

DESIGN FOR **EXCELLENCE,** DESIGN FOR **FUTURE**



ADVANCED NFC



IMMOBILIZER



INDUSTRIAL IoT



ANIMAL ID





INNOVATION & TECHNOLOGY ADVANCEMENT

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VISION

Shape the world of Secured & Connected
devices with Innovation & Intelligence

MISSION

Products and services :

Company will design and deliver outstanding and unique integrated circuit products and services.

Customers and business partners:

The Company determines to add value to customers and business partners by focusing on creation of innovation that can be achievement at global level.

Employees:

The Company will be the organization with happy working environment which determines to develop potential of its employees on creative idea and courage to encounter challenges with strong determination to success and self-development continually.

CORE VALUE



TEAMWORK & COMMUNICATION

Cooperation to work as a team in a systematic way and the ability to communicate effectively with both internal and external stakeholders with respect to achieving organizational goals.



EXCELLENCE IN EXECUTION

Seek a path to excellence by setting a goal, setting a plan, taking action, and regularly assessing results. Including attempting to find ways and practices to grow excellence all the time.



CREATIVITY

Transcend traditional ways of thinking and acting to continuously innovate products and services with excellent quality.



PROACTIVENESS

Be proactive in planning and setting a goal to maximize everyone's work performance, which also leads to achieving organizational goals.



ACCOUNTABILITY

Committed to the success of the assignment and take responsibility for the results. As well as manage team and own jobs to accomplish the goal.



DEVELOPMENT

Committed to perpetually acquiring knowledge and developing capabilities and skills for both the individual and the team in the workplace

Awards and Honors in 2023



สมาคมส่งเสริมพลังคนไทย
THAI INVESTORS ASSOCIATION

5-STAR CGR RATING 2023

The Company received a “Excellent” rating of 5 stars for the second consecutive year in the Corporate Governance of Listed Companies in Thailand 2023 assessment from the Thai Institute of Directors (IOD) and received a score of 99 from the AGM Quality Assessment Project.



THAILAND'S MOST ACCLAIMED SEMI-CONDUCTOR MANUFACTURING COMPANY IN 2023

The Company was recognized by APAC Business Headline as Thailand's Most Acclaimed Semi-Conductor Manufacturing Company in 2023.



Quality Persons of The Year 2023

Dr. Bodin Kasemset, Chief Executive Officer, received the “2023 Quality Person of the Year” award and certificate in the Information and Communication Technology (ICT) sector from the Foundation for Science and Technology of Thailand (FSTT).

ESG Emerging 2023

Environmental • Social • Governance

ESG EMERGING LIST 2023

The Company was selected by the Thai Development Institute to be included in the **ESG Emerging List and the Universe of ESG100** stocks for 2023.

SET A
ESG Ratings 2023

SET ESG RATING 2023

The Company passed the selection criteria to be included in the **list of Sustainable Stocks** for 2023 (SET ESG Rating) or the former Thailand Sustainability Investment (THSI) **for the second consecutive year** and received a **SET ESG Rating of "A"** for 2023.



SET AWARD 2023

The Company received 3 awards in the **"Business Excellence"** category at the SET Awards 2023: **Best Company Performance Awards, Best Innovative Company Awards, and Outstanding Investor Relations Awards** for listed companies on the Market for Alternative Investment (mai) for 2 consecutive years.

Key Activities and Events in 2023



On March 10, 2023, the Company co-sponsored the TESA Senior Project Developer Pitch Competition 2023, the first edition, organized by the Thai Embedded Systems Association (TESA) in collaboration with the National Innovation Agency (Public Organization) (NIA).



On May 2-6, 2023, the Company traveled to Taiwan to exchange information on curriculum and development of human resources for the semiconductor industry.



On May 9-11, 2023, the Company traveled to exhibit RFID and NFC products at RFID Journal Live! 2023 at the Orange County Convention Center in Florida, USA.



