,000,000	197,210,670	34,050,000	-	128,885,194	-	7,976,056	-	670,149,927	
Changes in shareholders'' equity											
Increase in ordinary shares	22	2,030,932	6,092,826	-	-	-	-	-	-	8,123,758	
Tresury shares	24	-	-	-	-	-	(17,968,872)	-	-	(17,968,872)	
Tresury shares reserve	24	-	-	-	17,968,872	(17,968,872)	-	-	-	-	
Dividends to the Company's shareholders	31	-	-	-	-	(125,999,580)	-	-	-	(125,999,580)	
Total comprehensive income for the year		-	-	-	-	112,231,129	-	(1,590,119)	(1,853,305)	108,787,705	
Ending balances as at December 31, 2023		<u>302,030,932</u>	<u>203,303,496</u>	<u>34,050,000</u>	<u>17,968,872</u>	<u>97,147,871</u>	<u>(17,968,872)</u>	<u>6,385,937</u>	<u>174,702</u>	<u>643,092,938</u>	

Notes to the financial statements form an integral part of these statement:

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		89,072,354	170,670,410	112,231,129	183,964,082
Adjustments:					
Income tax expense		28,306,611	48,744,359	25,045,855	46,269,205
Expected credit losses		3,805,998	-	-	-
Loss (reverse) for diminution in value of inventories		(1,025,626)	1,212,499	(1,025,626)	1,212,499
Impairment loss of assets foreclosed		285,882	-	-	-
Depreciation of plant and equipment		15,724,268	14,858,253	11,661,361	11,096,560
Depreciation of right-of-use assets		15,982,704	15,346,943	15,596,339	15,254,703
Gain from modifying and terminate the lease agreements	14	(184,379)	(344,123)	(184,379)	(344,123)
Amortization of intangible assets		17,786,507	16,652,196	6,190,425	5,346,251
Gain on sales of equipment		(1,119,500)	(9,570)	(1,119,500)	(2,716)
Gain on sales of investments in debt instruments		(1,991,519)	(43,096)	(1,991,519)	(43,096)
Employee benefit expense		3,836,102	3,314,968	2,523,086	1,722,054
Unrealized (gain) loss on exchange rates		(2,747,283)	3,580,710	(2,665,306)	3,587,129
		167,732,119	273,983,549	166,261,865	268,062,548
Changes in operating assets and liabilities					
Operating assets (increase) decrease					
Trade and other current receivables		45,432,898	(150,918,592)	46,116,350	(73,044,960)
Hire-purchase receivables		(6,982,989)	-	-	-
Inventories		(47,752,811)	10,126,960	(49,702,022)	13,403,214
Assets foreclosed		(2,358,612)	-	-	-
Other current assets		1,946,887	1,939,836	320,802	3,285,947
Other non-current assets		(7,490,000)	501,000	(7,490,000)	501,000
Operating liabilities increase (decrease)					
Trade and other current payables		(12,940,254)	(16,089,052)	(35,455,757)	(10,722,732)
Current contract liabilities		361,622	686,060	401,618	349,008
Other current liabilities		(896,939)	(4,832,557)	(249,507)	(3,948,580)
Net cash received from operation		137,051,921	115,397,204	120,203,349	197,885,445
Dividend income		-	-	(16,500,000)	(6,875,000)
Interest income		(4,394,598)	(2,058,703)	(5,323,780)	(1,814,467)
Finance costs		2,296,949	2,829,031	2,197,451	2,809,345
Income tax paid		(41,783,479)	(59,662,400)	(36,414,295)	(52,288,314)
Net cash provided by operating activities		93,170,793	56,505,132	64,162,725	139,717,009

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2023	2022	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash payment for short-term loan to a company		(15,000,000)	-	(10,000,000)	-
Cash payments for investment in a subsidiary		-	-	-	(95,000,000)
Cash payment for long-term loans to a related company		-	-	(23,000,000)	-
Cash received from long-term loan to a related company		-	-	8,000,000	-
Cash payments for purchases of investments in debt instruments		(213,676,799)	(270,102,867)	(213,676,799)	(270,102,867)
Cash received from sales of debt instruments		290,084,415	144,977,875	290,084,415	144,977,875
Cash payments for purchases of equipment		(12,545,088)	(19,818,497)	(12,033,122)	(17,635,055)
Cash received from sales of equipment		3,900,589	364,223	3,900,589	4,818
Cash payments for purchases of intangible assets		(7,449,680)	(9,228,240)	(6,410,000)	(8,018,020)
Dividend income		-	-	16,500,000	6,875,000
Interest income		3,807,737	1,091,886	4,736,919	847,650
Net cash provided by (used in) investing activities		<u>49,121,174</u>	<u>(152,715,620)</u>	<u>58,102,002</u>	<u>(238,050,599)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of common stock		8,123,758	-	8,123,758	-
Cash payment for purchase of treasury shares	24	(17,968,872)	-	(17,968,872)	-
Cash payment for lease liabilities	5.1	(16,433,216)	(14,846,064)	(16,086,315)	(14,762,869)
Dividends paid		(139,499,580)	(197,604,011)	(125,999,580)	(191,979,011)
Interest paid		(2,296,949)	(2,829,031)	(2,197,451)	(2,809,345)
Net cash used in financing activities		<u>(168,074,859)</u>	<u>(215,279,106)</u>	<u>(154,128,460)</u>	<u>(209,551,225)</u>
Net decrease in cash and cash equivalents before effect of exchange rate		(25,782,892)	(311,489,594)	(31,863,733)	(307,884,815)
Effect of exchanged rate differences on translation of financial statements		(26,994)	(299,628)	-	-
Net decrease in cash and cash equivalents		<u>(25,809,886)</u>	<u>(311,789,222)</u>	<u>(31,863,733)</u>	<u>(307,884,815)</u>
Cash and cash equivalents as at January 1,		<u>251,834,657</u>	<u>563,623,879</u>	<u>161,731,334</u>	<u>469,616,149</u>
Cash and cash equivalents as at December 31,	6	<u><u>226,024,771</u></u>	<u><u>251,834,657</u></u>	<u><u>129,867,601</u></u>	<u><u>161,731,334</u></u>

Notes to the financial statements form an integral part of these statements

SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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SUCCESSMORE BEING PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. THE COMPANY’S OPERATIONS AND GENERAL INFORMATION

Successmore Being Public Company Limited (the “Company”) was incorporated under the Thai Civil and Commercial Code on November 8, 2012. Subsequently, the Company converted the status into a public limited company in accordance with the Public Limited Companies Act on March 6, 2019. The Company’s registered address is at 10/1-2 Rachadaphisek Rd., Chatuchak, Chatuchak, Bangkok. The Company has 6 branches located in Bangkok and Metropolitan Region and 17 branches located in other provinces.

On September 8, 2020, the Company has been approved for offering its shares for initial public offering by the Stock Exchange of Thailand (SET). The symbol is SCM.

The main objective of the Company and its subsidiaries (collectively called as “the Group”) is to manufacture and operate direct selling business of cosmetic, equipment and tools for beauty, food supplements, and consumption goods including agricultural goods.

Details of the Group’s subsidiaries as at December 31, are as follows:

Name of the entities	Type of business	Country of incorporation	Company ownership interest (%)	
2023				
2022				
Direct subsidiaries				
Chadhai Leasing Co., Ltd.*	To provide leasing	Thailand	100	100
Success Spirit Company Limited	To research and develop supplementary foods and cosmetics and arrange seminar	Thailand	100	100
SCM Innovative Co., Ltd.	To manufacture and distribute supplementary foods and cosmetics	Thailand	55	55
Indirect subsidiaries				
SCM Spirit (Myanmar) Co., Ltd.	Render personnel services and arrange seminar	Myanmar	100	100

* Successmore Being Laboratory Co., Ltd., changed the business objectives and changed the Company’s name to “Chadhai Leasing Co., Ltd.” The Company registered the change with the Department of Business Development on March 14, 2022

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", which was effective for financial periods beginning on or after January 1, 2022 onwards, 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 The consolidated and separate statements of financial position for the year ended December 31, 2022, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Group and the Company for the year then ended.
- 2.5 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 Thai 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 the consolidation financial statements

The consolidated financial statements comprise the Company and its subsidiaries’ financial statements.

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 December 31, 2023 and 2022 were prepared by using the financial statements of its subsidiaries for the year ended then.

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. Translation gains or losses from the foreign exchange rates arising on settlements and translation are recognized as profit or loss in statement of 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.

Foreign entities

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

Foreign exchange differences arising on translation are recognized as other comprehensive income in the statement of comprehensive income and presented as exchange rate differences in shareholders' equity until a disposal of the investment.

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash, all deposits at financial institutions 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 current receivables are stated at their invoice value less allowance for expected credit losses, if any.

The allowance for expected credit losses has disclosed in Note 3.8.

3.5 Hire-purchase receivables

Hire-purchase receivables are stated at the amount paid which represent the outstanding contract price after deducting unearned income from hire-purchase, plus deferred commission expense.

The Company recognizes unearned income from hire-purchase as income as presented in Note 3.19.

The Company gradually recognizes income from leasing as income

The allowance for expected credit losses has disclosed in Note 3.8.

3.6 Inventories

Inventories are measured at the lower of cost or net realizable value. Cost of inventories is calculated using the weighted average method.

Cost of inventories are comprised all costs of purchase deducted trade discounts, rebates and other similar items, costs of conversion or other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less and the estimated costs necessary to make the sale.

Allowance for diminution in value of inventories is recorded based on the items that are expected to be unused or unsalable.

3.7 Assets foreclosed

Assets foreclosed are repossessed vehicles. The repossessed vehicles are stated at the lower of the outstanding loan principal including accrued interest and accrued value-added tax (if any) or fair value.

Fair value of the repossessed vehicles is based on the estimated selling price less estimated selling cost according to risk that might incur of each repossessed vehicle.

Allowance for impairment of the repossessed vehicle is calculated by basing on cost assets foreclosed deducting with expected selling price of repossessed vehicles. Loss on impairment is recognized as expenses in the statements of comprehensive income.

Gains or losses on the disposal of assets foreclosed are recognized as profit or loss in the statement of comprehensive income upon disposal.

3.8 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 instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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 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 designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (3) below).

(1) 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 “other income”.

(2) Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses (see below), and interest income calculated using the effective interest method (see (1) above) are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds had been measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income. When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

A financial asset is held for trading if either:

- 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 Company [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)

(3) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (1) to (2) above) are measured at FVTPL. Specifically, debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see (1) and (2) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company [Group] has not designated any debt instruments as at FVTPL.

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 they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses”.

Measurement and recognition of expected credit losses

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, lease receivables and trade receivables. 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.

For trade receivables and other receivables, the Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix of ageing that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company applies the General Approach to calculate the expected credit losses on hire purchase receivables. The Group classifies its financial assets into three stages (three-stage approach) to measure the value of the expected credit losses, with the classification of the financial assets determined on the basis of the change in credit risk since initial recognition as follows:

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For the financial assets where there has not been a significant increase in credit risk since initial recognition, the Group recognizes allowance for expected credit losses at the amount equal to the 12-month expected credit losses.

Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For financial assets where there has been a significant increase in credit risk since initial recognition but not credit-impaired, the Group recognizes allowance for expected credit losses at an amount equal to the lifetime expected credit losses of the financial assets.

Stage 3: Financial assets that are credit-impaired (Non-performing)

For financial assets assessed as credit-impaired, the Group recognizes expected credit losses in an amount equal to the lifetime expected credit losses of the financial assets.

The Group considers a significant increase of hire purchase receivables in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in credit-impaired when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information.

If the credit quality of a receivable improves in a subsequent period and the assessment is that it is no longer a receivable whose credit risk has significantly increased since initial recognition, as assessed in a previous period, the Group will change the basis for recognizing expected credit losses from the lifetime expected credit losses to the 12-month expected credit losses, or the remaining period if that is less than 12 months.

Increase (decrease) in an allowance for expected credit loss is recognized as expenses in profit or loss in the statements of comprehensive income. The Group has a policy to write-off receivables when it has made appropriate efforts at recovery, for which there is clear evidence, and debts remain unsettled.

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.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated is reclassified to profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- It forms part of a contract containing one or more embedded derivatives, and TFRS 9 permits the entire combined contract to be designated as at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and losses" line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

3.9 Investments in subsidiaries

Investments in subsidiaries are presented in the Company's separate financial statements by the cost method less allowance for impairment, if any.

Disposal of investments

On disposal of investments, the difference between net disposal proceeds and the carrying amount is recognized as profit or loss in the statement of comprehensive income.

If the Group disposes of a partial of its holding investment, the deemed cost of the sold investment and holding investment is determined using the weighted average method applied to the carrying value of the total holding of the investment.

3.10 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 and 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 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 replaced part are amortized to the carrying amount. The costs of the day-to-day servicing of property, plant and equipment are recognized as an expense in the statement of 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 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:

Building	20 years
Leasehold improvements	5 years
Tools and equipment	5 - 10 years
Furniture and office equipment	5 years
Computers	3 - 5 years
Vehicles	5 years

No depreciation is provided on land and construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The Group recognizes repair and maintenance as an expense in the statement of comprehensive income during the financial year in which they are occurred.

3.10 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

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 comprehensive income.

Subsequent to the initial recognition, goodwill is measured at cost less allowance for impairment. The Group assesses an impairment of goodwill annually, regardless of consideration of indication that such goodwill may be impaired.

Goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the business combination.

3.11 Intangible asset other than goodwill

Food supplement and cosmetic recipes

Food supplement and cosmetic recipes are intangible assets acquired in a business acquisition which are recognized separately from goodwill and recognized initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination and with definite useful lives are reported at cost less accumulated amortization and allowance for impairment losses, if any.

Other intangible assets

Other 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.

Amortization is recognized as an expense in the statement of 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	5 years
Food supplement and cosmetic recipes	13 years

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

3.12 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 comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to 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 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.

3.14 Interest-bearing liabilities

Interest-bearing liabilities are recognized initially at fair value less attributable transaction charges in relation to the liabilities. Subsequent to initial recognition, interest-bearing liabilities are stated at amortized cost with any difference between cost and redemption value being recognized as an expense in the statement of comprehensive income over the period of the borrowings.

3.15 Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognized when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognizes the related revenue.

3.16 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.

3.17 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plans 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 comprehensive income in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plans is a post-employment benefit plans other than a defined contribution plans. The benefit is discounted cash flow to determine its present value based on salary, mortality rate, service period and other factors. The discount rate used in determining post-employment benefit obligation is the yield of the government bond.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized as an expense in the statement of comprehensive income on a straight-line basis until the benefits become vested. To the extent that the benefits is vested, the expense is recognized immediately in the statement of comprehensive income.

The Group recognizes all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in the statement of comprehensive income.

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.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted cash flow basis and are recognized as an expense in the statement of profit or loss 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.

3.18 Treasury share

Treasury shares are stated at cost and presented as a deduction from shareholders' equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity.

When treasury shares are sold, the amount received is recognized as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity.

Deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

3.19 Revenue recognition

Revenue from sales of goods and rendering services

Revenues from sales of goods are recognized at a particular point when control of the goods has transferred to the buyer. Revenues from sales are stated at the invoiced value, excluding value-added tax, of goods supplied after deducting discounts and goods return.

Revenues from services are recognized at over a period of time when the service has been provided.

Income from hire-purchase

Income from hire-purchase is hire-purchase interest income are calculated by effective interest rate method over the term of contracts.

Dividend received

Dividend received is recognized on the date the Group's right to receive payments is established.

Interest income and other income

Interest income and other income are recognized in the statement of comprehensive income on an accrual basis.

3.20 Expense and compensations for members recognition

Expenses and compensations for members are recognized on an accrued basis.

3.21 Finance costs

Finance costs comprise interest expense on borrowings and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of comprehensive income using the effective interest method.

3.22 Leases

The Group as lessees

The Group assess whether a lease 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.

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 use 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 incentive receivables;
- 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 leasee under residual value guarantees;
- The exercise price of purchase options, if the leasee 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 statements 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 or/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 periods 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, if any.

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 Thai Accounting Standards No. 37 “Provision” (“TAS 37”). 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 transfer 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 and separate statements of financial position.

The Group applies Thai Accounting Standards No. 36 “Impairment of assets” (“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 an expense for the period in which the event or condition that triggers those payments occurs and are included in the line “Other 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 used this practical expedient.

3.23 Income tax expense

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognized as income or expenses in the statement of income and other comprehensive income except to the extent that they relate to a business combination, or items recognized directly in 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 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.

3.24 Basic 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.

3.25 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 and 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 described 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.

3.26 Use of management's judgments and key sources of estimation uncertainty

Management's judgements in applying accounting policies

The preparation of financial statements in conformity with Thai Financial Reporting Standards (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 and liabilities, 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 the accounting policies are as follows:

Impairment

The Group's and the Company's balance assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. The asset balances with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

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.

Determination of periods covered by an option to extend the lease or periods covered by an option to terminate the lease - lessee

In assessing lease periods, it required to use management judgment whether there is reasonably certain to exercise an option to extend a lease or terminate a lease by consider all relevant facts and circumstances that create an economic incentive to exercise the option. The Group's management will reassess the lease term when there is a significant event or a significant change in circumstances that is within the control and affects to reasonably certain to exercise an option.

Key sources of estimation uncertainty

The Group have estimates with the assumptions concerning the future. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. Which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value where the actual future cash flows are less than expected, a material impairment loss may arise.

Allowance for obsolete and slow-moving inventories

The Group has provided allowance for obsolete and slow-moving inventories based on management's best estimate of net realizable value of damaged, obsolete or deteriorated inventories and review of the aging analysis at the end of each reporting period.

Calculation of loss allowance

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.

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.

4. RELATED PARTIES TRANSACTIONS

The Company's business includes transactions with its related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. Therefore, the financial statements reflect the effects of these transactions on the basis determined by the Company and the related parties. The prices of these transactions are based on the prices indicated in the agreements or contracts which are in the normal course of business. The Company does not have purchase transactions for similar goods with other suppliers.

Transactions between related parties are as follows:

4.1 Investments in subsidiaries as at December 31, consist of:

Company's name	Paid-up capital		Proportion of investment (%)		Unit : Baht Cost	
	2023	2022	2023	2022	2023	2022
Chadhai Leasing Co., Ltd.	99,999,970	99,999,970	100	100	99,999,970	99,999,970
Success Spirit Company Limited	9,999,970	9,999,970	100	100	9,999,970	9,999,970
SCM Innovative Co., Ltd.	100,000,000	100,000,000	55	55	115,005,000	115,005,000
					<u>225,004,940</u>	<u>225,004,940</u>

4.2 Balances with related parties as at December 31, consist of:

Account name/ Company’s name	Relationship	Unit : Baht			
		Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2023	2022	2023	2022
Trade receivables					
Chadhai Leasing Co., Ltd.	Subsidiary	-	-	1,132	6,061
Success Spirit Company Limited	Subsidiary	-	-	28,929	36,110
		-	-	30,061	42,171
Other receivables					
Chadhai Leasing Co., Ltd.	Subsidiary			97,172	-
Success Spirit Company Limited	Subsidiary	-	-	144,701	144,487
		-	-	241,873	144,487
Long-term loan					
Chadhai Leasing Co., Ltd.	Subsidiary	-	-	15,000,000	-
Trade payable					
SCM Innovative Co., Ltd.	Subsidiary	-	-	8,700,716	17,241,456
Other payable					
Success Spirit Company Limited	Subsidiary	-	-	104,790	1,245,760
Accrued management compensation					
Short-term benefits	Managements and directors	-	7,168,986	-	7,168,986

Details of long-term loan to a related company as at December 31, are as follows:

	Maturity date	Interest rate (p.a.)		Separate	
				financial statements	
		2023	2022	2023	2022
		%	%	Baht	Baht
Long-term loan	February 28, 2026	7.27	-	15,000,000	-
Less Current portion of long-term loan				<u>(7,600,000)</u>	<u>-</u>
				<u>7,400,000</u>	<u>-</u>

As at December 31, 2023, long-term loan to a related company were unsecured (2022 : Nil).

4.3 Transactions with related parties for the years ended December 31, consist of:

Account name/ Company's name	Relationship	Unit : Baht			
		Consolidated		Separate	
		financial statements	financial statements	financial statements	financial statements
		2023	2022	2023	2022
Revenues from sales of goods and rendering services					
Chadhai Leasing Co., Ltd.	Subsidiary	-	-	24,394	25,836
Success Spirit Company Limited	Subsidiary	-	-	368,604	346,998
		-	-	392,998	372,834
Other income					
Chadhai Leasing Co., Ltd.	Subsidiary	-	-	-	36,000
Success Spirit Company Limited	Subsidiary	-	-	1,440,000	1,440,000
		-	-	1,440,000	1,476,000
Dividend income					
SCM Innovative Co., Ltd.	Subsidiary	-	-	16,500,000	6,875,000
Interest income					
Chadhai Leasing Co., Ltd.	Subsidiary	-	-	1,355,830	-
Purchases					
Chadhai Leasing Co., Ltd.	Subsidiary	-	-	-	514,309
SCM Innovative Co., Ltd.	Subsidiary	-	-	88,860,190	84,737,049
		-	-	88,860,190	85,251,358
Administrative expenses					
Chadhai Leasing Co., Ltd.	Subsidiary	-	-	-	41,543
Success Spirit Company Limited	Subsidiary	-	-	33,093,832	33,545,107
		-	-	33,093,832	33,586,650
Managements' remuneration					
Short-term benefits	Managements and directors	43,725,082	48,065,434	42,589,812	36,399,909
Post-employment benefits	Managements and directors	1,619,913	2,148,766	1,532,836	995,095
		45,344,995	50,214,200	44,122,648	37,395,004

Revenue from sales is determined based on cost plus margin. Service revenues and other fee income are determined based on rates as stipulated in the agreements which are in the normal course of business.