On July 6, 2023, the Company, in collaboration with the National Research Council of Thailand (NRCT), awarded scholarships to students of the Faculty of Engineering, Prince of Songkla University, for a microchip development project.



On July 28, 2023, the Company donated 8 used laptops in good condition to Ban Khao Krad School in Ratchaburi Province to support and promote educational readiness among young people.

Mar

Apr

May

Jun

Jul



On April 27, 2023, the Company held its Annual General Meeting of Shareholders 2023 via electronic media (E-AGM) live from the Townhall of Silicon Craft Technology Public Company Limited.



On April 28, 2023, Dr. Bodin Kasemset, Chief Executive Officer of the Company, spoke at a seminar on the topic of "Electronics Industry and National Development" at KMITL Innovation Expo 2023.



On June 14, 2023, the Company donated 7 printed circuit boards to the Sirindhorn International Institute of Technology, Thai-German, King Mongkut's University of Technology North Bangkok.



On September 12-15, 2023, the Company traveled to co-exhibit RFID and NFC products with Elektronika Sales at Electronica India 2023 in India.



On September 15, 2023, Dr. Bodin Kasemset, Chief Executive Officer, spoke at a seminar on Wearable Medical Devices at Medical Fair Thailand 2023.



On November 3, 2023, Dr. Bodin Kasemset and Prof. Dr. Apinunt Thanachayanont, Chief Executive Officer and Chief Research Officer of the Company, respectively, attended the 4th Microelectronics Technology Development Conference organized by the Microelectronics Design Center (EDC), National Research Council of Thailand (NRCT).



On November 16-24, 2023, the Company co-organized the 2nd Digital Design with FPGA Camp or DD Camp at Kasetsart University for the second time.

Aug

Sep

Oct

Nov

Dec



On August 9, 2023, Dr. Bodin Kasemset, Chief Executive Officer of the Company, signed an academic cooperation agreement with King Mongkut's University of Technology North Bangkok to develop microchip technology.



On August 27-31, 2023, the Company traveled to exhibit NFC Sensor interface products at Euroanalysis 2023 in Geneva, Switzerland.



On October 2-4, 2023, the Company traveled to exhibit RFID and NFC products at Luxe Pack 2023 in Monaco.



On October 5, 2023, Prof. Dr. Apinunt Thanachayanont, Chief Research Officer of the Company, participated in a seminar at the Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang on the topic of "Semiconductor Development Guidelines in Thailand".