Prices for products purchased from related companies are determined by the Company and its related companies, at the cost plus margin. Majority of its products are purchased from SCM Innovative Co., Ltd.

5. SUPPLEMENTARY OF CASH FLOWS INFORMATION

5.1 Movements of liabilities arising from financing activities are as follows:

For the year ended December 31, 2023

	Consolidated financial statements				Unit : Baht
	Balance as at January 1, 2023	Net financing cash flows from financing activity	Non-cash changes Lease asset increased	Gain from modifying and terminate lease agreement	Balance as at December 31, 2023
Lease liabilities (included current portion)	37,069,514	(16,433,216)	4,948,821	(184,379)	25,400,740

	Separate financial statements				Unit : Baht
	Balance as at January 1, 2023	Net financing cash flows from financing activity	Non-cash changes Lease asset increased	Gain from modifying and terminate lease agreement	Balance as at December 31, 2023
Lease liabilities (included current portion)	35,273,077	(16,086,315)	4,948,821	(184,379)	23,951,204

For the year ended December 31, 2022

	Consolidated financial statements				Unit : Baht
	Balance as at January 1, 2022	Net financing cash flows from financing activity	Non-cash changes Lease asset increased	Gain from modifying and terminate lease agreement	Balance as at December 31, 2022
Lease liabilities (included current portion)	48,961,960	(14,846,064)	3,297,741	(344,123)	37,069,514

	Separate financial statements				Unit : Baht
	Balance as at January 1, 2022	Net financing cash flows from financing activity	Non-cash changes Lease asset increased	Gain from modifying and terminate lease agreement	Balance as at December 31, 2022
Lease liabilities (included current portion)	48,961,960	(14,762,869)	1,418,109	(344,123)	35,273,077

5.2 The unused credit facilities as at December 31, consist of the following:

	Consolidated and separate financial statements		Unit : Baht
	2023	2022	
Short-term credit facilities	145,000,000	145,000,000	

The Group has short-term credit facilities with financial institutions pledged by fixed deposit account (see Note 11).

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of the following:

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Cash on hand	2,021,357	2,301,489	697,160	972,918
Savings accounts and current accounts	223,919,344	249,468,628	129,086,371	160,693,876
Fixed deposits not exceeding 3 months	84,070	64,540	84,070	64,540
	<u>226,024,771</u>	<u>251,834,657</u>	<u>129,867,601</u>	<u>161,731,334</u>

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of the following:

	Note	Consolidated		Unit : Baht	
		financial statements		Separate	
		2023	2022	2023	2022
Trade receivables - related companies	4.2	-	-	30,061	42,171
Trade receivables - other companies		<u>25,603,268</u>	<u>50,841,099</u>	<u>23,043,043</u>	<u>46,554,328</u>
		25,603,268	50,841,099	23,073,104	46,596,499
Other receivables - related companies	4.2	-	-	241,873	144,487
Other receivables - other companies		<u>58,113,873</u>	<u>54,992,302</u>	<u>58,113,873</u>	<u>54,969,361</u>
Prepaid expenses		<u>4,219,728</u>	<u>18,883,660</u>	<u>3,469,031</u>	<u>16,740,949</u>
Accrued interest income		<u>586,861</u>	<u>966,836</u>	<u>586,861</u>	<u>966,818</u>
Advance payments for purchase of inventories		<u>55,504,332</u>	<u>60,057,830</u>	<u>55,504,332</u>	<u>59,949,830</u>
		<u>144,028,062</u>	<u>185,741,727</u>	<u>140,989,074</u>	<u>179,367,944</u>

Aging analysis for trade receivables as at December 31, consisted of the following:

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Related companies				
Not due	-	-	30,061	42,171
Other companies				
Not due	8,234,573	36,396,490	5,727,087	35,951,246
Over due:				
Less than 3 months	3,685,670	1,123,752	3,632,931	1,123,752
3 - 6 months	1,280,744	1,111,553	1,280,744	236,260
6 - 12 months	<u>12,402,281</u>	<u>12,209,304</u>	<u>12,402,281</u>	<u>9,243,070</u>
	<u>25,603,268</u>	<u>50,841,099</u>	<u>23,073,104</u>	<u>46,596,499</u>

The average credit period on sales of goods is 120 days. No interest is charged on outstanding trade receivables. The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognized a loss allowance of 100% against all receivables over 365 days past due because historical experience has indicated that these receivables are generally not recoverable.

8. HIRE-PURCHASE RECEIVABLES

Hire-purchase receivables consisted of the following:

As at December 31, 2023

	Consolidated financial statements				Unit : Baht
	Amount due per agreements				
	Not greater than 1 year	Greater than 1 year		Grand total	
		Greater than 1 - 5 years	Greater than 5 years	Total greater than 1 year	
Hire-purchase receivables	22,882,785	75,281,423	14,225,725	89,507,148	112,389,933
<u>Less</u> Unearned interest income	(8,159,520)	(18,510,313)	(890,873)	(19,401,186)	(27,560,706)
	14,723,265	56,771,110	13,334,852	70,105,962	84,829,227
<u>Add</u> Deferred commission expense	270,059	1,019,050	185,174	1,204,224	1,474,283
<u>Less</u> Allowance for expected credit losses	(686,092)	(2,490,831)	(629,075)	(3,119,906)	(3,805,998)
Hire-purchase receivables - net	<u>14,307,232</u>	<u>55,299,329</u>	<u>12,890,951</u>	<u>68,190,280</u>	<u>82,497,512</u>

As at December 31, 2022

	Consolidated financial statements				Unit : Baht
	Amount due per agreements				
	Not greater than 1 year	Greater than 1 year		Grand total	
		Greater than 1 - 5 years	Greater than 5 years	Total greater than 1 year	
Hire-purchase receivables	16,797,109	64,740,325	24,210,549	88,950,874	105,747,983
<u>Less</u> Unearned interest income	(7,040,608)	(18,422,620)	(2,342,343)	(20,764,963)	(27,805,571)
	9,756,501	46,317,705	21,868,206	68,185,911	77,942,412
<u>Add</u> Unearned income from hire-purchase	36,973	-	-	-	36,973
<u>Add</u> Deferred commission expense	209,130	811,870	320,136	1,132,006	1,341,136
Hire-purchase receivables - net	<u>10,002,604</u>	<u>47,129,575</u>	<u>22,188,342</u>	<u>69,317,917</u>	<u>79,320,521</u>

As at December 31, hire-purchase receivables are classified by credit risk and allowance for expected credit losses as follows:

	Unit : Baht			
	Consolidated financial statements			
	Hire-purchase receivables after deducted unearned interest income		Allowance for expected credit losses	
	2023	2022	2023	2022
Hire-purchase receivable without a significant increase in credit risk (Performing)	56,485,003	77,942,412	876,094	-
Hire-purchase receivable with a significant increase in credit risk (Under-performing)	27,523,324	-	2,599,142	-
Hire-purchase receivable with credit impaired (Non-performing)	820,900	-	330,762	-
	<u>84,829,227</u>	<u>77,942,412</u>	<u>3,805,998</u>	<u>-</u>

9. SHORT-TERM LOAN TO A COMPANY

Short-term loan to a company, consisted of the following:

	Maturity Date	Consolidated financial statements		Separate financial statements		Unit : Baht Payment term
		2023	2022	2023	2022	
Short-term loan	31 Mar 2024	5,000,000	-	-	-	Fully paid
Short-term loan	31 Dec 2024	10,000,000	-	10,000,000	-	Quarterly paid
		<u>15,000,000</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>	

Short-term loan to a company is bearing interest rate at 3% - 7% per annum. Such loan is unsecured.

10. INVENTORIES

Inventories as at December 31, consisted of the following:

	Unit : Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Finished goods	103,957,471	56,645,402	117,529,977	66,705,717
Raw materials	10,610,512	8,913,604	-	372,494
Packaging	3,468,689	4,724,855	1,222,585	1,972,329
Less Allowance for diminution in value of inventories	(993,218)	(2,018,844)	(993,218)	(2,018,844)
	<u>117,043,454</u>	<u>68,265,017</u>	<u>117,759,344</u>	<u>67,031,696</u>

Cost of inventories which was recognized as expenses and included in the cost of sales for the years ended December 31, consisted of the following:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cost of inventories recognized as an expense in cost of sales:				
- Costs of sales	215,799,431	251,518,246	243,028,561	279,319,039
- Loss (reversal) on diminution in value of inventories	(1,025,626)	1,212,499	(1,025,626)	1,212,499
	<u>214,773,805</u>	<u>252,730,745</u>	<u>242,002,935</u>	<u>280,531,538</u>

11. BANK DEPOSIT USED AS COLLATERAL

As at December 31, 2023 and 2022, the Group and the Company pledged deposits at the bank of Baht 5.70 million, as collateral for a guarantee of short-term credit facilities (see Note 5.2) and credit card payment by customers.

12. OTHER FINANCIAL ASSETS

Other financial assets as at December 31, consisted of the following:

12.1 Other current financial assets

	Interest rate		Consolidated and separate	
	p.a.		financial statements	
	2023	2022	2023	2022
	%	%	Baht	Baht
Investments in debt instruments classified as at FVTPL				
Corporate bonds	4.00	-	<u>30,738,000</u>	<u>-</u>

12.2 Other non-current financial assets

	Interest rate		Consolidated and separate	
	p.a.		financial statements	
	2023	2022	2023	2022
	%	%	Baht	Baht
Investments in debt instruments classified as at FVTOCI				
Corporate bonds	4.50	3.80 - 5.50	<u>20,232,367</u>	<u>127,703,097</u>

Such debenture will be matured during August to September 2032.

13. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment, are as follows:

For the year ended December 31, 2023

	Consolidated financial statements			Unit : Baht
	Balance as at January 1, 2023	Increase	Decrease	Balance as at December 31, 2023
Cost:				
Land	7,092,120	-	-	7,092,120
Building	44,250,364	-	-	44,250,364
Leasehold improvements	35,810,287	74,973	(699,267)	35,185,993
Tools and equipment	14,512,352	356,349	(106,827)	14,761,874
Furniture and office equipment	18,833,342	386,837	(627,286)	18,592,893
Computers	13,802,021	896,088	(387,313)	14,310,796
Vehicles	23,789,250	10,830,841	(8,700,000)	25,920,091
Total cost	<u>158,089,736</u>	<u>12,545,088</u>	<u>(10,520,693)</u>	<u>160,114,131</u>
Accumulated depreciation:				
Building	(5,868,904)	(2,223,431)	-	(8,092,335)
Leasehold improvements	(23,895,693)	(3,675,602)	698,128	(26,873,167)
Tools and equipment	(5,238,320)	(1,490,939)	67,853	(6,661,406)
Furniture and office equipment	(13,489,736)	(1,770,737)	598,740	(14,661,733)
Computers	(8,308,560)	(3,100,207)	387,294	(11,021,473)
Vehicles	(13,837,190)	(3,463,352)	5,987,616	(11,312,926)
Total accumulated depreciation	<u>(70,638,403)</u>	<u>(15,724,268)</u>	<u>7,739,631</u>	<u>(78,623,040)</u>
	<u>87,451,333</u>			<u>81,491,091</u>

For the year ended December 31, 2022

					Unit : Baht
Consolidated financial statements					
	Balance as at January 1, 2022	Increase	Decrease	Transfer in/ (out)	Balance as at December 31, 2022
Cost:					
Land	7,092,120	-	-	-	7,092,120
Building	44,250,364	-	-	-	44,250,364
Leasehold improvements	31,584,781	107,980	(155,873)	4,273,399	35,810,287
Tools and equipment	12,991,355	1,433,921	(162,924)	250,000	14,512,352
Furniture and office equipment	17,796,275	1,938,982	(912,653)	10,738	18,833,342
Computers	9,810,765	4,143,429	(152,173)	-	13,802,021
Vehicles	15,867,400	7,921,850	-	-	23,789,250
Total cost	<u>139,393,060</u>	<u>15,546,162</u>	<u>(1,383,623)</u>	<u>4,534,137</u>	<u>158,089,736</u>
Accumulated depreciation:					
Building	(3,645,473)	(2,223,431)	-	-	(5,868,904)
Leasehold improvements	(20,051,183)	(3,892,405)	47,895	-	(23,895,693)
Tools and equipment	(3,913,210)	(1,469,555)	144,445	-	(5,238,320)
Furniture and office equipment	(12,207,469)	(1,976,374)	694,107	-	(13,489,736)
Computers	(6,004,093)	(2,446,988)	142,521	-	(8,308,560)
Vehicles	<u>(10,987,690)</u>	<u>(2,849,500)</u>	<u>-</u>	<u>-</u>	<u>(13,837,190)</u>
Total accumulated depreciation	<u>(56,809,118)</u>	<u>(14,858,253)</u>	<u>1,028,968</u>	<u>-</u>	<u>(70,638,403)</u>
Leasehold improvements under construction	<u>261,800</u>	<u>4,272,337</u>	<u>-</u>	<u>(4,534,137)</u>	<u>-</u>
	<u>82,845,742</u>				<u>87,451,333</u>
Depreciation for the years ended December 31,					
2023				Baht	<u>15,724,268</u>
2022				Baht	<u>14,858,253</u>

For the year ended December 31, 2023

	Separate financial statements			Unit : Baht
	Balance as at January 1, 2023	Increase	Decrease	Balance as at December 31, 2023
Cost:				
Land	1,373,784	-	-	1,373,784
Building	3,626,216	-	-	3,626,216
Leasehold improvements	34,829,987	74,973	(699,267)	34,205,693
Tools and equipment	4,783,188	342,349	(106,827)	5,018,710
Furniture and office equipment	17,563,925	386,837	(627,286)	17,323,476
Computers	12,080,172	398,122	(387,313)	12,090,981
Vehicles	23,789,250	10,830,841	(8,700,000)	25,920,091
Total cost	<u>98,046,522</u>	<u>12,033,122</u>	<u>(10,520,693)</u>	<u>100,070,951</u>
Accumulated depreciation:				
Building	(589,136)	(181,311)	-	(770,447)
Leasehold improvements	(23,605,359)	(3,479,543)	698,128	(26,386,774)
Tools and equipment	(3,239,394)	(509,171)	67,853	(3,680,712)
Furniture and office equipment	(12,990,922)	(1,520,326)	598,740	(13,912,508)
Computers	(7,628,429)	(2,507,658)	387,294	(9,748,793)
Vehicles	(13,837,190)	(3,463,352)	5,987,616	(11,312,926)
Total accumulated depreciation	<u>(61,890,430)</u>	<u>(11,661,361)</u>	<u>7,739,631</u>	<u>(65,812,160)</u>
	<u>36,156,092</u>			<u>33,746,791</u>

For the year ended December 31, 2022

		Separate financial statements			Unit : Baht
	Balance as at January 1, 2022	Increase	Decrease	Transfer in/ (out)	Balance as at December 31, 2022
Cost:					
Land	1,373,784	-	-	-	1,373,784
Building	3,626,216	-	-	-	3,626,216
Leasehold improvements	30,793,908	107,980	-	3,928,099	34,829,987
Tools and equipment	3,568,229	964,959	-	250,000	4,783,188
Furniture and office equipment	16,287,604	1,580,081	(314,498)	10,738	17,563,925
Computers	9,011,740	3,133,152	(64,720)	-	12,080,172
Vehicles	15,867,400	7,921,850	-	-	23,789,250
Total cost	80,528,881	13,708,022	(379,218)	4,188,837	98,046,522
Accumulated depreciation:					
Building	(407,825)	(181,311)	-	-	(589,136)
Leasehold improvements	(19,865,048)	(3,740,311)	-	-	(23,605,359)
Tools and equipment	(2,748,415)	(490,979)	-	-	(3,239,394)
Furniture and office equipment	(11,543,701)	(1,759,616)	312,395	-	(12,990,922)
Computers	(5,618,303)	(2,074,843)	64,717	-	(7,628,429)
Vehicles	(10,987,690)	(2,849,500)	-	-	(13,837,190)
Total accumulated depreciation	(51,170,982)	(11,096,560)	377,112	-	(61,890,430)
Leasehold improvements under construction	261,800	3,927,037	-	(4,188,837)	-
	29,619,699				36,156,092
Depreciation for the years ended December 31,					
2023				Baht	11,661,361
2022				Baht	11,096,560

As at December 31, 2023 and 2022, the Group had certain items of plant and equipment that were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets was Baht 46.71 million and Baht 43.97 million, respectively, and the Company had certain items of plant and equipment that were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets was Baht 52.67 million and 43.97 million, respectively.

14. RIGHT-OF-USE ASSETS

Movements of right-of-use assets, are as follows:

For the year ended December 31, 2023

	Consolidated financial statements			Unit : Baht
	Balance as at January 1, 2023	Increase	Decrease	Balance as at December 31, 2023
Cost:				
Buildings	68,041,272	4,575,043	(6,094,508)	66,521,807
Office equipment	950,536	526,849	(296,634)	1,180,751
Vehicle	1,688,283	-	-	1,688,283
Total cost	<u>70,680,091</u>	<u>5,101,892</u>	<u>(6,391,142)</u>	<u>69,390,841</u>
Accumulated depreciation:				
Buildings	(35,903,043)	(15,357,466)	5,966,157	(45,294,352)
Office equipment	(232,897)	(286,711)	271,914	(247,694)
Vehicle	(80,280)	(338,527)	-	(418,807)
Total accumulated depreciation	<u>(36,216,220)</u>	<u>(15,982,704)</u>	<u>6,238,071</u>	<u>(45,960,853)</u>
	<u>34,463,871</u>			<u>23,429,988</u>

For the year ended December 31, 2022

	Consolidate financial statements			Unit : Baht
	Balance as at January 1, 2022	Increase	Decrease	Balance as at December 31, 2022
Cost:				
Buildings	71,061,687	4,694,317	(7,714,732)	68,041,272
Office equipment	747,103	383,636	(180,203)	950,536
Vehicle	-	1,688,283	-	1,688,283
Total cost	<u>71,808,790</u>	<u>6,766,236</u>	<u>(7,894,935)</u>	<u>70,680,091</u>
Accumulated depreciation:				
Buildings	(25,203,693)	(15,029,683)	4,330,333	(35,903,043)
Office equipment	(92,025)	(236,980)	96,108	(232,897)
Vehicle	-	(80,280)	-	(80,280)
Total accumulated depreciation	<u>(25,295,718)</u>	<u>(15,346,943)</u>	<u>4,426,441</u>	<u>(36,216,220)</u>
	<u>46,513,072</u>			<u>34,463,871</u>

Depreciation for the years ended December 31,

2023

Baht 15,982,704

2022

Baht 15,346,943

For the year ended December 31, 2023

		Separated financial statements		Unit : Baht
	Balance as at January 1, 2023	Increase	Decrease	Balance as at December 31, 2023
Cost:				
Buildings	68,041,272	4,575,043	(6,094,508)	66,521,807
Office equipment	759,186	526,849	(296,634)	989,401
Total cost	<u>68,800,458</u>	<u>5,101,892</u>	<u>(6,391,142)</u>	<u>67,511,208</u>
Accumulated depreciation:				
Buildings	(35,903,043)	(15,357,466)	5,966,157	(45,294,352)
Office equipment	(220,937)	(238,873)	271,914	(187,896)
Total accumulated depreciation	<u>(36,123,980)</u>	<u>(15,596,339)</u>	<u>6,238,071</u>	<u>(45,482,248)</u>
	<u>32,676,478</u>			<u>22,028,960</u>

For the year ended December 31, 2022

		Separated financial statements		Unit : Baht
	Balance as at January 1, 2022	Increase	Decrease	Balance as at December 31, 2022
Cost:				
Buildings	71,061,687	4,694,317	(7,714,732)	68,041,272
Office equipment	747,103	192,286	(180,203)	759,186
Total cost	<u>71,808,790</u>	<u>4,886,603</u>	<u>(7,894,935)</u>	<u>68,800,458</u>
Accumulated depreciation:				
Buildings	(25,203,693)	(15,029,683)	4,330,333	(35,903,043)
Office equipment	(92,025)	(225,020)	96,108	(220,937)
Total accumulated depreciation	<u>(25,295,718)</u>	<u>(15,254,703)</u>	<u>4,426,441</u>	<u>(36,123,980)</u>
	<u>46,513,072</u>			<u>32,676,478</u>

Depreciation for the years ended December 31,

2023	Baht	<u>15,596,339</u>
2022	Baht	<u>15,254,703</u>

The Group leases buildings, office equipment and vehicle with the average lease term is 3-5 years and the Group has options to purchase equipment for a nominal amount at the end of the lease term.

The maturity analysis of lease liabilities is presented in Note 20.

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Amounts recognized in profit or loss for the years ended December 31,				
Depreciation expense on right-of-use assets	15,982,704	15,346,943	15,596,339	15,254,703
Gain on terminates lease liabilities	(184,379)	(344,123)	(184,379)	(344,123)
Interest expense on lease liabilities	1,907,515	2,454,090	1,808,017	2,434,404

For the year ended December 31, 2023 and 2022, the total cash outflow for leases amount to Baht 16.43 million and Baht 14.85 million, respectively, and the total cash outflow for leases amount to Baht 16.09 million and Baht 14.76 million, respectively.