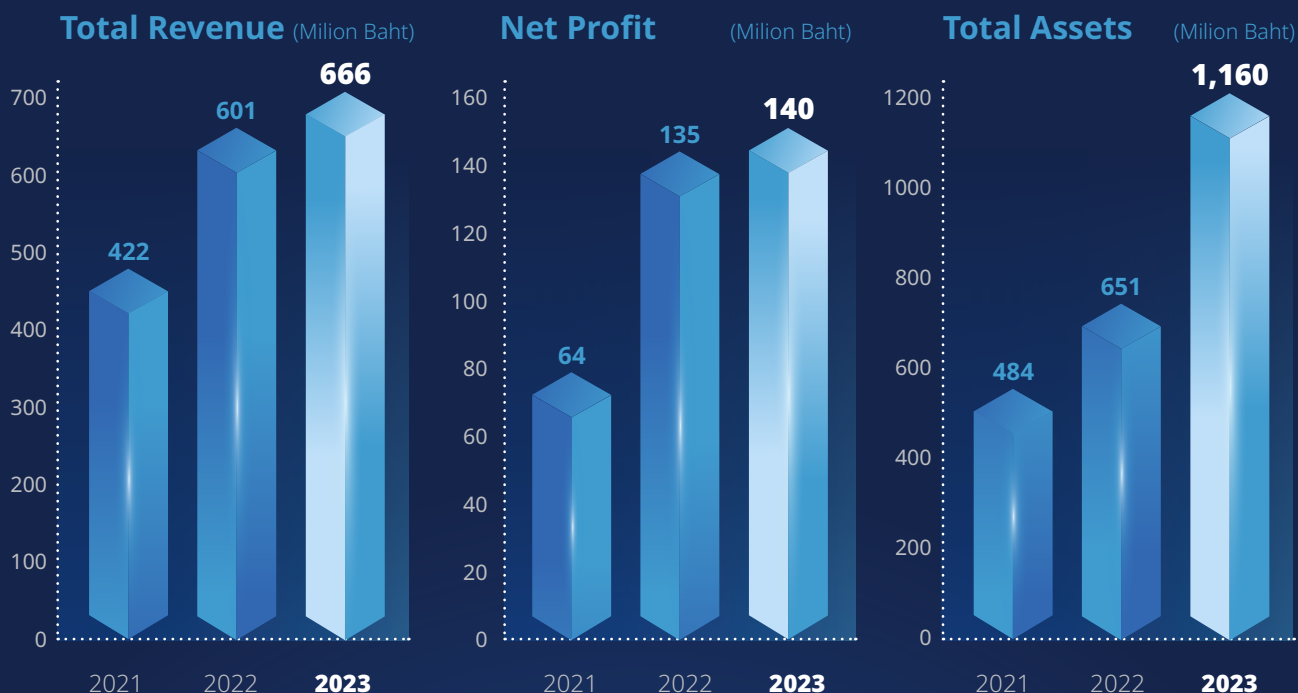


On October 18-19, 2023, the Company traveled to exhibit RFID and NFC products at Wireless IoT Tomorrow 2023 in Germany.



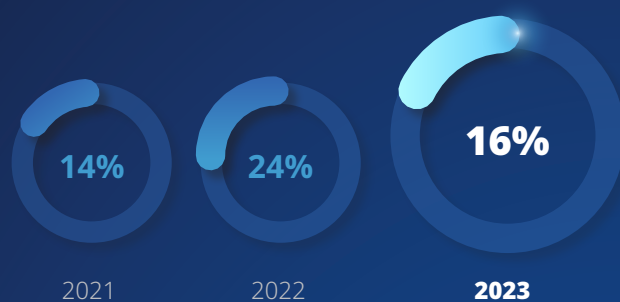
On December 14-27, 2023, the Company co-organized the 7th Digital Design with FPGA Camp or DD Camp at Chulalongkorn University for the seventh time.

Financial Highlights 2023

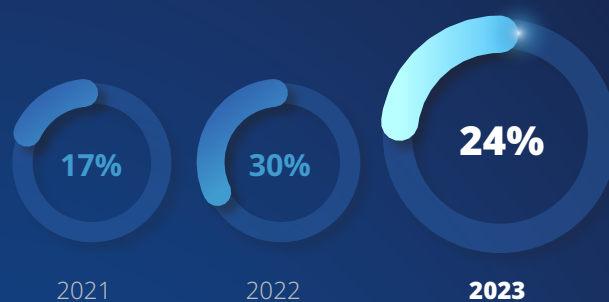


Financial Ratios

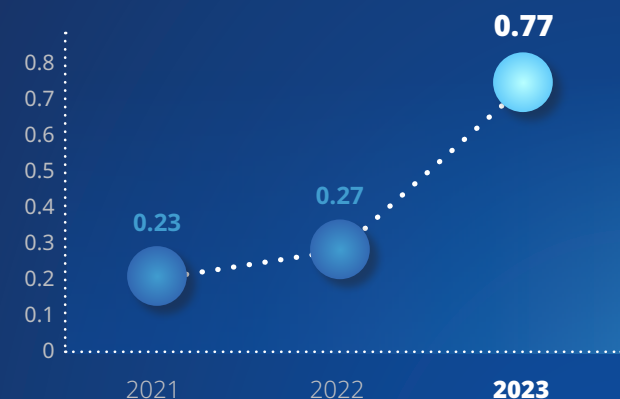
Return on Assets (ROA)