15. INTANGIBLE ASSETS

Movements of intangible assets, are as follows:

For the year ended December 31, 2023

	Consolidated financial statements				Unit : Baht
	Balance	Increase	Decrease	Transfers	Balance
	as at January 1, 2023			in/(out)	as at December 31, 2023
Cost:					
Computer software	43,815,808	2,497,500	(3,916,428)	7,312,400	49,709,280
Food supplement and cosmetic recipes	134,590,916	-	-	-	134,590,916
Goodwill	1,068,975	-	-	-	1,068,975
Total cost	<u>179,475,699</u>	<u>2,497,500</u>	<u>(3,916,428)</u>	<u>7,312,400</u>	<u>185,369,171</u>
Accumulated amortization:					
Computer software	(23,154,709)	(7,433,360)	3,916,401	-	(26,671,668)
Food supplement and cosmetic recipes	(29,130,636)	(10,353,147)	-	-	(39,483,783)
Total accumulated amortization	<u>(52,285,345)</u>	<u>(17,786,507)</u>	<u>3,916,401</u>	<u>-</u>	<u>(66,155,451)</u>
Computer software under installation	<u>2,896,470</u>	<u>4,952,180</u>	<u>-</u>	<u>(7,312,400)</u>	<u>536,250</u>
	<u>130,086,824</u>				<u>119,749,970</u>

For the year ended December 31, 2022

				Unit : Baht
Consolidated financial statements				
	Balance as at January 1, 2022	Increase	Transfers in/(out)	Balance as at December 31, 2022
Cost:				
Computer software	30,287,788	4,328,410	9,199,610	43,815,808
Food supplement and cosmetic recipes	134,590,916	-	-	134,590,916
Goodwill	1,068,975	-	-	1,068,975
Total cost	<u>165,947,679</u>	<u>4,328,410</u>	<u>9,199,610</u>	<u>179,475,699</u>
Accumulated amortization:				
Computer software	(16,855,660)	(6,299,049)	-	(23,154,709)
Food supplement and cosmetic recipes	(18,777,489)	(10,353,147)	-	(29,130,636)
Total accumulated amortization	<u>(35,633,149)</u>	<u>(16,652,196)</u>	<u>-</u>	<u>(52,285,345)</u>
Computer software under installation	<u>7,196,250</u>	<u>4,899,830</u>	<u>(9,199,610)</u>	<u>2,896,470</u>
	<u>137,510,780</u>			<u>130,086,824</u>
Amortization for the years ended December 31,				
2023			Baht	<u>17,786,507</u>
2022			Baht	<u>16,652,196</u>

For the year ended December 31, 2023

					Unit : Baht
Separate financial statements					
	Balance as at January 1, 2023	Increase	Decrease	Transfers in/(out)	Balance as at December 31, 2023
Computer software					
Cost	39,051,818	2,448,000	(3,916,428)	5,112,000	42,695,390
<u>Less</u> Accumulated amortization	<u>(20,134,749)</u>	<u>(6,190,425)</u>	<u>3,916,401</u>	<u>-</u>	<u>(22,408,773)</u>
	18,917,069				20,286,617
Computer software under installation	<u>1,686,250</u>	<u>3,962,000</u>	<u>-</u>	<u>(5,112,000)</u>	<u>536,250</u>
	<u>20,603,319</u>				<u>20,822,867</u>

For the year ended December 31, 2022

	Separate financial statements			Unit : Baht
	Balance as at January 1, 2022	Increase	Transfer in/(out)	Balance as at December 31, 2022
Computer software				
Cost	25,523,798	4,328,410	9,199,610	39,051,818
<u>Less</u> Accumulated amortization	<u>(14,788,498)</u>	<u>(5,346,251)</u>	<u>-</u>	<u>(20,134,749)</u>
	10,735,300			18,917,069
Computer software under installation	<u>7,196,250</u>	<u>3,689,610</u>	<u>9,199,610</u>	<u>1,686,250</u>
	<u>17,931,550</u>			<u>20,603,319</u>
Amortization for the years ended December 31,				
2023			Baht	<u>6,190,425</u>
2022			Baht	<u>5,346,251</u>

16. DEFERRED TAX ASSETS (LIABILITIES) AND INCOME TAX EXPENSE

Deferred tax assets (liabilities) as at December 31, consisted of:

	Consolidated		Separate		Unit : Baht
	financial statements 2023	financial statements 2022	financial statements 2023	financial statements 2022	
Deferred tax assets	4,789,742	4,137,469	4,458,280	3,049,789	
Deferred tax liabilities	<u>(19,065,101)</u>	<u>(21,599,058)</u>	<u>-</u>	<u>(507,002)</u>	
Deferred tax assets (liabilities) - net	<u>(14,275,359)</u>	<u>(17,461,589)</u>	<u>4,458,280</u>	<u>2,542,787</u>	

Movements of deferred tax assets (liabilities), were as follows:

For the year ended December 31, 2023

	Consolidated financial statements			Unit : Baht
	Balances as at January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2023
Deferred tax assets				
Allowance for diminution in value inventories	403,769	(205,125)	-	198,644
Lease liabilities	519,320	(134,871)	-	384,449
Non-current provision for employee benefit	3,154,454	846,161	206,034	4,206,649
Loss on exchange rate from translation of financial statements	59,926	(59,926)	-	-
	<u>4,137,469</u>	<u>446,239</u>	<u>206,034</u>	<u>4,789,742</u>
Deferred tax liabilities				
Gain from financial assets	(507,002)	-	463,327	(43,675)
Food supplement and cosmetic recipes	(21,092,056)	2,070,630	-	(19,021,426)
	<u>(21,599,058)</u>	<u>2,070,630</u>	<u>463,327</u>	<u>(19,065,101)</u>
Deferred tax assets (liabilities) - net	<u>(17,461,589)</u>	<u>2,516,869</u>	<u>669,361</u>	<u>(14,275,359)</u>

	Separate financial statements			Unit : Baht
	Balances as at January 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2023
Deferred tax assets				
Allowance for diminution in value inventories	403,769	(205,125)	-	198,644
Lease liabilities	519,321	(134,871)	-	384,450
Non-current provision for employee benefit	2,126,699	1,394,633	397,529	3,918,861
Gain from financial assets	(507,002)	-	463,327	(43,675)
Deferred tax assets - net	<u>2,542,787</u>	<u>1,054,637</u>	<u>860,856</u>	<u>4,458,280</u>

For the year ended December 31, 2022

	Consolidated financial statements			Unit : Baht
	Balances as at January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2022
Deferred tax assets				
Allowance for diminution in value inventories	161,269	242,500	-	403,769
Lease liabilities	489,778	29,542	-	519,320
Non-current provision for employee benefit	2,809,702	344,752	-	3,154,454
Loss on exchange rate from translation of financial statements	-	-	59,926	59,926
	<u>3,460,749</u>	<u>616,794</u>	<u>59,926</u>	<u>4,137,469</u>
Deferred tax liabilities				
Food supplement and cosmetic recipes	(23,162,685)	2,070,629	-	(21,092,056)
Gain from financial assets	-	-	(507,002)	(507,002)
	<u>(23,162,685)</u>	<u>2,070,629</u>	<u>(507,002)</u>	<u>(21,599,058)</u>
Deferred tax assets (liabilities) - net	<u>(19,701,936)</u>	<u>2,687,423</u>	<u>(447,076)</u>	<u>(17,461,589)</u>

	Separate financial statements			Unit : Baht
	Balances as at January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Balances as at December 31, 2022
Deferred tax assets				
Allowance for diminution in value inventories	161,269	242,500	-	403,769
Lease liabilities	489,779	29,542	-	519,321
Non-current provision for employee benefit	1,782,288	344,411	-	2,126,699
	<u>2,433,336</u>	<u>616,453</u>	<u>-</u>	<u>3,049,789</u>
Deferred tax liabilities				
Gain from financial assets	-	-	(507,002)	(507,002)
Deferred tax assets (liabilities) - net	<u>2,433,336</u>	<u>616,453</u>	<u>(507,002)</u>	<u>2,542,787</u>

Income tax expense for the years ended December 31, consisted of:

	Consolidated financial statements		Separate financial statements		Unit : Baht
	2023	2022	2023	2022	
Current income tax expense	30,823,480	51,431,782	26,100,492	46,885,658	
Deferred tax in respect of temporary differences	<u>(2,516,869)</u>	<u>(2,687,423)</u>	<u>(1,054,637)</u>	<u>(616,453)</u>	
Income tax expense	<u>28,306,611</u>	<u>48,744,359</u>	<u>25,045,855</u>	<u>46,269,205</u>	

The income tax expense for years ended December 31, can be reconciled to the accounting profit as follows:

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Profit before income tax expense	117,378,965	219,414,769	137,276,984	230,233,287
Corporate income tax rates	20%	0 - 20%	20%	20%
Income tax expense using applicable tax rate of 20%	23,475,793	43,882,954	27,455,397	46,046,658
Tax effect of non-deductible expense	3,628,370	907,979	1,060,005	1,597,547
Unused tax loss for the periods	1,202,448	3,953,426	-	-
Tax effect of income that are taxable income	-	-	(3,469,547)	(1,375,000)
Income tax expense	28,306,611	48,744,359	25,045,855	46,269,205
Effective tax rates	24%	22%	18%	20%

17. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of:

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Guarantee for lease agreement	4,111,175	4,111,175	4,111,175	4,111,175
Guarantee for electronic usage	363,585	363,585	163,585	163,585
Deposit for service agreement	7,500,000	-	7,500,000	-
Others	200,000	210,000	200,000	210,000
	<u>12,174,760</u>	<u>4,684,760</u>	<u>11,974,760</u>	<u>4,484,760</u>

18. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of:

	Note	Consolidated		Unit : Baht	
		financial statements		Separate	
		2023	2022	2023	2022
Trade payables - Related companies	4.2	-	-	8,700,716	17,241,456
Trade payables - Other companies		49,151,668	36,143,153	28,432,239	30,790,294
Other payables - Related companies	4.2	-	-	104,790	1,245,760
Other payables - Other companies		6,632,568	8,587,694	4,753,338	7,265,290
Unearned income		4,461,013	5,867,028	4,451,175	5,867,028
Accrued compensations					
for members		27,185,079	36,146,754	27,185,079	36,146,754
Accrued expenses		6,066,253	19,692,206	4,789,833	15,316,345
		<u>93,496,581</u>	<u>106,436,835</u>	<u>78,417,170</u>	<u>113,872,927</u>

19. CURRENT CONTRACT LIABILITIES

Current contract liabilities as at December 31, consisted of:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current contract liabilities	13,347,399	12,985,777	12,972,399	12,570,781

Current contract liabilities are advance received from customer. Revenue is recognized when control of the goods has been transferred to the customer.

The following table shows the revenue amounts recognized in the current reporting period related to the brought forward contract liabilities. There was no revenue recognized in the current reporting period that related to performance obligations that were satisfied in a prior year.

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current contract liabilities	12,610,777	12,259,720	12,570,781	12,221,773

20. LEASE LIABILITIES

Lease liabilities as at December 31, were as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Maturity analysis:				
Year 1	14,790,448	18,004,032	14,344,048	17,557,632
Year 2	9,545,213	12,823,533	9,098,813	12,377,134
Year 3	2,412,826	7,819,351	1,979,926	7,372,952
Year 4	416,000	1,189,120	121,700	756,220
Year 5	-	294,300	-	-
	27,164,487	40,130,336	25,544,487	38,063,938
<u>Less</u> Unearned interest	(1,763,747)	(3,060,822)	(1,593,283)	(2,790,861)
	25,400,740	37,069,514	23,951,204	35,273,077
<u>Less</u> Current portion	(13,596,469)	(16,216,219)	(13,227,915)	(15,869,318)
	11,804,271	20,853,295	10,723,289	19,403,759

The Group does not face a significant liquidity risk with regard to its lease liabilities.

21. NON-CURRENT PROVISION FOR EMPLOYEE BENEFITS

Non-current provision for employee benefits as at December 31, were as follows:

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Statement of financial position				
as at December 31,				
Obligations in statement of financial position:				
Post-employment benefits				
Retirement benefit plans	<u>21,092,661</u>	<u>17,383,126</u>	<u>19,629,548</u>	<u>10,633,501</u>
Statement of comprehensive income for				
the years ended December 31,				
<i>Recognized in profit or loss:</i>				
Post-employment benefits				
Retirement benefit plans	<u>3,836,102</u>	<u>3,314,968</u>	<u>2,523,086</u>	<u>1,722,054</u>
<i>Recognized in other comprehensive income</i>				
Post-employment benefits				
Retirement benefit plans	<u>(126,567)</u>	<u>-</u>	<u>1,987,648</u>	<u>-</u>
<i>Retirement benefit plans</i>				

The Group operates a retirement benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

Obligations in the statements of financial position as at December 31, were as follows:

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Present value of unfunded obligations	<u>21,092,661</u>	<u>17,383,126</u>	<u>19,629,548</u>	<u>10,633,501</u>
Obligations in the statements of				
financial position	<u>21,092,661</u>	<u>17,383,126</u>	<u>19,629,548</u>	<u>10,633,501</u>

Movements in the present value of the defined benefit obligations for the years ended December 31, are as follows:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
As at January 1,	17,383,126	14,068,158	10,633,501	8,911,447
<i>Recognized in profit or loss</i>				
Current service cost	3,507,857	3,139,400	2,232,136	1,615,098
Interest cost	328,245	175,568	290,950	106,956
	<u>3,836,102</u>	<u>3,314,968</u>	<u>2,523,086</u>	<u>1,722,054</u>
<i>Recognized in other comprehensive income</i>				
Actuarial (gains) losses				
- arising from experience adjustments	1,690,921	-	3,106,074	-
- arising from demographic assumptions	(1,030,880)	-	(859,709)	-
- arising from financial assumptions	(786,608)	-	(258,717)	-
	<u>(126,567)</u>	<u>-</u>	<u>1,987,648</u>	<u>-</u>
Transfer from a subsidiary	-	-	4,485,313	-
As at December 31,	<u>21,092,661</u>	<u>17,383,126</u>	<u>19,629,548</u>	<u>10,633,501</u>

The Company received the transfer of non-current provisions for employee benefits of Baht 4.49 million from a subsidiary because employees were transferred over the year ended December 31, 2023.

Such expense was recognized in profit or loss for the years ended December 31, were as follows:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cost of sales	108,854	1,704	-	-
Administrative expenses	<u>3,727,248</u>	<u>3,313,264</u>	<u>2,523,086</u>	<u>1,722,054</u>
	<u>3,836,102</u>	<u>3,314,968</u>	<u>2,523,086</u>	<u>1,722,054</u>

The principal actuarial assumptions used to calculate the provision for defined employee benefits as at December 31, were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
	(% p.a.)	(% p.a.)	(% p.a.)	(% p.a.)
Discount rate	1.82 - 3.23	1.20 - 2.60	1.82	1.20
Turnover rate	0.00 - 30.00	0.00 - 30.00	0.00 - 22.00	0.00 - 22.00
Future salary increasing rate	3.00	3.00	3.00	3.00

Significant actuarial assumptions for the determination of the defined benefit obligations are discount rate, turnover rate, and expected salary increase rate. The sensitivity analysis below has been 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 on the employee benefit obligations increased / (decreased) as at December 31, are as follows:

	Unit : Baht			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Discount rate - increase by 1%	(614,634)	(920,210)	(383,373)	(528,912)
Discount rate - decrease by 1%	715,116	1,084,187	426,277	613,632
Turnover rate - increase by 1%	(670,443)	(988,516)	(423,525)	(585,444)
Turnover rate - decrease by 1%	158,313	301,206	115,070	237,469
Future salary - increases by 1 %	814,051	1,497,523	521,933	845,293
Future salary - decreases by 1 %	(721,739)	(1,305,741)	(484,240)	(746,193)

The sensitivity analysis presented above might not be representative of the actual change in the defined employee benefit 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 benefit obligation 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.

22. SHARE CAPITAL AND WARRANTS

On June 27, 2023, the Extraordinary Shareholder's Meeting No. 1/2023 passed a resolution as follows:

- Approved the issuance and offering of warrants to purchase ordinary shares of the Company (SCM-W2) to the existing shareholders in proportion to their shareholding free of charge in the amount not exceeding 80.00 million units at the rate of 7.50 existing ordinary shares per 1 unit of warrant and the exercise price is 2.00 Baht per share which can be exercised to June 27, 2025.
- Approved to increase the Company's authorized share capital from Baht 400.00 million, to 447.80 million, by increasing 95.60 million shares with the par value of Baht 0.50 per share, totaling Baht 47.80 million to support the exercise of rights under the warrants to purchase such shares. The Company registered the increase in share capital with the Department of Business Development on June 28, 2023.

Details of warrants were as follows:

Project	Term (Years)	Grant date	Expired date	Number of issue warrant (Units)	Exercise ratio per 1 warrant	Exercise price (Baht per share)
SCM-W1	2	21 Jun 2022	21 Dec 2023	199,998,673	1	8.36
SCM-W2	2	29 Sep 2023	27 Jun 2025	79,998,768	1	2.00

Movements in warrants during the years ended December 31, were as follows:

	2023		2022	
	Number of warrants (Units)	Weighted-average exercise price (Baht per share)	Number of warrants (Units)	Weighted-average exercise price (Baht per share)
Balance as at January 1,	199,998,673	6.40	-	-
Granted warrants	79,998,768	5.08	199,998,673	6.40
Expired warrants	(199,998,668)	4.42	-	-
Exercised warrants	(4,061,863)	4.28	-	-
Balance as at December 31,	<u>75,936,910</u>	<u>4.35</u>	<u>199,998,673</u>	<u>6.40</u>

Warrants exercised during the year ended December 31, 2023 (2022 : Nil), were as follows:

Warrants series	Number of exercised (Unit)	Exercise date	Share price at exercise date (Baht per share)	Amount (Baht)	Premium on ordinary shares
Warrants granted on June 28, 2023	2,860,400	29 Sep 2023	5.08	5,720,800	4,290,600
Warrants granted on December 22, 2021	5	21 Dec 2023	4.43	42	39
Warrants granted on June 28, 2023	<u>1,201,458</u>	28 Dec 2023	3.32	<u>2,402,916</u>	<u>1,802,187</u>
	<u>4,061,863</u>			<u>8,123,758</u>	<u>6,092,826</u>

The Company registered the change in paid-up capital with the Ministry of Commerce on January 5, 2024.

Outstanding warrants as at December 31, 2023 and 2022 had weighted-average exercise price of Baht 4.35 and Baht 6.40, respectively and weighted-average remaining contractual life at 1.48 years and 0.96 years, respectively.

23. LEGAL RESERVE AND OTHER COMPONENTS OF SHAREHOLDERS' EQUITY

Legal reserve

Section 116 of the Public Limited Companies Act B.E. 2535 requires that a company shall allocate not less than 5% of its annual net profit less the accumulated losses brought forward, if any, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

As at December 31, 2023 and 2022, the Company's legal reserve equaled to Baht 34.05 million.

Other components of Shareholder's equity

Differences on translation of financial statements

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Gains (losses) on remeasurements of defined benefit plans

Gains (losses) on remeasurements of defined benefit plans comprise the actuarial gains and losses arising from defined benefit plans.

Gains (losses) on measuring financial assets

Gain (loss) on measuring financial assets comprise the gains and losses from measuring financial assets at fair value through other comprehensive income.

24. TREASURY SHARES AND TREASURY SHARES RESERVE

On November 8, 2023, the Board of Directors' Meeting No. 4/2023 passed a resolution approved the share repurchase of common shares for financial management purposes from November 15, 2023 to May 14, 2024, the amount of 8,800,000 shares, representing 1.46% of issued and paid-up shares, in the maximum of amount not exceeding Baht 30.00 million.

Period for the sale of treasury shares is within 3 months from the completion of the share repurchase but not more than 3 years. If not sold out within that time, the Company will write off the remaining treasury shares. However, the treasury shares held by the Company will not be counted as a quorum at the shareholders' meeting and will not have voting rights or the right to receive dividends.

As at December 31, 2023, the Company had 5,121,500 treasury shares of Baht 17.97 million. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. All shares repurchased have not yet been registered for capital reduction and are still held as treasury shares awaiting distribution.

The treasury stock reserve is an amount allocated from retained earnings in an amount equal to the cost of the Company's shares held by the Company. This reserve of treasury shares cannot be used for dividend distribution.

25. OTHER INCOME

Other income for the years ended December 31, consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Membership fee income	17,556,277	21,351,378	17,556,277	21,351,378
Trademark fee income	14,293,212	20,670,412	14,293,212	20,635,973
Souvenir sales income	5,820,601	8,030,517	5,820,601	8,030,517
Dividend income	-	-	16,500,000	6,875,000
Interest income	5,750,429	2,058,703	5,323,780	1,814,467
Other income	10,114,512	4,755,970	11,346,731	6,135,168
	<u>53,535,031</u>	<u>56,866,980</u>	<u>70,840,601</u>	<u>64,842,503</u>

The Company entered into agreements with overseas distributors for providing the right to use trademarks and management consulting services. The Company will receive service fees as specified in the agreements.

26. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Purchased goods available for sales	263,898,799	243,771,744	292,684,142	267,957,597
Depreciation	31,706,972	30,205,196	27,257,700	26,351,263
Amortization	17,786,507	16,652,196	6,190,425	5,346,251
Employee benefits expenses	3,836,102	3,314,968	2,523,086	1,722,054
Rental and service building expenses	1,559,378	1,549,431	1,126,903	1,206,201
Management fees	-	-	25,800,000	25,800,000
Personnel expenses	121,390,424	133,730,498	91,536,881	96,014,878
Compensations for members	331,885,160	384,813,780	331,885,160	384,813,780
Promotion expenses	75,449,360	79,896,416	75,449,360	79,896,416

27. FINANCE COST

Finance costs for the years ended December 31, were as follows:

	Consolidated		Unit : Baht	
	financial statements		Separate	
	2023	2022	2023	2022
Interest from lease liabilities	1,907,515	2,454,090	1,808,017	2,434,404
Other finance costs	389,434	374,941	389,434	374,941
	<u>2,296,949</u>	<u>2,829,031</u>	<u>2,197,451</u>	<u>2,809,345</u>

28. BASIC AND DILUTED EARNINGS PER SHARE

The earnings per share for the years ended December 31, were calculated by based on the profit for the years attributable to ordinary shareholders of the Group and the number of weighted ordinary shares held by shareholders during the years e as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Basic earnings per share				
Profit attributable to owners of the Company (Baht)	<u>86,164,669</u>	<u>167,402,910</u>	<u>112,231,129</u>	<u>183,964,082</u>
Weighted average number of ordinary shares (Thousand shares)	<u>600,721</u>	<u>600,000</u>	<u>600,721</u>	<u>600,000</u>
Basic earnings per share (Baht)	<u>0.14</u>	<u>0.28</u>	<u>0.19</u>	<u>0.31</u>
Diluted earnings per share				
Weighted average number of ordinary shares used in calculation of basic earnings per share (Thousand shares)	600,721	600,000	600,721	600,000
Effect of exercised warrants to purchase ordinary shares (Thousand shares)	<u>54,371</u>	<u>-</u>	<u>54,371</u>	<u>-</u>
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (Thousand shares)	<u>655,092</u>	<u>600,000</u>	<u>655,092</u>	<u>600,000</u>
Diluted earnings per share (Baht)	<u>0.13</u>	<u>0.28</u>	<u>0.17</u>	<u>0.31</u>

Diluted earnings per share occurred from warrants is described in Note 22.

The Group calculated the weighted average numbers of ordinary shares for the years ended December 31, as follows:

	Unit : Baht	
	Consolidated and separate	
	financial statements	
	2023	2022
Number of ordinary shares as at January 1, (Thousand shares)	600,000	600,000
<u>Add</u> Weighted average number of ordinary (Thousand shares)		
shares issued and paid-up during the year (Thousand shares)	1,003	-
<u>Less</u> Weighted average number of treasury shares during the year (Thousand shares)	(282)	
Weighted average number of ordinary shares for the years ended December 31,	<u>600,721</u>	<u>600,000</u>

29. FINANCIAL INFORMATION BY SEGMENT

Financial information by segments is presented in respect of the Group's business segments. The primary format in segment information report is based on the type of revenue. The management analysed and reviewed the internal management report which reported the performance of the Group as a whole in order to assess performance and allocate resources. The performance assessment of the reportable segment is based on a measure of revenue, cost, gross profit and profit before financial cost, income tax, depreciation and amortization. Operating segment information is presented as follows:

The Group comprises the following main business segments:

Segment 1	Multi-Level Marketing
Segment 2	Distributor Sales
Segment 3	Rendering Services
Segment 4	Providing hire-purchase services

Operating segment, based on business segments, in the consolidated financial statements for the years ended December 31, were as follows:

	Consolidated financial statements										
	2023					2022					
	Multi-level marketing	Distributor sales	Rendering services	Providing hire-purchase services	Elimination of inter- segment	Total	Multi-level marketing	Distributor sales	Rendering services	Elimination of inter- segment	Total
External revenue from sales and rendering services - recognized at a particular point	992,537,664	13,797,568	36,158,168	9,314,158	(122,326,620)	929,480,938	1,143,782,812	60,413,464	38,704,293	(119,205,843)	1,123,694,726
Cost of goods sold and cost of services	292,843,341	7,651,061	25,193,893	-	(108,779,356)	216,908,939	313,311,563	22,581,939	36,007,944	(115,370,404)	256,531,042
Gross profit by segments	<u>699,694,323</u>	<u>6,146,507</u>	<u>10,964,275</u>	<u>9,314,158</u>	<u>(13,547,264)</u>	<u>712,571,999</u>	<u>830,471,249</u>	<u>37,831,525</u>	<u>2,696,349</u>	<u>(3,835,439)</u>	<u>867,163,684</u>
Distribution costs	478,401,449	963,985	30,011,378	890,105	(9,580,850)	500,686,067	547,837,709	3,450,777	40,858,988	(9,982,860)	582,164,614
Total profit or loss before finance costs						119,675,914					222,243,800
Finance costs						2,296,949					2,829,031
Total profit or loss						117,378,965					219,414,769
Income tax expense						28,306,611					48,744,359
Net profit for the periods						<u>89,072,354</u>					<u>170,670,410</u>
As at December 31,											
Total assets for reportable segments	916,522,438	24,273,553	20,591,326	99,035,021	(172,832,348)	887,589,990	1,007,783,723	100,859,472	28,350,701	(152,387,916)	984,605,980
Total liabilities for reportable segments	173,183,775	236,154	3,277,360	17,074,922	(9,802,022)	183,970,189	209,774,919	-	10,603,450	(1,212,228)	219,166,141

Operating segments by geographical areas in the consolidated financial statements for the years ended December 31, were as follows:

Unit : Baht

	Consolidated financial statements							
	2023				2022			
	Country of domicile	Foreign country	Elimination of inter-segment	Total	Country of domicile	Foreign country	Elimination of inter-segment	Total
For the years ended December 31,								
Total revenue	1,034,945,654	16,861,904	(122,326,620)	929,480,938	1,177,880,226	65,020,343	(119,205,843)	1,123,694,726
As at December 31,								
Non-current assets ⁽¹⁾	298,561,329	-	-	298,561,329	327,019,945	-	-	327,019,945

⁽¹⁾ Non-current assets excluded financial asset, deferred tax assets and other non-current assets.

Geographic information

Revenue from external customers for the years ended December 31, is based on locations of the customers, were as follows:

	Unit : Baht	
	Consolidated and separate	
	financial statements	
	2023	2022
Thailand	912,619,034	1,058,674,384
Myanmar	870,000	36,147,303
Cambodia	1,157,716	16,036,583
Singapore	6,901,476	7,735,619
Malaysia	6,384,075	4,126,954
Laos	1,548,637	973,883
	<u>929,480,938</u>	<u>1,123,694,726</u>

Major customers' information

For the year ended December 31, 2023, the Group had revenue from 3 major customers in the amounts of Baht 79.09 million, Baht 68.30 million and Baht 68.15 million, arising from multi-level marketing and distributor sales.

For the year ended December 31, 2022, the Group had revenue from 3 major customers in the amounts of Baht 143.09 million, Baht 132.34 million and Baht 36.15 million, arising from multi-level marketing and distributor sales.

30. PROVIDENT FUND

The Group and its employee have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530 (1987), are deducted from their monthly salaries at 2 - 15 % of monthly salary, and the Group matches the individuals' contributions not over than 2% of monthly salary. The provident funds are registered with the Ministry of Finance as juristic entities and managed by a licensed Fund Manager and will be paid to the employee when that employee retires in accordance with the Group's fund rules.

For the years ended December 31, 2023 and 2022, the Group's contributions were recognized as expenses in the consolidated financial statements in amounting to Baht 2.61 million and Baht 1.92 million, respectively, and the Company's contributions were recognized as expenses in the separate financial statements in amounting to Baht 2.14 million and Baht 1.19 million, respectively.

31. DIVIDENDS PAID

The annual general shareholders' meeting and board of director's meeting of the Company has passed a resolution to approve the declarations of dividend, are as follows:

For the year ended December 31, 2023

Company	Date of meeting	Appropriation of net profit	Baht per share	Amount (Baht)	Payment date	Legal reserve (Baht)
Successmore Being Public	23 Feb 23	2022	0.11	65,999,780	22 May 23	-
Company Limited	7 Aug 23	2023	0.10	59,999,800	5 Sep 23	-
				<u>125,999,580</u>		<u>-</u>

For the year ended December 31, 2022

Company	Date of meeting	Appropriation of net profit	Baht per share	Amount (Baht)	Payment date	Legal reserve (Baht)
Successmore Being Public Company Limited	26 Apr 22	2021	0.17	101,979,311	25 May 22	10,150,000
	08 Aug 22	2022	0.15	89,999,700	5 Sep 22	-
				<u>191,979,011</u>		<u>10,150,000</u>

The annual general shareholders' meeting of the subsidiary has passed a resolution to approve the declarations of dividends as follows:

For the year ended December 31, 2023

Company	Date of meeting	Appropriation of net profit	Baht per share	Dividend paid to		Amount (Baht)	Payment date	Legal reserve (Baht)
				Owners of parent	Non-controlling interests			
SCM Innovative Co., Ltd.	26 Apr 23	2022	3.00	16,500,000	13,500,000	<u>30,000,000</u>	11 May 23	<u>1,000,000</u>

For the year ended December 31, 2022

Company	Date of meeting	Appropriation of net profit	Baht per share	Dividend paid to		Amount (Baht)	Payment date	Legal reserve (Baht)
				Owners of parent	Non-controlling interests			
SCM Innovative Co., Ltd.	25 Apr 22	2021	1.25	6,875,000	5,625,000	<u>12,500,000</u>	24 May 22	<u>1,250,000</u>

32. FINANCIAL INSTRUMENTS

32.1 Credit risk management

Credit risk refers to the risk that counterparty default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. The Group believes that there is no credit risk with respect to concentrations as the Group has a number of customers and most of sales are cash sales.

In case of recognized financial assets in the statement of financial position, the carrying amount of the assets net of a portion of allowance for expected credit losses, represents the maximum exposure to credit risk.

32.2 Interest rate risk management

Interest rate risk arises from the potential change in interest rates having an adverse effect on the Group's operations in the current year and in future years. The Group expects that there is no effect from changes in interest rates to the Group's operations as borrowings are short-term borrowings.

32.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows.

32.4 Capital management

The Group's objective in managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Group's management have directed many strategies to support the effective operations, having good performance and strong financial position, including managing and retaining appropriate cost of capital.

33. DETERMINATION OF FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Since the majority of the Group's and the Company's financial instruments are short-term in nature or will be due within a short period and carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position as at December 31, as follows:

					Unit : Baht
Consolidated financial statements					
		2023	2022		
	Carrying amount	Fair value	Carrying amount	Fair value	Fair value hierarchy
As at December 31,					
Financial assets					
Cash and cash equivalents	226,024,771	226,024,771	251,834,657	251,834,657	Level 3
Trade and other current receivables	144,028,062	144,028,062	185,741,727	185,741,727	Level 3
Hire-purchase receivable					
(including current portion)	82,497,512	85,436,192	79,320,521	79,320,521	Level 3
Short-term loan to a company	15,000,000	15,000,000	-	-	Level 3
Other current financial asset	29,890,261	30,738,000	-	-	Level 2
Other non-current financial asset	20,013,990	20,232,367	125,168,088	127,703,097	Level 2
Financial liabilities					
Trade and other current payables	93,496,581	93,496,581	106,436,835	106,436,835	Level 3
Current contract liabilities	13,347,399	13,347,399	12,985,777	12,985,777	Level 3
Lease liabilities (including current portion)	25,400,740	25,400,740	37,069,514	37,069,514	Level 3

					Unit : Baht
Separate financial statements					
		2023	2022		
	Carrying amount	Fair value	Carrying amount	Fair value	Fair value hierarchy
As at December 31,					
Financial assets					
Cash and cash equivalents	129,867,601	129,867,601	161,731,334	161,731,334	Level 3
Trade and other current receivables	140,989,074	140,989,074	179,367,944	179,367,944	Level 3
Short-term loan to a company	10,000,000	10,000,000	-	-	Level 3
Other current financial asset	29,890,261	30,738,000	-	-	Level 2
Other non-current financial asset	20,013,990	20,232,367	125,168,088	127,703,097	Level 2
Long-term loan to a related company					
(including current portion)	15,000,000	15,000,000	-	-	Level 3
Financial liabilities					
Trade payables	78,417,179	78,417,179	113,872,927	113,872,927	Level 3
Current contract liabilities	12,972,399	12,972,399	12,570,781	12,570,781	Level 3
Lease liabilities (including current portion)	23,951,204	23,951,204	35,273,077	35,273,077	Level 3

34. COMMITMENTS AND UNUSED CREDIT FACILITIES

- 34.1 The Company has commitments under long-term agreements for services and management service for a period of 2 - 3 years.

As at December 31, the minimum future payments are summarized as follows:

Remaining period	Unit : Baht			
	Consolidated		Separate	
	Financial Statements		Financial Statements	
	2023	2022	2023	2022
Less than one year	967,532	1,236,201	607,532	936,201
Over one year and within five years	87,360	950,308	87,360	950,308

For the years ended December 31, 2023 and 2022, the Group recorded expense according to the non-cancellable operating lease and service agreements in the consolidated statements of comprehensive income of Baht 1.29 million and Baht 1.44 million, respectively. The Company recorded expense according to the non-cancellable operating lease and service agreements in the separate statements of comprehensive income of Baht 0.93 million and Baht 1.17 million, respectively.

- 34.2 As at December 31, 2023 and 2022 the Company is granted credit facilities from a local financial institution which consisted of bank overdrafts, letters of credit and forward contracts. The unused credit facilities are as follows:

	Unit : Baht	
	Consolidated and separate	
	financial statements	
	2023	2022
Bank overdraft limits*	5,000,000	5,000,000
Letters of credit	40,000,000	40,000,000
Forward contracts	100,000,000	100,000,000
	<u>145,000,000</u>	<u>145,000,000</u>

* The company uses a fixed deposit account as collateral. (see Note 11).

35. EVENTS AFTER THE REPORTING PERIOD

- 35.1 On January 25, 2024, the Company has established Healthi More Co., Ltd. (a subsidiary) with the objective of selling food supplements, health care product, and consumption goods.
- 35.2 On February 22, 2024, the Board of Directors' Meeting No.1/2024 passed the resolutions to pay the dividends for the year ended December 31, 2023 to ordinary shareholders at Baht 0.05 per share, totaling Baht 29.95 million. However, the Company has fully appropriation of the legal reserve. Such dividend will be paid on May 23, 2024.

36. RECLASSIFICATION

A reclassification has been made in the financial statements for the year ended December 31, 2022, to conform to the classification used in current period's financial statements. Such reclassification has no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassification is as follows:

Transaction	Previous presentation	Current presentation	Consolidated financial statements (Baht)	Separated financial statements (Baht)
Advance received from customers	Trade and other current payables	Contract liabilities - current	12,985,777	12,570,781

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were authorized for issuance by the Board of Directors of the Company on February 22, 2024.

Details of committees, executives, and assigned people for the most responsibility in the financial and accounting work field

People who are directly assigned to control and supervise accounting work, and the company secretary

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
1. Mr. Narongrit Tavornvisitporn Position: <ul style="list-style-type: none"> ● Chairman of the Board ● Chairman of Corporate Governance and Sustainability Committee ● Independent Director ● Audit Committee Appointment Date: February 20, 2019	70	<ul style="list-style-type: none"> ● Master of Business Administration, Thammasat University ● Bachelor of Engineering (Electrical Engineering) Chulalongkorn University. Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none"> ● Directors Certification Program (DCP 166/2012) ● Director Leadership Certification Program (DLCP 3/2021) ● Advanced Audit Committee Program (AACP 49/2023) 	N/A	N/A	Position in 2 other listed companies		
					2016 - Present	Chairman Independent Director Audit Committee	CAZ (Thailand) Public Co., Ltd.
					2015 - Present	Independent Director Chairman of Audit Committee	Dexon Technology Public Company Limited
					Position in the related company – N/A		
					Position in other non-listed company – N/A		

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
2. Dr. Sitthawee Kriatchawanun Position: <ul style="list-style-type: none"> • Vice Chairman • Chairman of the Executive Committee • Corporate Governance and Sustainability Committee • Authorized Director Appointment Date: February 20, 2019	58	<ul style="list-style-type: none"> • Doctor of Medicine, Faculty of Siriraj Hospital, Mahidol University • Diploma in Otolaryngologist, Faculty of Medicine Siriraj Hospital, Mahidol University Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none"> • Directors Certification Program (DCP 264/2018) Other Courses: <ul style="list-style-type: none"> • Hospital Management for Executive Officer, Faculty of Public Health, Mahidol University • School of Anti-Aging and Regenerative Medicine, MFU 	34.87	Spouse of Ms. Kamonthip Kriatchawanun	Position in other registered company – N/A		
					Position in 4 related companies		
					2020 - Present	Director	SCM Innovative Co., Ltd.
					2018 - Present	Director Managing Director	SCM Spirit (Myanmar) Co., Ltd.
					2017 - Present	Director Chief Executive Officer	Success Spirit Co., Ltd.
					2015 - Present	Director Chief Executive Officer	Chadhai Leasing Co., Ltd.
					Position in other non-listed company – N/A		

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
3. Mr. Noppakrit Nithilertvijit Position: <ul style="list-style-type: none">● Vice Chairman● Vice Chairman of the Executive Committee● Chief Executive Officer● Chairman of Risk Management Committee● Nomination and Remuneration Committee● Corporate Governance and Sustainability Committee● Authorization Director Appointment Date: February 20, 2019 ● Chief Technology Officer (Acting) ● Chief International Business Officer (Acting) Appointment Date: September 14, 2021	59	<ul style="list-style-type: none">● Master of Business Administration, Major in Financial Management, National Institute of Development Administration	22.95	N/A	Position in other listed company – N/A		
		Position in 4 related companies					
		2020 - Present			Director Chief Executive Officer	SCM Innovative Co., Ltd.	
		2018 - Present			Director	SCM Spirit (Myanmar) Co., Ltd.	
		2017 - Present			Director	Success Spirit Co., Ltd.	
		2015 - Present			Director	Chadhai Leasing Co., Ltd.	
		Positioning in 2 other non-registered companies					
		2020 - Present			Director	Real Magic Co., Ltd.	
		2018 - Present			Director	Champ Wealthiness Laundry Co., Ltd.	
		Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none">● Directors Certification Program (DCP 264/2018)● Risk Management Program for Corporate Leaders (RCL 32/2023)					

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
4. Assoc. Prof. Kanyarat Sanoran, Ph.D. Position : <ul style="list-style-type: none"> • Independent Director • Chairman of Audit Committee • Nomination and Remuneration Committee • Risk Management Committee • Corporate Governance and Sustainability Committee Appointment Date: February 20, 2019	43	<ul style="list-style-type: none"> • Doctor of Philosophy (Ph.D.) in Accounting, The University of New South Wales, Australia • Master of Business Administration (MBA), Major in Finance, Thammasat University • Bachelor of Accountancy (First Class Honors), Major in Accounting Information System, Chulalongkorn University • Certified Practising Accountant (CPA), CPA Australia • Certified Public Accountant (CPA), Thailand Federation of Accounting Professions (TFAC) Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none"> • Directors Accreditation Program (DAP 123/2016) 	0.04	N/A	Position in other listed companies – N/A		
					Position in the related company – N/A		
					Positioning in 1 other non-registered companies		
					2022 - Present	Director	Audit and Knowledge Support Co., Ltd.
					Other position – 1 position		
					2008 - Present	Professor, Chulalongkorn Business School, Chulalongkorn University	Chulalongkorn University

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
5. Mr. Sahasak Srisarnparnk Position : <ul style="list-style-type: none"> • Independent Director • Chairman of Nomination and Remuneration Committee • Audit Committee • Corporate Governance and Sustainability Committee Appointment Date: February 20, 2019	61	<ul style="list-style-type: none"> • Master of International Law Study, Golden Gate University, USA • Bachelor of law, Thammasat University Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none"> • Directors Accreditation Program (DAP 156/2019) Other courses : <ul style="list-style-type: none"> • Diploma in International Business, California State University, Los Angeles, USA • Diploma in Business Law, California State University, Los Angeles, USA 	N/A	N/A	Position in other listed company – N/A		
					Position in the related company – N/A		
					Position in 4 other non-listed companies		
					2023 - Present	Director	Salo Solar (Thailand) Co., Ltd.
					2020 - Present	Consultant	Finnolar (Thailand) Co., Ltd.
					2019 - Present	Consultant	Technopia Co., Ltd.
					2017 - Present	Consultant	SSP Law Center Co., Ltd.

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
6. Dr.Wijit Techakasem Position : <ul style="list-style-type: none"> • Independent Director • Risk Management Committee • Corporate Governance and Sustainability Committee Appointment Date: February 20, 2019	60	<ul style="list-style-type: none"> • Doctor of Philosophy in Organization Development Administration at Cebu Doctors University, Philippines • Master of Business Administration (MBA), Oklahoma City University, USA. • Bachelor of Economics, Thammasat University Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none"> • Directors Certification Program (DCP 32/2003) 	N/A	N/A	Position in 2 other listed companies		
					2015 - Present	Director	KT Medical Service Public Company Limited
					1995 - Present	Director Chairman of Board Executive Directors Managing Director	Filter Vision Public Company Limited
					Position in the related company – N/A		
					Position in 4 other non-listed companies		
					2022 - Present	Director	Nephro Vision Co., Ltd.
					2017 - Present	Director Managing Director	Hi Healthcare Center Co., Ltd.
					2015 - Present	Director	Medical Vision Co., Ltd.
					1991 - Present	Director	Irving Corporation Co., Ltd.

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
7. Ms. Kamonthip Kriatchawanun Position: <ul style="list-style-type: none"> • Director • Corporate Governance and Sustainability Committee Appointment Date: February 20, 2019	56	<ul style="list-style-type: none"> • Bachelor of Business Administration, Major in Marketing, Bangkok University Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none"> • Directors Accreditation Program (DAP 150/2018) 	Spouse 34.87	Spouse of Dr. Sitthawee Kriatchawanun	Position in other registered company – N/A		
					Position in the related company – N/A		
					Position in other non-registered company – N/A		

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
8. Mr. Nitchakul Kongphawitthakul Position: <ul style="list-style-type: none"> Executive Committee Appointment Date: November 12, 2020 <ul style="list-style-type: none"> Chief Marketing Officer (Acting) Appointment Date: November 1, 2023 <ul style="list-style-type: none"> Chief People & Governance Officer Appointment Date: June 1, 2021- October 31,2023 <ul style="list-style-type: none"> Chief Operating Officer Appointment Date: October 1, 2019 –May 31, 2021 <ul style="list-style-type: none"> Chief International Business Officer Appointment Date: February 23, 2016 – September 30, 2019	43	<ul style="list-style-type: none"> Master of Science in Marketing Management, The Manchester Metropolitan University, England Bachelor of Business Administration, Assumption University Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none"> Company Secretary Program (CSP 104/2019) 	0.04	N/A	Position in other listed company – N/A		
					Position in the related company – N/A		
					Position in other non-listed company – N/A		

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
9. Mr. Suchart Thanathitiphan Position: <ul style="list-style-type: none"> Chief Financial Officer (CFO) Appointment Date: March 1, 2022	43	<ul style="list-style-type: none"> Master of Economics, Chiangmai University Bachelor of Economics, Chiangmai University Other courses: <ul style="list-style-type: none"> CFO Orientation for New IPOs, Organized by The Stock Exchange of Thailand 12 hours Continuously develop knowledge in Accounting: <ul style="list-style-type: none"> Risk Management for CFOs, 2 hours Fintech: Financial Technology, 2 hours Green Assets: Opportunities for Sustainable Development, 2 hours RPA (Robotic Process Automation) in finance, 2 hours What is the future of the CFO role?, 2 hours Guidelines for issuing and offering debt instruments for environmental conservation, 2 hours 	0.03	N/A	Position in other listed company – N/A		
					Position in 1 related company		
					2022 - Present	Executive Committee	Chadhai Leasing Co., Ltd.
					Position in other non-listed company – N/A		

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
10. Ms. Sangsupavee Sompisonpavee Position : <ul style="list-style-type: none"> Chief Operating Officer (Acting) Appointment Date: May 1, 2022 <ul style="list-style-type: none"> Senior Accounting Manager Appointment Date: December 1,2017	40	<ul style="list-style-type: none"> Bachelor of Business Administration, Major in Accounting, Rajamagala University of Technology Krungthep Other courses: <ul style="list-style-type: none"> Orientation Course - CFO Focus on Financial Reporting Class 1/2018 Federation of Accounting Professions under the Royal Patronage together with the Office of the Securities and Exchange Commission Continuously develop knowledge in Accounting: <ul style="list-style-type: none"> Tax Burden and Tax Planning of hire purchase business leasing, installment sale and legal changes in contracting, 6 hours Productivity Tools, for management accounting work under economic uncertainty, 6 hours Budgeting for Performance Control, proactive budgeting to control operations, 6 hours 	0.01	N/A	Position in other listed company – N/A		
					Position in the related company – N/A		
					Position in other non-listed company – N/A		

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
11. Mrs. Tharika Thannakornwat Position: <ul style="list-style-type: none"> Chief Investor Relations Officer (Acting) Appointment Date: September 1, 2023 <ul style="list-style-type: none"> Senior Investor Relations Manager Appointment Date: August 24, 2020 <ul style="list-style-type: none"> Secretary of the Executive Committee Appointment Date: September 9, 2020 <ul style="list-style-type: none"> Company Secretary <ul style="list-style-type: none"> Secretary of the Audit Committee Appointment Date: November 12, 2020 <ul style="list-style-type: none"> Secretary of the Nomination and Remuneration Committee Appointment Date: February 26, 2021 <ul style="list-style-type: none"> Secretary of the Risk Management Committee Appointment Date: August 11, 2021	53	<ul style="list-style-type: none"> Bachelor of Accountancy, Bangkok University Director Training by Thai Institute of Directors (IOD): <ul style="list-style-type: none"> Company Secretary Program (CSP 7/2004) 	0.05	N/A	Position in other listed company – N/A		
					Position in the related company – N/A		
					Position in other non-listed company – N/A		
					Experience in the company's secretary position 2014 - August 2020: Company Secretary of Capital Engineering Network Public Co., Ltd. and 2 subsidiary companies in the Stock Exchange of Thailand and affiliated companies		

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
12. Ms. Channutcha Kaewsuphahirun Position: • Financial Manager Appointment Date: July 18, 2019	40	• Bachelor of Business Economics, Sripatum University	N/A	N/A	Position in other listed company – N/A		
					Position in the related company – N/A		
					Position in other non-listed company – N/A		

Remarks:

1. Directors: in 1st- 7th order and authorization directors: in the 2nd- 3rd order
2. Executive: in 2nd- 3rd order and 8th - 12th order
3. Chief financial officer (CFO): in 9th order and accounting supervisor: in the 10th order and financial supervisor: in the 12th order
4. Secretary: in the 11th order
5. Executive board of directors and secretary, the total amount of 12 people
 - without legal dispute in the last 5 years
 - without a record of criminal dishonestly offenses related to property in the last 5 years
 - without a record of making a transaction that may cause a conflict of interest with the company in the last 5 years

Details of Directors, Executives, and Authority People Holding a position in the Subsidiary Companies

Company		SCM	Subsidiaries			
Directors and executives			SPT	CHL	SPM	SMI
1. Mr. Narongrit	Tavornvisitporn	❶ ❸ B C	-	-	-	-
2. Dr. Sitthawee	Kriatchawanun	❷ ❺ H	❹ A	❹ A	A G	❶
3. Mr. Noppakrit	Nithilertvijit	❷ ❻ ❼ ❹ D H	A	A	A	❹ A
4. Asst. Prof. Dr. Kanyarat	Sanoran	❸ B D F H	-	-	-	-
5. Mr. Sahasak	Srisarnparnk	❹ B C H	-	-	-	-
6. Dr. Wijit	Techakasem	B F H	-	-	-	-
7. Ms. Kamonthip	Kriatchawanun	A H	-	-	-	-
8. Mr. Nitchakul	Kongphawitthakul	E ❄	-	-	-	-

Company		SCM	Subsidiaries			
Directors and executives			SPT	CHL	SPM	SMI
9. Mr. Suchart	Thanathitiphan	⚙	-	E	-	-
10. Ms. Sangsupavee	Sompisonpavee	✳	-	-	-	-
11. Mrs. Tharika	Thannakornwat	☆	-	-	-	-
12. Ms. Channutcha	Kaewsuphahirun	◎	-	-	-	-

Remarks: Company

SCM = Successmore Being Public Company Limited

SPT = Success Spirit Co., Ltd.

CHL = Chadhai Leasing Co., Ltd.

SPM = SCM Spirit (Myanmar) Co., Ltd.

SMI = SCM Innovative Co., Ltd.

Remarks: Positions

❶ = Chairman of the Board of Directors

❷ = Vice Chairman of the Board of Directors

❸ = Chairman of Audit committee

❹ = Chairman of Nomination and Remuneration Committee

❺ = Chairman of the Executive Committee

❻ = Vice Chairman of the Executive Committee

❼ = Chairman of Risk Management Committee

❽ = Chairman of Corporate Governance and Sustainability Committee

❾ = Chief Executive Officer

A = Director

B = Independent Director

C = Audit Committee

D = Nomination and Remuneration Committee

E = Executive Committee

F = Risk Management Committee

G = Managing Director

H = Corporate Governance and Sustainability Committee

⚙ = Chief Marketing Officer (Acting)

⚙ = Chief Financial Officer (CFO)

✱ = Chief Operating Officer (Acting) and Senior Accounting Manager and Accounting Supervisor

☆ = Chief Investor Relations Officer (Acting) and Senior Investor Relations Manager

◎ = Financial Manager

Details of the Directors of the Subsidiary Companies

Directors of the subsidiary companies		Success Spirit Co., Ltd.	Chadhai Leasing Co., Ltd.	SCM Spirit (Myanmar) Co., Ltd.	SCM Innovative Co., Ltd.
1. Dr. Sitthawee Kriatchawanun		③ ⑤	③ ⑤	④ ⑤	①
2. Mr. Noppakrit Nithilertvijit		⑤	⑤	⑤	③ ⑤
3. Mr. Krittapon Teerachinkun		-	-	-	②
4. Mr. Pramuk Wongthanakiat		-	-	⑤	-

Remarks: Positions

- ① = Chairman of the Board of Directors
- ② = Vice Chairman of the Board of Directors
- ③ = Chief Executive Officer
- ④ = Managing Director
- ⑤ = Director

Details of internal audit supervisor and head of operation supervision of the company (Compliance)

Name-surname/position	Age (Year)	Educational qualifications	proportion hold shares in the company (percent)	Relationship family between Director/Executive	Experience		
					Term	Position	Company
Mr. Sirisak Manitkunakarn Position: Chief Audit Executive	48	<ul style="list-style-type: none"> Master's degree, Business Administration, Faculty of Graduate Studies Payap University, Chiang Mai Bachelor's degree in Accounting, Faculty of Accounting Finance and Banking Certificate Certified Internal Auditor (CIA) <ul style="list-style-type: none"> Certification in Risk Management Assurance (CRMA) Certified Professional Internal Audit of Thailand (CPIAT) Training course : <ul style="list-style-type: none"> Director Accreditation Program (DAP) #184/2021 Thai Institute of Directors Association (IOD) 	-None-	-None-	2018-Present	President	ISBAR CORPORATION COMPANY LIMITED
					2022-Present	Audit Committee	MUKDAHAN INTERNATIONAL HOSPITAL CO., LTD
					2021-Present	Audit Committee	HINSITSU (THAILAND) PUBLIC COMPANY LIMITED
					Term of Period 2022 -2023	Central Committee	The Institute of Internal Auditors of Thailand
					2011 - 2018	Assistant Vice President	KRUNG THAI BANK PUBLIC COMPANY LIMITED
					2011	Internal Audit Officer Level 5	Tobacco Authority of Thailand
					2010	Assistant Internal Audit Manager	RITA Company Limited
					2007-2010	Head of Internal Audit	The Thai Red Cross Society
					2004-2007	Internal Audit Manager	Chaipattana Transport Chiangmai Co., Ltd.
					1998-2004	Internal Audit Officer	Internal Audit Office Chiang Mai University

Chief of corporate governance work of the company

Chief of corporate governance work of the company has the responsibility to be the center of supervision of the company's and group's business operations legally by follow the rules of related official agency, and work with the secretary to have the responsibility to supervise the company's operations following good corporate governance principles, regulations, policies and related laws, such as Securities and Exchange Act, The Securities and Exchange Commission's notices, Public Companies Limited Act (B.E. 2535), etc., advise the board of directors and executives when it comes to compliance with rules and follows up for them to act properly, also follow up for new rules relate to the company.

Name/Position	Age (years old)	Educational Degree	Proportion of Shareholdings (Percent)	Family Relationship between any directors/executives	Experience(s)		
					Duration	Position	Company
Mr. Amarin Sutat Na Ayutthaya Position: <ul style="list-style-type: none"> Assistant Manager of Corporate Governance Department Appointment Date: January 1, 2017	31	<ul style="list-style-type: none"> Bachelor of Law, University of the Thai Chamber of Commerce Studying in Master of law, Major in Business Law, Thammasat University Studying in the Thai Barrister Level Training courses: <ul style="list-style-type: none"> Lawyer license 45th generation A course of certifying the signature and the documents, 26th generation, Lawyers Council 	N/A	N/A	2017 - Present	Manager Assistant of Corporate Governance Department	Successmore Being Public Co., Ltd.
					2015 - 2016	Legal Officer	Successmore Being Co., Ltd.

Assets used in business operations and details about the property appraisal list






1. Assets used in business operations on 31 December 2023 listed as follows

List	Company	Net value (In million Baht)	Proprietary	Obligation
(1) Main Fixed Assets				
- Land	SCM	1.37	Owner	No obligation
	SMI	5.72	Owner	No obligation
Total		7.09		
- Buildings	SCM	2.86	Owner	No obligation
	SMI	33.30	Owner	No obligation
Total		36.16		
- Leaselohd Improvements	SCM	7.82	Owner	No obligation
	CHL	0.26	Owner	No obligation
	SMI	0.23	Owner	No obligation
Total		8.31		
- Tools	SCM	1.34	Owner	No obligation
	CHL	-	Owner	No obligation
	SPT	0.01	Owner	No obligation
	SMI	6.75	Owner	No obligation
Total		8.10		
- Decorations and Office Equipment	SCM	3.41	Owner	No obligation
	CHL	0.26	Owner	No obligation
	SPT	0.04	Owner	No obligation
	SMI	0.22	Owner	No obligation
Total		3.93		
- Computers	SCM	2.34	Owner	No obligation
	CHL	0.17	Owner	No obligation
	SPT	0.74	Owner	No obligation
	SMI	0.04	Owner	No obligation
Total		3.29		
- Vehicles	SCM	14.61	Owner	No obligation
Total		14.61		
Total Main Fixed Assets		81.49		
(2) Intangible assets				
- Computer Softwares	SCM	20.29	Owner	No obligation
	CHL	1.89	Owner	No obligation
	SPT	0.86	Owner	No obligation
Total		23.04		









List	Company	Net value (In million Baht)	Proprietary	Obligation
- Computer Softwares under Installation	SCM	0.53	Owner	No obligation
	CHL	-	Owner	No obligation
Total		0.53		
- Business Buying	SCM	95.11	Owner	No obligation
Total		95.11		
- Goodwill	SCM	1.07	Owner	No obligation
Total		1.07		
Total Intangible Assets		119.75		

(3) Trademark

The company registered its trademark with the Department of Intellectual Property, Ministry of Commerce with details as follows




Trademarks	Images	Product type	No. of register	Date of registration	Expiry date of register
1. ORYSAMIN		Supplement Product	181104678	2 nd September 2016	1 st September 2026
2. EASE		Shower Cream Product	171135644	27 th August 2014	26 th August 2024
3. FN FAIRNEZZ		Cosmetic Product	171121516	28 th December 2015	27 th December 2025
4. NUTRINAL SQUARE		Supplement Product	171121513	28 th December 2015	27 th December 2025
5. BODY CHEER		Personal Care Product	๑410686	18 th July 2023	17 th July 2033
6. NUTRIGA		Supplement Product	๑406730	27 th August 2014	26 th August 2024
7. PHYTOVY		Supplement Product	๑404837	27 th August 2014	26 th August 2024
8. NUTRINAL		Supplement Product	๑404828	18 th July 2023	17 th July 2033
9. DEWY		Body Skin Care Product	๑404846	27 th August 2014	26 th August 2024
10. NUTRINAL COFFEE		Coffee Product	๑404827	18 th July 2023	17 th July 2033
11. ULTIMATCH		Deodorant Product	๑404835	18 th July 2023	17 th July 2033
12. S VERA		Supplement Product	๑404836	27 th August 2014	26 th August 2024

	Trademarks	Images	Product type	No. of register	Date of registration	Expiry date of register
13.	S VERA		Body Skin Care Product	161105551	27 th August 2014	26 th August 2024
14.	SUCCESSMORE Inspiration for your Being		Supplement Product	๓398153	18 th July 2023	17 th July 2033
15.	SUCCESSMORE Inspiration for your Being		Coffee Product	๓398154	18 th July 2023	17 th July 2033
16.	FILLYMOR		Supplement Product	๓393926	18 th July 2023	17 th July 2033
17.	COVERMOR		Supplement Product	๓393958	18 th July 2023	17 th July 2033
18.	MORES		Supplement Product	๓393879	18 th July 2023	17 th July 2033
19.	FALITY		Body Wash Product	191106969	8 th December 2017	8 th December 2027
20.	ALKAMAG		Mineral Water Purifier Products	180135687	24 th October 2018	23 rd October 2028
21.	ANADRA		Skin Care Product	201109577	24 th October 2018	23 rd October 2028
22.	BENFITE' Total care mount wash		Personal Care Product	201110580	24 th October 2018	23 rd October 2028
23.	BENFITE' Mouth spray		Personal Care Product	201110537	24 th October 2018	23 rd October 2028
24.	FIZZY		Skin Care Product	201109560	24 th October 2018	23 rd October 2028
25.	GIENA		Body Wash Product	201109586	24 th October 2018	23 rd October 2028
26.	Successmore (For Radiwise products)		Radiation Protection Tool Product	201110545	24 th October 2018	23 rd October 2028
27.	PROTRI PRO		Supplement Product	200105140	12 th February 2020	11 th February 2030

Trademarks		Images	Product type	No. of register	Date of registration	Expiry date of register
28.	DEER		Supplement Product	200105141	12 th February 2020	11 th February 2030
29.	FLOW		Supplement Product	200105142	12 th February 2020	11 th February 2030
30.	PHYTOVY LIV		Supplement Product	200105144	12 th February 2020	11 th February 2030
31.	MARINA		Supplement Product	200105145	12 th February 2020	11 th February 2030
32.	MULTI POTENTIAL		Service Trademark	200122841	22 nd June 2020	21 st June 2030
33.	PHYTAPLEX		Supplement Product	221120733	28 th January 2020	27 th January 2030
34.	VISTAPLEX		Supplement Product	221120774	28 th January 2020	27 th January 2030
35.	COLLAVY		Supplement Product	211123299	12 th February 2020	11 th February 2030

The Company is in the process of submitting a trademark registration application for other products and is in the process of filing with the Department of Intellectual Property and is under discussion within the company. Details of trademarks of products that are in the process of registration with the Department of Intellectual Property are as follows:

Trademarks		Images	Product type	No. of register	Date of registration	Status of request
1.	ALL PRO		Supplement Product	180136428	30 th October 2018	Pending
2.	SOD MORE		Supplement Product	180136429	30 th October 2018	Pending
3.	SUCCESSMORE Inspiration for your Being		Service Trademark	180117800	11 th June 2018	Pending
4.	RIGHT		Supplement Product	200103381	28 th January 2020	Pending

Trademarks		Images	Product type	No. of register	Date of registration	Status of request
5.	SUCCESSMORE LEADERSHIP ACADEMY		Service/ Academic Seminar Trademark	200103382	28 th January 2020	Pending
6.	S MONE'		Cosmetic Product	200103377	28 th January 2020	Pending
7.	SiTEMS		Supplement Product	200103379	28 th January 2020	Pending

2. Investment policy in the subsidiary and associated companies

At the Extraordinary General Meeting of Shareholders No. 2/2019, held on February 20, 2019, the company was approved to prepare investment and management policies in subsidiaries and associated companies by investing in related businesses that will benefit and support the company's business operations to strengthen stability and operation results of the company. In this regard, the company, its subsidiaries and associated companies may consider investing in other businesses if it is a business that has potential for growth or can be further expanded or be beneficial to the business of the company, which can generate good return on investment. They will consider the feasibility of investments and considering the potential and risk factors of the investment with appropriate investment analysis procedures which must be approved and / or approval from the Board of Directors meeting or the shareholders' meeting of the company (depending on the case). In this regard, the investment approval must be in accordance with the announcement of the Capital Market Supervisory Board, the announcement

In addition, to supervise the operations of subsidiaries and associated companies, the company will send a representative of the company who has qualifications and experience suitable for the business in which the company has invested to be a director of the subsidiary and associated company of that company. The representative may be the chairman of the board, Chief Executive Officer, director, senior management or any person of the company without conflict of interest with the business of those subsidiaries and associated companies. This is to enable the company to control the business and the operation of the subsidiary company like a department of the company and / or to be able to examine the operations of associated companies effectively. The company therefore requires the company's representative to manage the subsidiary's business. and / or associated companies (depending on the case) to comply with the rules and regulations set out in the regulations and laws relating to the business operation of subsidiaries and / or that associated company. In addition, sending a representative to be a director of the subsidiary and associated company is according to the shareholding proportion of the company and / or agreements between shareholders in the subsidiary or associated company.

In this regard, the company will closely monitor the results and the performance of subsidiaries and associated companies. It also supervises the keeping of information and accounting records of subsidiaries and associated companies for the audit company.

3. Property Appraisal List

-N/A-

Good Corporate Governance Policies

In the past operation, the board of Successmore Being Public Company Limited realizes the importance of good corporate governance as important to promote the operation of the company and the subsidiaries for efficiency and sustainable growth. This will lead to the best interests of all stakeholders, from employees, investors, shareholders, and other stakeholders. Therefore, the board of directors agreed that there should be a policy formulation about good corporate governance, covers the main content from the structure, roles, duties, and responsibilities of the board of directors to the management principles of executives with transparency, clarity, and accountability to be a guideline in organizational management to create confidence that any operation of the company and the subsidiaries with fairness and taking into account the best interests of shareholders and all stakeholders.

So that the company has the credibility for shareholders and all stakeholders, for the benefit of creating sustainable business value, and meet the expectations of the business sector, investors, as well as the capital market and society as a whole, the company has therefore established a policy on good corporate governance based on the principles of good corporate governance for listed companies (2560 B.E.), prepared by the Securities and Exchange Commission, as a guideline for corporate governance of the company.

Corporate Governance Principles and Policies

The board of directors has given importance to compliance with good corporate governance principles covering the principles of compliance with corporate governance principles as follows.

- Principle 1** Roles and responsibilities of the board
- Principle 2** Objectives and main goals of the company
- Principle 3** Strengthen effective committees
- Principle 4** Recruiting and developing senior executives and personnel management
- Principle 5** Responsible business operation
- Principle 6** Ensuring that there is appropriate risk management and internal control system.
- Principle 7** Maintain financial credibility and disclosure
- Principle 8** Encourage participation and communication with shareholders.

Principle 1: The Board's Roles and Responsibilities

● Principle 1.1

The board will understand their role and recognize the responsibilities as a leader who must oversee the organization to have good management. Which covers

- (1) Setting objectives and goals
- (2) Strategy formulation, operating policy as well as the allocation of important resources to achieve objectives and goals.
- (3) Monitoring, evaluating, and overseeing the performance report

- **Principle 1.2**

In creating sustainable business value, the board will supervise the company to bring at least the following governance outcome:

- (1) Be able to compete and have a good performance concerning long-term impacts
- (2) Conduct business ethically. Respect rights and be responsible for shareholders and stakeholders.
- (3) Benefit society and environment
- (4) Be able to adapt under changing factors.

The board of directors will adhere to the following practices for supervising the company to lead to good corporate governance results.

- 1.2.1 The board will consider the moral impact on society and the environment. Apart from financial performance.
- 1.2.2 The board will act as a role model as a leader in corporate governance, corporate the organization's culture to drive adherence to ethics.
- 1.2.3 The board will provide written policy for directors, executives, and employees, which reflect the principles and guidelines for the implementation, such as ethics in business and so on.
- 1.2.4 The board will ensure for having communications for the directors, executives, and employees to understand, have sufficient mechanisms to facilitate the implementation of the above policies, follow up the performance, and regularly review policies and practices.

- **Principle 1.3**

The board of directors will ensure that all directors and executives perform their duties with carefulness (duty of care) and honesty towards the organization (duty of loyalty) and ensure that their operations comply with laws, regulations, and resolutions of the shareholders' meeting. As well as the policies or guidelines set forth, as well as having a process for approving important operations such as investments and transactions that have a significant impact on the company, making a transaction with a connected person acquisition/disposal of assets dividend payment, etc.

- **Principle 1.4**

The committee will understand the scope of their duties and their responsibilities themselves. And clearly define the scope of assignment and responsibilities to the chief executive officer and the management. As well as monitoring and supervising the chief executive officer and the management to perform the duties as assigned.

- 1.4.1 The Commission will prepare a charter or policy governance committee that specifies the duties and responsibilities of the committee for reference in the performance of duties of all directors. And will hold a review of the said charter regularly at least once a year. Also, reviewing the division of roles and duties of the board, chief executive officer, and management regularly to comply with the direction of the organization.
- 1.4.2 Commission will understand the scope of their duties. And assign company management authority to the management by making a written record, however, such assignment does not relieve the board of directors' duties and responsibilities. The board of directors must monitor the management in performing duties as assigned.

Principle 2: Define the Company's Objectives and Main Goals that are for Sustainability**● Principle 2.1**

The board will define or oversee the company's main objectives for sustainability. This is an objective and a goal that is consistent with creating value for the entire company, customers, stakeholders, and society as a whole.

- 2.1.1 The board is responsible for the company's objectives and main goals clear and proper enough to use as a key concept in defining the business model, and communicate to everyone in the organization moving in the right direction by creating a vision and shared corporate values, or principles and purposes, or the like.
- 2.1.2 To achieve main objectives or goals, the board will determine a business model that can create value for the company, stakeholders, and society as a whole, considering:
 - (1) Environment and changes in various factors including the proper use of technology
 - (2) The needs of customers and stakeholders
 - (3) Competence, expertise, and competitiveness of the company
 - (4) Objectives of the establishment of the company
 - (5) The main customer groups of the company
 - (6) Profitability or competitive by creating value for the company and customers
 - (7) Long-term existence of the company under both opportunity and risk factors that affect the company and stakeholders
- 2.1.3 The commission will support the values of corporate governance as well as accountability in the actions, integrity, transparency, attention (due consideration of social and environmental responsibilities), etc.
- 2.1.4 The commission will support communication. And strengthen the organization's objectives and main goals to be reflected in the decisions and actions of personnel at all levels. Until it becomes a corporate culture.

● Principle 2.2

The committee will ensure objectives and goals as well as the medium-term and/or annual strategy of the company, consistent with the achievement of the company's objectives and main goals with the proper and safe use of technology.

- 2.2.1 The committee will supervise the preparation of strategic and annual plans that are consistent with the objectives and goals of the company. Taking into account the environmental factors of the company at that time, as well as the acceptable opportunities and risks, and encouraged the establishment of reviewing the objectives, goals, and strategies for the medium term, 3 - 5 years, to ensure that the strategy and annual plan takes into account the long-term effects and still reasonably anticipated.
- 2.2.2 In the strategic and annual plans. The committee will ensure that the environment is analyzed, various factors and risks that may have impacts on stakeholders involved throughout the value chain, including various factors that may affect the achievement of the company's main goals, with a mechanism to truly understand the needs of stakeholders.

- (1) Identify relevant stakeholders of the company, both inside and outside, both individuals and organizations such as employees, investors, customers, trade partners, communities, government agencies regulators, etc.
- 2.2.3 In formulating strategies, the board will set goals to suit the business environment and potential of the company. The committee will determine both monetary and non-monetary goals. Besides, the committee will be aware of the risks of setting goals that may lead to illegal behavior or lack of ethics.
- 2.2.4 The board will ensure that the objectives and goals will be relayed through strategies and plans across the organization.
- 2.2.5 The Board will oversee the allocation of resources and control the proper implementation and follow up the implementation of the strategy and year annual plans. By providing a person who is responsible for monitoring and monitoring the performance

Principle 3: Build Effective Committees

● Principle 3.1

The committee is responsible for defining and reviewing the board structure. Both in terms of size and composition proportion of independent directors are appropriate and necessary to lead the organization to its stated objectives and goals.

- 3.1.1 The board is responsible for ensuring that the board includes directors who have a variety of skills, experience, abilities, and special features. To ensure there will be an overall committee with suitable qualifications, able to understand and meet the needs of stakeholders.
- 3.1.2 The board will consider for an appropriate amount of committee, able to perform their duties efficiently with the number of directors not less than 5 and not more than 12.
- 3.1.3 The board will have a ratio between directors, executives, and directors who are not the executives that reflects the power balance appropriately. By:
 1. Most of the directors are non-executive directors who can freely express opinions on the operation of the management.
 2. Independent directors have the number and qualifications of independent directors following the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. It also ensures that the independent directors can work with all committees efficiently and express their opinions independently.

● Principle 3.2

The committee will select a suitable person to be the chairman of the board and to ensure that the composition and operations of the board are conducive to the exercise of independent judgment.

- 3.2.1 Chairman of the board should be independent directors.
- 3.2.2 Chairman and Chief Executive Officer have different responsibilities for it. The board will clearly define the powers and duties of the chairman of the board and the chief executive officer. And to ensure that no one has unlimited power, the company will separate the person who holds the position of the chairman of the board from the person who holds the position of chief executive officer.

- 3.2.3 Chairman's role is the leader of the board. The duties of the chairman of the board cover the following matters.
- (1) Supervision, follow up, and ensure that the duties of the committee are efficiently practiced and achieve the objectives and main goals of the organization.
 - (2) Ensure that all directors take part in fostering an ethical corporate culture in the organization and good corporate governance.
 - (3) Setting the agenda for the board of directors' meetings in consultation with the chief executive officer and having measures to ensure that important matters are included in the agenda.
 - (4) Allocation of sufficient time for the management to present the matter and sufficient for the directors to discuss important issues thoroughly. Encouraging directors to exercise prudent discretion and give opinions freely.
 - (5) Enhancing good relations between executive directors and non-executive directors, and between the committee and the management.
- 3.2.4 The Board will set policies that independent directors have continued in position less than 9 years from the date of the first-time appointment. In case of continuing in the position, the committee will reasonably consider such necessity.
- 3.2.5 So that important matters in detail can be carefully considered, the board may consider appointing sub-committees to consider specific issues, scrutinize information, and propose guidelines for consideration before proposing to the board for further approval.
- 3.2.6 The committees will ensure that the disclosure of the role and functions of the committee and sub-committees, the number of meetings and the number of times each director, and attended the meeting in the past year, and reports on the performance of all sub-committees.

● **Principle 3.3**

The board of directors is responsible for overseeing the selection of directors with a transparent and clear process to obtain a committee with qualifications consistent with the specified elements.

- 3.3.1 The Commission will hold a meeting to consider the rules and procedures for recruiting qualified directors to the board with the appropriate expertise, including a consideration of their profiles, and prepare the opinion of the board of directors before presenting to the shareholders, as the appoint person meeting. Also, the company will inform the shareholders with sufficient information about the persons nominated for decision-making.
- 3.3.2 The committee will review the rules and procedures for the nomination before the selection of directors who are due to expire, and in case the committee nominates the former director, the performance of the said director should be considered.

● **Principle 3.4**

In proposing the remuneration to the shareholders for approval, the board will consider the structure and remuneration to be suitable for responsibilities and motivate the board to lead the organization to achieve both short-term and long-term goals.

- 3.4.1 Directors' remuneration must be consistent with the strategy and long-term goals of the company, experience, duties, accountabilities, and responsibilities, including the benefits expected to be received by each director, shall be in. Besides, characteristics of the benefit are comparable to the level practiced in the industry.
- 3.4.2 Shareholders must approve the structure and the remuneration for committees, both monetary and non-monetary forms. The board of directors will consider each type of remuneration to be appropriate, both fixed-rate (e.g. meeting allowance) and performance-based (such as bonus pension) of the company, tied to the value the company generates for its shareholders, but not too high to focus on short-term results.
- 3.4.3 The board will disclose the remuneration policy and guidelines that reflect the obligations and responsibilities of each, including the form and amount of compensation as well. This includes the remuneration received by each director as a director of the subsidiaries.

- **Principle 3.5**

The board is responsible for ensuring that all directors are responsible for their duties and allocating sufficient time.

- 3.5.1 The committee will ensure that there is a mechanism to support directors to understand their roles and duties.
- 3.5.2 The committee will determine the criteria for the position of director in other companies with regards to the performance of the directors positioning in several companies, and to ensure that directors can dedicate sufficient time to perform their duties in the company. By determining the number of listed companies each director will hold a position to suit the nature of the business condition of the company.
- 3.5.3 The committee will provide a system to report the other position of the directors, and disclose it to be known.
- 3.5.4 In the case of a director or executive. Or having direct or indirect interests in other businesses that have a conflict or they can use the opportunity or company information to their advantage. The board must ensure that The Company has adequate safeguards and informs the shareholders as appropriate.
- 3.5.5 Each director must attend at least half of the number of the board of directors meeting held all year round. Unless there is a necessity.

- **Principle 3.6**

The board of directors is responsible for ensuring that there are a framework and mechanism for governance of policies and operations of subsidiaries and other businesses in which the company has significantly invested, at the level appropriate for each business, including subsidiaries and other businesses that the company invested, have the same understanding as well.

- 3.6.1 The board will determine the regulatory policies to supervise the subsidiaries, including
 - (1) The degree of appointment of persons to be directors, executives, or controlling persons of the subsidiaries, appointed by the board of directors, unless such company is the small one that is the operating arms of the company, the board might assign the chief executive officer to consider the appointment instead.

- (2) Determine the scope of duties and responsibilities of the representative of the company according to tot item (1) and have the representative take care of the implementation to be along with the policy of the subsidiaries. And in case the subsidiaries have other venture capitalists, the board of directors will determine the policies for the representative to do the best for the benefit of the subsidiaries. following with the main company's policies.
- (3) Make the internal control system of the subsidiary suit and concise enough. And various transactions must be made legally and related guidelines.
- (4) Disclosure of financial status and performance of transactions with connected persons, acquisition or disposition of assets, other important transactions, capital increase, capital decrease, dissolution of subsidiaries, etc.

3.6.2 If the investment is in other business significantly such as - a proportion of shareholders with voting rights, since the percentage of 20 but not more than 50, and the amount invested or will invest more is significant to the company, where necessary, the commission will hold the contracting between shareholders (The Shareholders' Agreement) or other agreements to be clear about the powers of management and involvement in making important decisions. Performance tracking is important as information in the preparation of financial statements of the company, there are standards and deadlines.

● Principle 3.7

The committee will arrange for an evaluation of the work of the entire committee. Including evaluating the performance of individual directors to consider and review the work problems and obstacles each year to be able to use the evaluation results to develop and improve performance in various fields.

● Principle 3.8

The board of directors shall supervise the board and each director to have known roles, duties, nature of business operations and laws relating to business operation. As well as encouraging all directors to acquire skills and knowledge for their regular performance of duties.

- 3.8.1 The Commission will ensure that person appointed as new director will receive advice and provide useful information on the performance of their duties. This includes an understanding of the objectives, main goals, vision, mission, corporate values, as well as the nature of the business and the business direction of the company.
- 3.8.2 The board of will ensure that treasurers will receive training and improving the knowledge needed steadily.
- 3.8.3 The committee will understand the laws, regulations, standards, risks, and environment associated with its business. Including receiving updated information regularly.
- 3.8.4 Commission will disclose training information and develop knowledge continuously in the commission's annual report.

- **Principle 3.9**

The committee will ensure that the operations of the committee are carried out in an orderly manner with access to necessary information. And has a company's secretary who has the knowledge and experience necessary and appropriate to support the board's operations.

- 3.9.1 The Commission will organize a meeting schedule and agenda for the board meeting before the board can manage time and attendance.
- 3.9.2 Number of meetings of the board is considered to fit with the obligations and responsibilities of the board and the nature of its business. But not less than 4 times a year.
- 3.9.3 The Commission will ensure that there are mechanisms for each director. The management is also free to propose matters that are beneficial to the company on the agenda of the meeting.
- 3.9.4 Meeting documents will be sent to the directors at least seven days before the meeting. Except in the case of urgent need to protect the rights or benefits of the company, may notify the meeting by other methods and set the meeting date earlier than that.
- 3.9.5 The commission will support the chief executive officer invites senior executives to attend board meetings to provide more detailed information related to the issue directly. And to have opportunities to get to know the top executives for use in consideration of succession plans.
- 3.9.6 The commission will have access to additional necessary information from the chief executive officer, company's secretary, or other executives, who have been assigned, within the scope of the policy set. And if necessary, the committee may provide independent opinions from external advisors or professionals. It is considered an expense of the company.
- 3.9.7 The Board may determine a policy for non-executive directors to have the opportunity to meet among themselves to discuss issues on the handling of interest, without the management, by informing the chief executive officer of the meeting result, as needed.
- 3.9.8 The commission will determine the appropriate qualifications and experience of the company secretary, who will be on duty to provide advice on the laws and regulations that the committee must know, oversee the management of board meeting documents, important documents, and board activities, and coordinate the implementation of the resolutions of the board of directors. Besides, the board of directors will disclose the qualifications and experiences of the Company Secretary in the annual report and on the company's website.
- 3.9.9 The secretary will train and develop knowledge continuously that will benefit the ongoing duty. And in the event of course certifications, the company's secretary will attend the training course as well.

Principle 4: Recruiting and Developing Senior Executives and Human Management

- **Principles 4.1**

The board will ensure that the chief executive officer and senior management are recruited and developed with the knowledge, skills, experience, and characteristics necessary to drive the organization towards its goals.

- 4.1.1 The Board will consider and authorize the board of directors to consider the criteria and procedures for recruiting a qualified person to hold the position of chief executive officer.

- 4.1.2 The commission will follow up to ensure that the chief executive officer is right, at least, the commission will, together with the chief executive officer to consider criteria and procedures for the recruitment and appointment. Agree with the person who the chief executive officer proposes to be the top management.
- 4.1.3 So that the business is going to continue, the board oversees a succession plan to prepare for the succession of the chief executive officer and senior management.
- 4.1.4 The commission will promote and support the chief executive officer and senior executives to train and develop to increase knowledge and experience that is beneficial to the operation.

- **Principle 4.2**

The board ensures that appropriate compensation and evaluation structures are established.

- 4.2.1 The board will set up an incentive structure for executives and employees at all levels to perform work in line with the objectives and main goals of the organization and line with the long-term benefits of the company.
- 4.2.2 The board will consider and approve the criteria and factors for performance evaluation. As well as approve the compensation structure of the senior executive. And follow up for the chief executive officer to evaluate the top executives following the said assessment principles.

- **Principle 4.3**

The board will understand the structure and relationship of shareholders that may affect the management and operation of the company.

- 4.3.1 The board will understand the structure and relationship of shareholders. This could be in the form of an agreement within the family affairs, whether in writing or not, shareholder agreement, or the policies of the parent company group that affects the power to control the management of the company.
- 4.3.2 The board shall ensure that the agreement as specified in 4.3.1 is not an obstacle to the commission's performance, such as having a suitable person to inherit the position.
- 4.3.3 The board will ensure that information is disclosed according to various agreements that affect the control of the company.

- **Principle 4.4**

The committee will monitor the management and development of personnel to have appropriate knowledge, skills, experience, and motivation.

- 4.4.1 The board shall ensure that the human resource management is in line with the direction and strategy of the organization. Employees at all levels have appropriate knowledge, abilities, motivation. And being treated fairly to retain the organization's competent person.
- 4.4.2 The Board shall oversee the establishment of a provident fund or another mechanism to ensure that employees have sufficient savings to support retirement. As well as supporting employees to have knowledge and understanding of money management, choosing an investment policy that corresponds to the age and range risk level.

Principle 5: Do Business Responsibly

● Principle 5.1

The committee values and supports actions that create business value while creating benefits for customers or stakeholders. And have a social and environmental responsibility.

5.1.1 The board will pay more attention to organizational culture creation. And ensuring that the management takes part in the strategy review planning, developing, improving operations, and monitoring performance.

5.1.2 The Board will promote the implementations that add value to the company according to the constantly changing environment. This may cover business model, way of thinking, perspectives in product and service design and development, research, process improvement, and work processes. Including cooperation with partners.

The above actions should be taken to create mutual benefits for the company, customers, business partners, society, and the environment. And does not encourage abusive behavior, activities that are illegal or unethical.

● Principle 5.2

The board will monitor and supervise the management to conduct business with social and environmental responsibility, and reflected in the operational plan to ensure that every organization has performed in line with the main objectives, goals, and strategies of the company.

5.2.1 The Board shall make sure that there has a mechanism to ensure that the company operates business ethically, with social and environmental responsibility, and not violating the rights of stakeholders, to guide all parts of the organization to achieve the main goals that are sustainable. By preparing a business ethics policy to cover the following matters.

- (1) Responsibility to shareholders which business will be transparently operated, effective and fair information will be disclosed. Also committing to good performance and stable growth to maximize the benefits of shareholders in the long term.
- (2) Responsibilities to staff and workers by acting following the relevant laws and standards and treating employees and workers fairly and respecting human rights, such as fair compensation and benefits, welfare arrangements not less than those prescribed by law, or rather than as appropriate health and safety at work, training to develop potential and promote progress. And also provides opportunities for employees to develop their working skills in other areas.
- (3) Responsibility to customers by performing following relevant laws and standards and consider the health, safety, fairness, and retention of customer data, after-sales service throughout the product and service lifecycle, monitoring and measuring the satisfaction of customers for the improvement of products and services, including advertising, public relations, and sales promotions must be done responsibly. Not misleading or take advantage of the misunderstanding of customers.
- (4) Responsibility to business partners by having a procurement process and fair terms of contracts or agreements, helping to educate, develop potential, and enhance the ability of production and service to meet standards, clarify and supervise trade partners to respect human rights and treat

their workers fairly, responsible for society and environment, including monitoring, auditing and evaluating business partners to develop sustainable business operations.

- (5) Responsibility to creditors by complying with the conditions of the contract with the creditors, including repayment of principal, the interest, and the care of collaterals under the related contract strictly.
- (6) Responsibility towards the community by bringing knowledge and business experience to develop projects that can create tangible benefits to the community Long-term progress and success are monitored and measured.
- (7) Environmental responsibility by preventing, reducing, managing, and ensuring that the company does not create or cause any negative impact on the environment, which covers the use of raw materials, energy use, water use, renewable resource use, the release and management of waste arising from doing business greenhouse gas emissions, etc.
- (8) Fair competition by operating the business in an open, transparent manner and does not create an unfair competitive advantage.
- (9) Anti-Corruption and Corruption by adhering to the relevant laws and standards, and requiring the company to have and publicly announce the anti-corruption policy. Including supporting other companies and trading partners have and announce an anti-corruption policy, including joining as a network partner.

● Principle 5.3

The board will monitor and supervise the management to allocate and manage resources to be efficient to be able to sustainably achieve objectives and main goals.

- 5.3.1 The committee recognizes the need for resources to be used. As well as realizing that the use of each type of resource affects each other.
- 5.3.2 The board is aware that different business models have different effects on resources. So that in the decision of choosing a business model, consider the impact and cost-effectiveness that will occur on resources. While still based on ethical conduct, be responsible and create sustainable value for the company.
- 5.3.3 The board will ensure that in achieving objectives and the main goal of the business, the management has reviewed, developed, and controlled the efficient and effective use of resources, while always considering the changes of internal and external factors.

The resources that companies take into consideration are at least 4 types of finance (The Financial-Capital), wisdom (The Intellectual-Capital), personnel (The Human-Capital), social relations (The Social Relationship Capital), and nature (The Natural-Capital).

● Principle 5.4

The committee will provide a framework for corporate governance and management of information technology at a level of the organization that corresponds to the needs of the company. Including ensuring that information technology is used to increase business opportunities and improve operations, risk management so that the company can achieve its objectives and main goals.

- 5.4.1 The board will establish a policy on the allocation and management of information technology resources. This covers the allocation of sufficient resources for business operations and setting guidelines to accommodate if the resources cannot be allocated enough as specified.
- 5.4.2 The board shall oversee the organization's risk management to cover information technology risk management.
- 5.4.3 The board will make a policy and measure the security of the information system.

Principle 6: Ensure that there is Appropriate Risk Management and Internal Control System.

● **Principle 6.1**

The committee will ensure that the company has a system of risk management and internal control to achieve its objectives effectively, and practice following the relevant laws and standards.

- 6.1.1 The board will understand the significant risks of the company, and approve acceptable risks.
- 6.1.2 The board will consider and approve the risk management policy that is consistent with the objectives, main goals, strategies, and acceptable risks of the company, as a framework for the performance in the risk management process of everyone in the organization to the same direction. The board of directors will pay attention to early warning signs and ensure that the risk management policy is reviewed regularly.
- 6.1.3 The board will ensure that the company has identified risks by considering factors both outside and within the organization that may cause the company to fail to achieve the specified objectives. The main risk that the board of directors will pay attention to may be divided into strategic risk, risk operations, financial risk, compliance regulations risk, and so on.
- 6.1.4 The board will ensure that the company has assessed the impacts and opportunities that may cause the identified risks to prioritize the risks, and have appropriate risk management methods.
- 6.1.5 The board may assign the audit committee to screen items 6.1.1– 6.1.4 before proposing to the board for consideration.
- 6.1.6 The board will regularly monitor and evaluate the effectiveness of risk management.
- 6.1.7 The board of directors is responsible for ensuring that the company conducts business following the law and related standards. Both locally and internationally.
- 6.1.8 If the company has subsidiaries or other businesses that the company has significantly invested (for example, having a shareholding percentage of 20 % but not exceed 50 %), the board of directors will assess the internal control system and risk management as part of the consideration under item 6.1.1-6.1.7.

● **Principle 6.2**

The board will establish audit committees capable of performing duties efficiently and independently.

- 6.2.1 The board of directors will arrange for audit committees consisting of at least 3 members, all of them must be independent directors and have qualifications and duties following the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand.

- 6.2.2 The board will set the duties of the audit committee in writing, having their duties at least as specified in the charter of the audit committee.
- 6.2.3 The board will ensure that the company has a mechanism or tool to enable the audit committee to access necessary information of performing their assigned duties, such as allowing the audit committee to call for relevant persons to provide information, discuss with the accounting auditor or seek independent opinions from any other professional advisor for consideration of the audit committee.
- 6.2.4 The board will arrange for an internal audit person or organization those are independent in performing their duties to be responsible for developing and reviewing the efficiency of the risk management system and the internal control. And report to the audit committee and disclose the review report in the annual report.
- 6.2.5 The audit committee must comment on the adequacy of the risk management and internal control system. And disclosed in the annual report.

- **Principle 6.3**

The board will monitor and handle conflicts of interest that may arise between the company and the management, board of directors, or shareholders. This includes preventing improper use of company assets, information and opportunities, and conducting transactions with those having a relationship with the company in an inappropriate manner.

- 6.3.1 The board shall supervise the information security system. This includes policy formulation and procedures to maintain the confidentiality, maintaining integrity, and availability of information, including management of market-sensitive information. Besides, the board will supervise the directors, senior management, and employees, as well as relevant third parties such as legal advisors, financial advisors, who follow the information security system as well.
- 6.3.2 The board will ensure management and monitoring of transactions that may lead to conflicts of interest, including ensuring that there are guidelines and procedures to make such transactions comply with the operating method and disclosure procedures as required by law and is for the benefit of the company and the shareholders as a whole. Where stakeholders should not be involved in the decision-making.
- 6.3.3 The board will set up a requirement for directors to report their interests at least before considering the agenda of the board meeting, and recorded in the board meeting. The board of directors shall oversee the directors who have significant interests in a manner that may prevent such directors from expressing independent opinions. Refrain from participating in the meeting to consider in that agenda.

- **Principle 6.4**

The committee will ensure that the anti-corruption policy and practice are formulated and communicated at all levels of the organization and to outsiders so that it can be practiced. Including supporting activities that promote and instill in all employees to comply with the law and related regulations

- **Principle 6.5**

The board of directors will oversee the company have a mechanism for receiving complaints and to act in case there are clues.

Principle 7: Maintain Financial Credibility and Disclosure of Information**● Principle 7.1**

The board is responsible for ensuring that the financial reporting system and the disclosure of important information are correct, adequate, timely, under relevant rules, standards, and practices.

- 7.1.1 The board shall ensure that personnel involved in the preparation and disclosure of information have knowledge, skills, and experience suitable for their duties and responsibilities, and have enough numbers. Therefore, mentioned personnel include the chief executive officer of the accounting and finance department, accountant, internal auditors, company's secretary, and investor relations.
- 7.1.2 In approving disclosure of information, the board of directors shall take into relevant factors. In case that the event is a financial report, at least the following factors will be considered.
 - (1) Evaluation of the adequacy of the internal control system.
 - (2) Opinion of the auditor in the financial report and observations of the auditor regarding the internal control system. Including observations of the auditor through other communication channels (if any).
 - (3) Opinion of the audit committee.
 - (4) Consistency with the objectives, main goals, strategies, and policies of the company.
- 7.1.3 The board will ensure that information is disclosed, including financial statements, annual reports, and Form 56-1 adequately reflects financial status and operating results. The boards also support the company to prepare Management Discussion and Analysis (MD&A) for the disclosure of the financial statements every quarter for investors to be informed and understand the changes in financial position and the performance of the company in each quarter better, in addition to the numbers in the financial statements.
- 7.1.4 If any disclosure relates to a particular director, such director will ensure that the disclosure of his or her part is complete and accurate, such as the shareholder information of his or her group, disclosure under the agreement between the shareholders of their group.

● Principle 7.2

The committee will monitor the sufficiency of financial liquidity and debt servicing ability.

- 7.2.1 The board will ensure that the management monitors and evaluates the financial status of the company, and regularly reported to the board of Directors. The Board of Directors and the management are encouraged to find solutions as soon as possible if there are signs of financial liquidity problems and debt servicing ability.
- 7.2.2 In approving any transaction or proposing opinions to the shareholders' meeting for approval, the committee will ensure that making such transactions will not affect the continuity of business operation, financial liquidity, or the ability to pay debts.

● Principle 7.3

In the condition that the company has financial problems or is likely to have problems, the committee will ensure that the company has a plan to fix the problem. Or there are other mechanisms to resolve financial problems under consideration of the rights of stakeholders.

- 7.3.1 In case that the company is likely to be unable to pay debts or has financial problems, the board will follow up closely and supervise the company to operate its business carefully and comply with the disclosure requirements.
- 7.3.2 The board of directors will supervise the company to formulate a plan for solving financial problems concerning fairness to stakeholders, including creditors. As well as follow-up problem solving by having the management report on the status regularly.
- 7.3.3 The board will ensure that any decision in solving the financial problems of the company, either way, must be justifiable.

- **Principle 7.4**

The committee will consider preparing a sustainability report as appropriate.

- 7.4.1 The board will consider the appropriateness to disclose information on compliance with the law, code of conduct, anti-corruption policy, treatment of employees and stakeholders, which includes fair treatment and respect for human rights. Including social and environmental responsibility by taking into a nationally or internationally recognized reporting framework, such information may be disclosed in the annual report or may be prepared as a separate book as appropriate for the company.
- 7.4.2 The board will ensure that disclosures are important matters and reflect practices that will lead to sustainable value creation for the company.

- **Principle 7.5**

The board of directors will supervise the management to set up an organization or a person in charge of the investor relations that is responsible for communicating with the shareholders and other stakeholders such as investors and analysts to be appropriate, equal, and timely.

- 7.5.1 The board will establish a communication policy and disclosure policy to ensure that communication and disclosure of information to the third parties are appropriate, equitable, timely, using appropriate channels, protecting confidential information and information that affects stock prices. Including communication to understand with the whole organization in the implementation of the said policy.
- 7.5.2 The board will set up the person responsible for the provision of information to the third parties. By being a person who is suitable for performing their duties, understand the business of the company, including objectives, main goals, values, and able to communicate well with the capital market.
- 7.5.3 The board will supervise the management to direct and support investor relations, such as providing practice in providing information. Insider Information Policy Including stipulating duties and responsibilities of investor relations to provide effective communication and disclosure of information.

- **Principle 7.6**

The committee will promote the use of information technology to disseminate information.

- 7.6.1 In addition to disseminating information according to the specified criteria and through the channel of the Stock Exchange of Thailand, the committee will consider the disclosure of information in both Thai and English, through other channels as well, such as the company's website by doing so regularly, along with presenting up-to-date information.

The company will disclose at least the following information on the website.

- (1) The company's vision and values.
- (2) Nature of business operation of the company.
- (3) List of the board of directors and executives.
- (4) Current financial statements and reports on financial status and operating results and the previous year.
- (5) Form 56-1 and annual report that can be downloaded.
- (6) Any other information or documents presented by the company to analysts, fund managers, or other media.
- (7) Direct and indirect shareholding structure.
- (8) Company group's structure, includes subsidiaries, associates, joint ventures, and special purpose enterprises/vehicles (SPEs / SPVs).
- (9) A group of major shareholders, both directly and indirectly, hold shares of 5 percent of the total number of shares sold and have voting rights.
- (10) Direct and indirect shareholding of directors, major shareholders, and senior management.
- (11) Invitation to the ordinary and extraordinary general meeting of shareholders.
- (12) Articles of association, memorandum.
- (13) Policy on corporate governance of the company, anti-corruption policies, information technology security policies, and risk management policies.
- (14) Charter or duties, responsibilities, qualifications, the term of office of the committee, including matters requiring the committee's approval, charter or duties, responsibilities, qualifications, term of office of the audit committee, and the nomination and remuneration committee.
- (15) Code of business ethics.
- (16) Contact information or complaints, or the person in charge of the investor relations, company's secretary, such as the name of the person who can provide information, Email, phone number.

Principle 8: Encourage Participation and Communication with Shareholders

● Principle 8.1

The committee will ensure that Shareholders are involved in making decisions on important matters of the company.

- 8.1.1 The board will take care of important matters, both issues stipulated in the law and issues that may affect the direction of operations of the company, to pass the consideration and/or approval of the shareholders. Such important matters are included in the agenda of the shareholders' meeting.
- 8.1.2 The board will support the participation of shareholders such as
 - (1) Specifying rules for minority shareholders to propose additional agenda items before the date of the shareholders' meeting. The board of directors will consider including the matters proposed by the shareholders as the agenda of the meeting. If the board of directors rejects the matters proposed by the shareholders on the agenda, the board of directors must notify the shareholders for the reasons.

(2) Criteria for minority shareholders to nominate persons for the position of directors. The board of directors will ensure that such rules are disclosed to the shareholders in advance.

8.1.3 The board will ensure that the notice of shareholders' meeting contains correct, complete, and sufficient information for exercising shareholders' rights.

8.1.4 The board will ensure that the invitation letter of the shareholder meeting and related documents are sent and published on the company's website at least 14 days before the meeting.

8.1.5 The board will allow shareholders to submit questions before the meeting date. By setting rules for submitting questions in advance, and published the aforementioned criteria on the company's website as well.

8.1.6 The notice calling for the shareholders' meeting and all related documents will be prepared in English and published along with the Thai version.

The notice calling for the shareholders' meeting consists of the following text.

- (1) Date, time, and place of the shareholders' meeting.
- (2) The agenda of the meeting, specifying whether it is for acknowledgment or approval. Including divided into matters such as in agenda relating to directors, there were separate matters on the election of directors and approval of the directors' remuneration for each agenda item.
- (3) Objectives, reasons, and the opinion of the board of directors on each agenda item proposed, which includes.
 - A. Agenda for dividend payment approval - dividend payment policy proposed, dividend rate including reasons and supporting information. If it is proposed to refrain from paying dividends, explain the reasons and information.
 - B. Agenda for director appointment - specify the name, age, education and work history, number of listed companies and general companies holding director positions, criteria and recruitment methods, type of director proposed. In the case of proposing the name of the former director to be re-elected, specify the meeting attendance information in the past year and the date of appointment as the company's director.
 - C. Agenda for directors' remuneration approval - policy and criteria for determining remuneration for each director position and all types of directors, both in monetary form and other benefits.
 - D. Agenda for the appointment of auditors - the name of auditors, an affiliated company, work experience, independence of auditors, audit fees, and other service fees.
- (4) Proxy form following the form prescribed by the Ministry of Commerce.
- (5) Other supporting information such as voting procedures, counting and notification of votes, the right of each type of share to vote, information of independent directors proposed by the company as a proxy for shareholders, documents required by shareholders to present before attending the meeting documents for proxy, and a map of the meeting venue, etc.

● Principle 8.2

The board of directors will ensure that the operations of the shareholders' meeting are done properly, transparent, efficient, and allow shareholders to exercise their rights.

- 8.2.1 The board will set the date, time, and venue of the meeting, concerning the convenience of attendance, such as appropriate and sufficient meeting times for discussion, meeting place that is convenient for traveling, etc.
- 8.2.2 The board shall ensure that no action, that is to limit the opportunity to attend the meeting or create excessive burdens for shareholders, is taken. For example, not requiring the shareholders or proxies to bring more documents or evidence than those specified in the guidelines of relevant regulators.
- 8.2.3 The board will promote the use of technology in the shareholders' meeting, both shareholder registration and vote counting and display of results. So that the meeting can be done quickly, accurately, and precisely
- 8.2.4 The chairman of the board, who presides over the shareholders' meeting, is responsible for ensuring that the meeting is following the law, relevant rules, and the articles of association, allocate appropriate time for each agenda specified in the notice of the meeting. The shareholders were allowed to express their opinions and ask questions at the meeting on matters related to the company.
- 8.2.5 So that the shareholders can take part in making decisions on important matters, directors, as attendees and as shareholders, are not encouraged to add unnecessary agenda items that are not informed in advance. Especially important agenda that shareholders have to take time to study information before deciding.
- 8.2.6 Encourage all directors and relevant management to attend the meeting. So that shareholders can ask relevant questions
- 8.2.7 Before the start of the meeting, the company shall inform the shareholders of the number and proportion of shareholders attending the meeting in person and of the shareholder who appoints proxies, meeting method, voting, and counting of votes.
- 8.2.8 In case that there are many items in any agenda, the chairman will arrange a resolution for each item such as the shareholders exercise their rights to appoint each director individually in the agenda of appointment of directors.
- 8.2.9 The board will encourage the use of ballot papers for important agenda items. And encourage independent persons to count or examine the votes in the meeting, then disclose the voting results that agree, disagree, and abstain in each agenda for the meeting acknowledged and recorded it in the reports of the meeting.

● **Principle 8.3**

The board will ensure that the disclosure of the meeting resolutions and preparation of the minutes of the shareholders' meeting are correct and complete.

- 8.3.1 The board will ensure that the company discloses the resolution of the shareholders' meeting together with the voting results within the next business day, through the news system of the Stock Exchange of Thailand and on the company's website.
- 8.3.2 The board will ensure the delivery of a copy of the minutes of the shareholders' meeting to the Stock Exchange of Thailand within 14 days from the date of the shareholders' meeting.
- 8.3.3 The board will ensure that the minutes of the shareholders' meeting record at least the following information:

- (1) List of directors and executives who attend the meeting and the proportion of directors who attended the meeting did not attend the meeting.
- (2) Voting and counting methods, meeting resolutions, and voting results (agree, disagree, abstain) of each agenda item.
- (3) Issues, questions, and answers at the meeting including the first-last name of the questioner and the respondent.

Code of Business Conduct

Successmore Being Public Company Limited has the code of business conduct to create sustainability for businesses and protect the interests of stakeholders and society. Provide opportunities for stakeholders to express their opinions on the operation of the business to be a mechanism and processes to take care of the business operation seriously. Leading to true corporate governance which executives and employees of the company must adhere to as a guideline in performing their duties as representatives of the company as follows:

1. Strictly abide by all applicable laws, regulations, and rules.
2. Follow the policies of the "Good corporate governance" and the "Business operation ethics".
3. Perform duties with honesty, integrity, and responsibility.
4. Behave like a professional practitioner with knowledge, expertise, and prudence.
5. Considering the benefits and impacts of the operation of the organization with equality and social justice to the stakeholders of the company.
6. Keep secret and does not use inside information or confidential information for the benefit of oneself or others in a wrong way.
7. Create a strong work system to prevent fraud through the internal audit system.
8. The directors, executives, and employees are designated throughout the organization to take part in the opposition against corruption, reporting conflict of Interest, effective communication, and promotion of the quality of work life.
9. Provide opportunities for stakeholders to have complaints and listen to opinions, and have measures to protect the complainant or whistleblower.
10. Disclosure of information with transparency and trust to shareholders.

Successmore Being Public Company Limited has guidelines for doing business with the stakeholders and the society.

- (1) Responsibility to shareholders by operating business with transparency, fair and effective information disclosure. Committed to good performance and stable growth to maximize the benefits of shareholders in the long term.
- (2) Responsibilities to staff and workers by performing following relevant laws and standards, and treating employees and workers fairly and respecting human rights, such as fair compensation and benefits, welfare arrangements not less than those prescribed by law, or rather than as appropriate, health and safety at work, education, potential development and promote progress. And also provides opportunities for employees to develop their working skills in other areas.

- (3) Responsibility to customers by performing following relevant laws and standards and consider the health, safety, fairness, and retention of customer data, after-sales service throughout the product and service lifecycle, monitoring and measuring the satisfaction of customers for the improvement of products and services, including advertising, public relations, and sales promotions must be done responsibly. Not misleading or take advantage of the misunderstanding of customers.
- (4) Responsibility to business partners by having a procurement process and fair terms of contracts or agreements, helping to educate, develop potential, and enhance the ability of production and service to meet standards, clarify and supervise trade partners to respect human rights and treat their workers fairly, responsible for society and environment, including monitoring, auditing and evaluating business partners to develop sustainable business operations.
- (5) Responsibility to creditors by complying with the conditions of the contract with the creditors, including repayment of principal, the interest, and the care of collaterals under the related contract strictly.
- (6) Responsibility towards the community by bringing knowledge and business experience to develop projects that can create tangible benefits to the community Long-term progress and success are monitored and measured.
- (7) Environmental responsibility by preventing, reducing, managing, and ensuring that the company does not create or cause any negative impact on the environment, which covers the use of raw materials, energy use, water use, renewable resource use, the release and management of waste arising from doing business greenhouse gas emissions, etc.

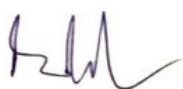
Report of the Board of Directors' Responsibility for Financial Reports

The board of directors gives emphasis the obligations and responsibilities of directors of listed companies to be responsible for the financial statements of the Successmore Being Public Company Limited. The financial statements have been prepared under the Thai Financial Reporting Standards (TFRS) by considering appropriate accounting policies and adhering to them regularly. Also, careful judgments and reasonable estimates are used. In the preparation, sufficient information is disclosed in the notes of financial statements. As well as showing explanations and analysis of the financial status and operating results of the company to benefit shareholders and general investors. These financial statements have been audited by independent auditors.

Besides, the board of directors has encouraged the company to comply with good corporate governance principles. As well as provide a risk management system and effective internal control system to ensure that the accounting records are accurate, complete, and sufficient to maintain the company's assets. Including preventing fraud or a significantly unusual operation.

In this regard, the audit committee of the company, which consists of independent directors, is responsible to review the quality of the financial reports and the effectiveness of the internal control system. The opinions of the audit committee are shown in the audit committee report shown in the annual information (Form 56-1 One report) already.

The board of directors has the opinion that good corporate governance, risk management system, and the internal control system of the company is sufficient and appropriate, able to establish reasonable assurance that the financial statements of the company for the year, ended on 31 December 2023, have been prepared and disclosed fairly.



(Mr. Narongrit Tavorvisitporn)
Chairman



(Mr. Noppakrit Nithilertvijit)
Chief Executive Officer

Report of the Board of Directors

Dear Shareholders of Successmore Being Public Company Limited

2023 is a year in which entrepreneurs in all sectors experience changes in the form of multiple disruptive risks in their business operations quickly such as global economic slowdown, climate variability, physical warfare that forms in different regions, which has resulted in a significant increase in raw material and transportation costs. The increase in the cost of living in people's livelihoods. The cost of running a business has increased exponentially. Fluctuations from foreign exchange rates, rapidly changing consumer attitudes and needs. These are all challenges in business management in the past year, so the company must focus on managing in term of productive efficient with extreme caution.

In part of management, the Company has developed online sales channels to meet the behavior of both new and older consumers. Continuously innovating and developing new products and services to meet the needs of customers. Organizational restructuring for effectiveness optimizing the way you work upskilling employees to be able to cope with rapid changes. From the integration of operations mentioned above, as a result, the Company's overall operating results in 2023 are at a satisfactory level. This is reflected in the details of the company's performance as shown in the management's analysis. It is part of the 56-1 One Report.

The Company attaches high importance to driving its business sustainably in accordance with ESG (Environmental, Social and Governance) guidelines. **In terms of environmental**, the Company develops new product and service innovations using environmentally friendly materials and raw materials to meet the needs of today's consumers. **In terms of social**, the Company manages human resources fairly and equitably, continuously developing knowledge and skills for personnel at all levels of the Company to increase their capability to drive the organization's growth in the future. **In terms of corporate governance**, the company operates with commitment. Honest, Transparent Under the principles of good corporate governance, manage risks appropriately. Cost-effective and productive Implement ongoing anti-corruption measures. Treat shareholders and stakeholders equally.

The Board of Directors continuously develops the corporate governance system, emphasizing on conducting business regarding human rights principles. To ensure efficiency, transparency, and accountability in conducting the Company's business operations, the Company has been assessed for **"Excellent"** corporate governance for the 3rd consecutive year according to the Corporate Governance Survey of Thai listed companies in 2023, it has also been certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC).

On behalf of the Board of Directors, I would like to thank our shareholders, customers, partners and stakeholders for their confidence and support in the Company. Thank you to the management and employees for performing their duties to the best of their abilities and ready to always face challenging situations at a high level. I would

like to assure you that the Company is committed to business management in accordance with good corporate governance principles to strengthen the foundation of the organization and grow steadily forever.

On behalf of the Board of Directors

A handwritten signature in blue ink, appearing to be 'Narongrit Tavorntvisitporn', written in a cursive style.

(Mr. Narongrit Tavorntvisitporn)

Chairman of the Board of Directors

Successmore Being Public Company Limited

Audit Committee Report

Dear Shareholders of Successmore Being Public Company Limited,

The Audit Committee is pleased to present the Annual Audit Committee Report, which covers the period ending on 31st December 2023.

The Audit Committee of Successmore Being Public Company Limited consists of three independent directors. During the year 2023, a total of four audit committee meetings were held. The number of attendance times for each member is shown below:

		Number of meetings attended
Assoc. Prof. Kanyarat Sanoran, Ph.D.	Chairman of the Audit Committee	4/4
Mr. Narongrit Tavorntvisitporn	Audit Committee Member	4/4
Mr. Sahasak Srisarnparnk	Audit Committee Member	4/4

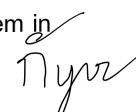
All audit committee members are fully qualified and perform their duties independently within their scope. The Audit Committee carry out duties and responsibilities in accordance with the charter approved by the Board of Directors, in compliance with the requirements and best practices of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee invited the management, auditors, internal auditors, and related persons to attend meetings and provide additional information on key issues to increase the effectiveness and efficiency of audits and reviews. The Audit Committee reported the results of considerations and comments to the Board of Directors on a quarterly basis to ensure proper action. The summary of the audit committee's duties is as follows:

1. Review of financial statements and disclosure of information

The Audit Committee reviewed the quarterly financial statements and financial statements for the year 2023, which were reviewed and audited by the auditors. The Audit Committee also reviewed the material information and received clarifications from the auditors regarding the adjustment of transactions that had a material impact on the financial statements, accounting estimates, appropriateness of accounting methods, including accuracy, completeness, and adequacy of information disclosure in financial statements. The Audit Committee ensured that the preparation of the financial statements complied with the requirements of the laws, accounting standards, and financial reporting standards. The scope of the audit, independence of the auditor, and the auditor's observations were also reviewed to make sure the financial statements were reliable, timely, and beneficial to users of financial statements.

2. Review of internal audit and internal control system

The Audit Committee reviewed the independence, duties, and responsibilities of the internal auditor. They considered the audit report and follow-up from the internal auditor in accordance with the approved audit plan covering the company's key systems to assess the adequacy, appropriateness, and effectiveness of the internal control system. The Audit Committee also considered the evaluation of the company's internal control system in



accordance with the internal control framework of The Committee of Sponsoring Organizations of the Tradeway Commission (COSO) using the Internal Control System Adequacy Assessment form of the Securities and Exchange Commission. The Audit Committee reported the results of the internal control system to the Board of Directors on a quarterly basis and provided useful recommendations to the internal control system to continuously implement corrective actions based on the internal audit report. The Audit Committee concluded that the Company's internal control system is adequate and appropriate, and no significant issues or deficiencies were found that could affect the Company.

3. Good corporate governance review

The Audit Committee promoted and provided recommendations for the Company to have appropriate management and corporate governance in accordance with good governance principles. The Audit Committee reviewed the ethics policy, anti-corruption policy, and whistleblowing policy. Issues received through whistleblowing channels were monitored and addressed directly to the Chairman of the Audit Committee. In addition, the Company expressed its intention to participate in the fight against corruption and was certified by the Collective Action Coalition Against Corruption (CAC) in 2022.

4. Review compliance with relevant regulatory authorities

The Audit Committee reviewed compliance with the laws and regulations governing securities and exchange, including Securities and Exchange Commission Regulations, the requirements of the Stock Exchange of Thailand, and any other laws relating to the Company's business operations, as well as the obligations that the Company has with third parties. The Audit Committee did not find any material issues of conduct contrary to the laws and the regulations.

5. Review related-party transactions or transactions that may have conflicts of interest

The Audit Committee reviewed and provided comments on transactions between the Company and related persons or juristic persons, as well as transactions that may have conflicts of interest with the Company. The Audit Committee ensured that such transactions are disclosed in accordance with the requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission. The Audit Committee is of the opinion that the transactions are reasonable. The Company conducts its business trade in accordance with normal terms of fairness and maximum benefit to the Company, including the accurate and complete disclosure of material items in the financial statements and notes to the financial statements.

6. Consideration and nomination of auditors and audit fees

The Audit Committee considered and assessed the independence, knowledge, ability, and performance of the auditor for the year 2023, and found their overall performance to be satisfactory. For the year 2024, the Committee proposed to the Board of Directors for approval and to present to the Annual General Meeting of Shareholders for the approval of audit fees and the appointment of Mr. Wanlop Wilaiworawit, Certified Public Accountant No. 6797, and/ or Ms. Porakoch Jongkolsiri, Certified Public Accountant No. 7150, and/ or Ms. Sophaphan Saptipparattana, Certified Public Accountant No. 6523, and/ or Mr. Bardin Laprangsirat, Certified Public



Accountant No. 10985 of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited ("Deloitte") as the company's auditor for the year 2024.

7. Maintaining the quality of the audit committee

The Audit Committee followed the Charter of the Audit Committee and reviewed it in accordance with the current situation and good corporate governance principles, presenting it to the Board of Directors for annual approval. The Audit Committee undertook a self-assessment and found that all audit committee members fulfilled the mission fully under the Charter of the Audit Committee, providing useful opinions and suggestions continuously with independence and contributing to the effective implementation of good corporate governance system.

Overall comments and observations:

For the year 2023, the company maintained accurate and reliable accounting and financial reporting systems, adequate and appropriate internal control, good corporate governance, and compliance with laws, rules, and regulations relating to the Company's business operations. The Audit Committee has used knowledge, ability, experience, and prudence in performing duties in accordance with the Audit Committee Charter, which has been fully and independently approved by the Board of Directors. The Committee has not encountered any restrictions in obtaining information, resources, and cooperation from management, employees, and related parties. It has provided opinions and suggestions honestly and impartially for the benefit of all stakeholders equally.

On behalf of the Audit Committee



(Assoc. Prof. Kanyarat Sanoran, Ph.D.)

Chairman of the Audit Committee

Successmore Being Public Company Limited

Report of the Nomination and Remuneration Committee

Dear shareholders of Successmore Being Public Company Limited

The nomination and remuneration committee would like to present the committee report for the year 2023 starting from 1 January to 31 December 2023 as follows:

The nomination and remuneration committee of Successmore Being Public Company Limited has been appointed by the board of directors, following the good corporate governance guidelines of listed companies. A committee is a person who has complete qualifications according to the company's charter, not having prohibited characteristics under the relevant laws; have the knowledge, ability, experience, and understanding of qualifications, duties, and responsibilities, including knowledge of corporate governance, and able to devote sufficient time to perform duties, so that the performance of the nominating committee achieved according to objectives. In 2023, the nomination and remuneration committee has 3 members as follows:

			Number of times
Mr. Sahasak	Srisarnparnk	Chairman of the Nomination and Remuneration Committee (Independent Director)	2/2
Assoc. Prof. Kanyarat Sanoran, Ph.D.		Nomination and Remuneration Committee (Independent Director)	2/2
Mr. Noppakrit	Nithilertvijit	Nomination and Remuneration Committee	2/2

The Nomination and Remuneration Committee has performed their duties following their responsibilities in reviewing the criteria, guidelines, and recruiting procedures, including determining the appropriate remuneration for the company's directors and various committees to present to the board of directors meeting consider and giving approval before proposing to the shareholders' meeting for approval on an annual basis. As well as to consider the remuneration of the senior executives of the company to present to the board of directors meeting for approval

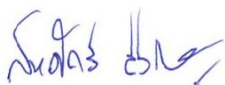
For the year 2023, the Nomination and Remuneration Committee has a meeting to consider and report the results together with the opinions to the board of directors to consider. The Summary of essences that is considered is as follows.

1. Review and nominate people who are legally qualified and pass the rules relating to the positioning of the board of directors as replacement of persons retire by rotation, by recruiting, selecting, and nominating persons with qualifications, experience, knowledge, and abilities that benefit and suit the nature of the business of the company, to propose to the board of directors meeting and the general meeting of shareholders for further consideration. The directors who have interests will abstain from voting.
2. Consider the remuneration of the board of directors, various committees, by carefully scrutinizing the various suitability and compare with reference from the same industry, and economic conditions, as

- well as the appropriateness and responsibility of the number of the board of directors and sub-committees, to present to the board of directors and the shareholders' meeting for approval.
3. Encourage and support the company to allow shareholders to propose agendas for the 2023 annual general meeting of shareholders and nominate qualified persons to be considered for election as a director according to the criteria disclosed on the company's website from 1 November 2022 to 30 December 2022.
 4. Consider the remuneration of the Chairman of the Executive Committee and the chief executive officer and the executives, and consider it as appropriate with the assigned duties, responsibilities, and the performance of the company in comparison with the goals of the company, including economic reality situation by comparing with the rate of remuneration of companies in similar industries, to present to the board of directors for approval.
 5. Review of Nomination and Remuneration Committee charter to guide for performing duties that are appropriate and consistent with the current situation.
 6. Evaluate the performance of the Nomination and Remuneration Committee on a group and individual basis for the year 2023, which the overall assessment results are at a "Very Good" level, and report the evaluation results to the Board of Directors in order to develop effective operations and disclose the assessment results in the form of 56-1 One Report / Annual Report.
 7. Follow up and supervise the company in part of a succession plan and appropriate management continuity for senior management positions and important positions to prepare personnel to support and comply with business expansion.

The nomination and remuneration committee has performed the duties assigned with care, prudence, transparency, fairness, and gives honest, independent opinions. Persons with an interest in the matter considered are not present at the meeting and have no right to express opinion and vote on that matter, according to the principles of good corporate governance, for the best interest of shareholders, investors and all stakeholders are important.

On behalf of the nomination and remuneration committee



(Mr. Sahasak Srisarnparnk)

Chairman of the nomination and remuneration committee

Successmore Being Public Company Limited

Risk Management Committee Report

Dear Shareholders of Successmore Being Public Company Limited

The Risk Management Committee of Successmore Being Public Company Limited has been appointed by the board of directors, which consists of three members: two independent directors and one executive director. There were two Risk Management Committee meetings in 2023. The list of members of the Risk Management Committee and the number of times each member attended the meeting are as follows:

		Number of times
Mr. Noppakrit Nithilertvijit	Chairman of Risk Management Committee (Chief Executive Officer)	2/2
Assoc. Prof. Kanyarat Sanoran, Ph.D.	Member of Risk Management Committee (Independent Directors)	2/2
Dr. Wijit Techakasem	Member of Risk Management Committee (Independent Directors)	2/2

The company has prioritized risk management, particularly risk management that affects the achievement of the company's objectives and business goals by minimizing the likelihood of risks and generating business possibilities that will result in enhanced value for shareholders and other stakeholders.

In 2023, the Risk Management Committee carried out its responsibilities in accordance with the Board of Directors directions and the committee's regulations. The Risk Management Committee was in charge of formulating and revising corporate risk management frameworks, goals, and policies to make sure they align with the company's operational procedures. It was also in charge of keeping track of risk evaluations and their outcomes. overall risk management for the company. This year, the committee held two meetings with the following highlights:

1. Consider business risks from the business model and business risks from the perspective of human resource management. The company must be a modern entrepreneur who must have a forward-thinking mindset and ready to change yourself at all times. The company has always planned to develop personnel with technology.
2. Consider the risk perspective of joint venture investment in an associated company (Power Agrotech (Thailand)) related to the overall agricultural drone industry. Competitor, future prospects, industry revenue structure, analysis of strengths, weaknesses, opportunities and obstacles (SWOT) of associated companies, including revenue generation plans and the driving strategy of the associated company, which covers various aspects.
3. Reviewed the appropriateness and adequacy of the organization's risk management policies, strategies, and guidelines to make sure that they are in accordance with the business strategies and directions of the company and that they can be used to control the level of risk to an acceptable level.

4. Reviewed and summarized risk issues that were important to the organization's sustainability, to prioritize and formulate a risk management plan and establish appropriate controls to control those risks. The objective was to manage the risks to be within the acceptable level for the company including reducing the likelihood of risks occurring in the future.
5. Reviewed the Risk Management Committee charter to ensure that guidelines for performing duties are appropriate and in line with the current situation.
6. Organized an assessment of the performance of the Risk Management Committee as a group assessment and individually assessment for the year 2023, where the overall assessment result was at the "Very Good" level and the assessment results were reported to the Board of Directors for further evaluation and improving operational efficiency, as well as disclosing assessment results in Form 56-1, One Report/annual report.

In summary, the Risk Management Committee determined that the company had a risk management system that was sufficiently efficient to supervise key risks for the group and was appropriate for the company's business operations and activities in 2023. The main departments of the company and each of its subsidiaries continually manage their risks in line with changing circumstances and at an acceptable level. It has also helped support the management of the organization and the business operations of the company and the group of companies to proceed as planned.

On behalf of the Risk Management Committee



(Mr. Noppakrit Nithilertvijit)

Chairman of Risk Management Committee

Successmore Being Public Company Limited

Executive Committee Report

Dear shareholders of Successmore Being Public Company Limited

The executive committee is appointed by the board of directors to supervise, manage and control the company's business operations under the policy and business operation strategies as specified by the board of directors, including compliance with the executive committee charter, code of business ethics, and various laws related to business operations. In 2023, the Executive committee has 3 members as follows:

			Number of times
Dr. Sitthawee	Kriatchawan	Chairman of the Executive Committee	12/12
Mr. Noppakrit	Nithilertvijit	Executive Committee	12/12
Mr. Nitchakul	Kongphawitthakul	Executive Committee	12/12

In 2023, the executive committee held 12 meetings to perform the duties assigned to them. In each meeting, the executive committee will jointly consider important matters and present them to the board of directors for their acknowledgment or approval as the case. In summary, the essence can be as follows

1. Monthly reports the performance of the company.
2. Present a business strategy goal and annual work plans to the board of directors, as well as being responsible for the management of the company under the policies, directions and goals set.
3. Ensuring that financial reports are prepared for the auditor to audit or review and gave an opinion on the mentioned financial statements.
4. Consider making transactions with the connected persons and the acquisition or disposition of assets cautiously, reasonable in terms of price and other conditions; take into account the interests of the company and the shareholders as main. The executive directors who have interests will not take part in decision-making, before presenting to the audit committee and the board of directors respectively, as well as follow up the operations of each party and in the whole of the company's monthly.
5. Support and encourage employees to create innovations continuously to add value to the product.
6. Consider and approve the annual budget, company investment, including business critical part in financial and credit transactions before proposing to the Board of Directors for approval.
7. Supervise, promote, and support the board of directors, the management, and employees to have knowledge and understanding of the anti-corruption policy and regulation of the company.
8. Review of the executive committee charter to guide for performing duties that are appropriate and consistent with the current situation.
9. Arrange for performance appraisal of the executive committee, both in faculty forms and individual forms for the year of 2023 and report the assessment results to the board of directors, to develop efficiency in work and disclose the assessment results in Form 56-1 One Report / annual report

The executive committee is committed to managing the business to achieve the vision, mission, goals, and business strategies of the organization, and managed under the principles of good corporate governance, having transparency, verifiable and fairness, while operating the business with social and environmental responsibility, including continuous support for anti-corruption for the organization to grow and be stable.

On behalf of the executive committee, I would like to thank the shareholders; independent businessmen, customers, business partners, financial institutions, government and private agencies, and all employees of the company for always entrusted and gave great support to the company. I would like you all to believe that the company will remain committed to operating the business for sustainable growth under the principles of ethics and good corporate governance to move forward steadily and sustainably.

On behalf of the Executive Committee



(Dr. Sitthawee Kriatchawan)

Chairman of the Executive Committee

Successmore Being Public Company Limited

Report of the Corporate Governance and Sustainability Committee

Dear Shareholders of Successmore Being Public Company Limited

The Corporate Governance and Sustainability Committee is appointed by the Board of Directors to oversee and support the management to drive the organization towards sustainable stability. By 2023, The Corporate Governance and Sustainability Committee has 7 members as follows:

- | | |
|---|--|
| 1. Mr. Narongrit Thavornvisitporn | Chairman of Corporate Governance and Sustainability Committee
(Chairman and Independent Director) |
| 2. Mr. Sitthawee Kriatchawanun | Corporate Governance and Sustainability Committee |
| 3. Mr. Noppakrit Nithilertvijit | Corporate Governance and Sustainability Committee |
| 4. Assoc. Prof. Kanyarat Sanoran, Ph.D. | Corporate Governance and Sustainability Committee
(Independent Director) |
| 5. Mr. Sahasak Srisarnparnk | Corporate Governance and Sustainability Committee
(Independent Director) |
| 6. Dr. Wijit Techakasem | Corporate Governance and Sustainability Committee
(Independent Director) |
| 7. Miss Kamonthip Kriatchawanun | Corporate Governance and Sustainability Committee |

The Corporate Governance and Sustainability Committee places importance on driving the organization towards becoming a transparent and moral organization based on honesty. The Company encourages the management to manage the organization in accordance with the principles of good corporate governance and adhere to the established business ethics in order to continuously enhance the Company's corporate governance to be effective. To create fairness and confidence for all groups of stakeholders and develop the organization to grow steadily and sustainably.

In 2023, the Corporate Governance and Sustainability Committee has supported the management of the organization in accordance with ESG (Environmental, Social and Governance) guidelines to achieve the SDGs (Sustainable Development Goals). In the long term as the following:

1. Carefully manage risks by strictly following the internal control process.
2. Review and improve the internal control system of information technology.
3. Record transaction income accurately and completely.
4. Provide remuneration to members and businessmen in accordance with fair, accurate, complete, and timely agreements.
5. Consider paying dividends to shareholders for reasonable incentives.
6. Improve the quality and increase the economic value of all types of product formulations.
7. Seek business expansion opportunities for the stability and sustainability of the organization.
8. Develop a system to prevent all forms of fraud.

9. Review the relationship and transactions between each other correctly with appropriate according to the requirements
10. Review key financial information to ensure business continuity and stability.
11. Support quality employee training and development to promote lifelong learning.
12. Formulate long-term innovative product and service development strategies.

The Corporate Governance and Sustainability Committee encourages all stakeholders to receive worthwhile benefits in both economic and social dimensions. Encourage stakeholders to participate in activities to promote and enhance the status of society. It entitles shareholders to be informed of important information and participate in decision-making on important agendas, as well as to provide opportunities for stakeholders to openly examine the work of directors and executives.

On behalf of the Corporate Governance and Sustainability Committee



(Mr. Narongrit Tavorntvisitporn)

Chairman of Corporate Governance and Sustainability Committee

Successmore Being Public Company Limited

Chief Executive Officer Report

Dear Shareholders of Successmore Being Public Company Limited

In 2023, it is the year the company has its 10th anniversary, which has been a full ten years of the company conducting business under the motto "Inspiration for Your Being," the inspiration that changes your life. The company is committed to developing product quality and growth to become a network business that encourages Thai people to take care of their health through the Hero Brand concept, which includes promoting a growth mindset, the key to success in creating businessmen, which is a strength in adding value and differentiation for the "Successmore" brand and the company continuously.

In addition, the company is focusing on developing products to address the economic slowdown and rising inflation by adjusting sales channels and making marketing strategies complete with all functions, focusing on groups of new consumers who care about their health. In the past, the company has continuously developed and released new products in the product group for facial skin and recently reinforced leadership in network business that has been with Thai people for a decade and won the award for "Products for Best Farmer" under the brand Growing More from the Siamrath Online Award 2023 by Siamrath Newspaper. It is the pride of the company and another award that is very important for the brand, which has been committed to product development to ensure that Thai people receive the best from Successmore and dominates as a network business that supports Thai people to have better health and lives.

For 2024, the company plans to launch a new S-curve to create WAVE 2, adjusting the organizational policy to focus on developing and researching new products that meet the needs of consumers while also seeking new business opportunities through driving the organization under five main strategies: 1. Creating and elevating brand heroes, including organizations, products, and leaders. 2. Connecting the power of O2O marketing. 3. Developing and upgrading the abilities and energy of network expansion leaders and salespeople. 4. Upgrading standards for creating a good experience for customers 5. Develop and strengthen overseas branches and expand into new businesses.

Moreover, SCM aims to develop its products to create "product lovers" and "brand lovers" by reaching customers and creating community marketing, including giving importance to efficient management and cost control.

The management team and I assure you that we will drive the company toward stable and sustainable growth, both in sales and profits and as a social care organization, thanking board members, shareholders, customers, dealers, business partners, and employees for their support.



(Mr. Noppakrit Nithilertvijit)

Chief Executive Officer

Successmore Being Public Company Limited



*Inspiration
for your Being*

SUCCESSMORE BEING PUBLIC COMPANY LIMITED

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