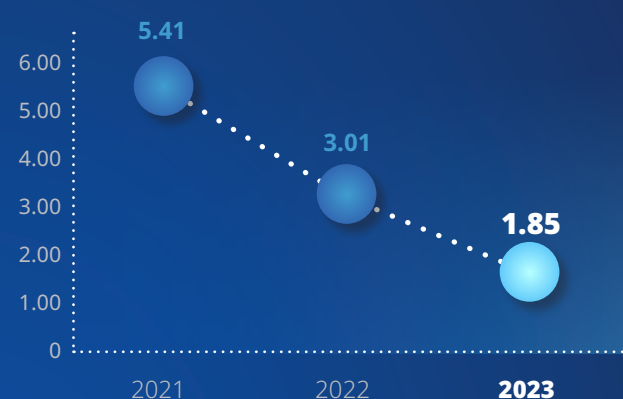
Return on Equity (ROE)



Debt to Equity Ratio (times)



Inventory Turnover (times)



2021

2022

2023

Summary of Financial Statement (Thousand Baht)

Cash and cash equivalents	101,406	114,959	133,631
Total assets	484,813	651,333	1,160,113
Total liabilities	90,202	136,464	505,246
Total shareholders' equity	394,611	514,869	654,867

Income Statement

(Thousand Baht)

Revenues from sales and services	421,698	601,012	666,377
Gross profit	222,586	315,576	304,404
Profit from operating activities	63,981	137,609	146,091
Profit for the year	64,038	135,076	140,359

Financial Ratios

Return on Assets (ROA)	14.2%	23.8%	15.5%
Return on Equity (ROE)	17.2%	29.7%	24.0%
Gross Profit Margin	52.8%	52.5%	45.7%
Net Profit Margin	15.2%	22.5%	21.1%
Debt to Equity Ratio	(times) 0.23	0.27	0.77
Dividend Payout Ratio	27%	33%	12%
Earning Per Share	(Baht) 0.13	0.28	0.29

Net Profit Margin**Dividend Payout Ratio****Earning Per Share**



“

The year 2023 was marked by exceptional success for our company. Despite the uncertainties within the semiconductor industry’s overall supply chain, the company has demonstrated its potential by achieving double-digit growth for the third consecutive year.

”

Mr. Manop Dhamsirianunt

Chairman of the Board of the Directors

Silicon Craft Technology Public Company Limited

Message from the Chairman of the Board of Directors

Dear Esteemed Shareholders,

I am delighted to provide you with an overview of Silicon Craft Technology Public Company Limited (SICT) operational performance for the preceding year, 2023. It brings me great pleasure to report that the year was marked by exceptional success for our company. Despite the uncertainties within the semiconductor industry's overall supply chain, the company has demonstrated its potential by achieving double-digit growth for the third consecutive year. Our total revenue reached 666 million baht, representing an 11% increase compared to the preceding year.

This success can be attributed to several main factors. Firstly, there was continued growth across nearly every main business group, including the Animal ID group, the Industrial IoT group, and the NFC and others group. Secondly, a clear strategic approach focusing on developing new products, expanding our customer base, and creating new business opportunities Accelerated investment in research and development, alongside a steadfast commitment to enhancing good governance and transparency Thirdly, the efficient management exhibited by our experienced leadership team and dedicated employees has been instrumental in driving our success throughout 2023.

The diligent efforts of our management team in establishing a robust foundation across all departments have strategically positioned us to pursue new ambitious goals and effectively confront emerging challenges. Looking ahead, our company will employ key strategies to foster further growth, including developing innovative products to meet evolving market demands, aiming to assert our leadership position in both quality and price competitiveness. Additionally, we plan to extend investments in research and development within the industrial IoT market and the microchip in security sector, which can be applied in Blockchain technology and Automotive Remote Keyless Entry systems. The company is also dedicated to fostering a robust ecosystem within the semiconductor industry and microchip market, involving proactive engagement with startup companies, including joint

investments in Adaptrics Company Limited, which specializes in providing comprehensive RFID solutions and services.

Regarding the expansion into international markets, the company remains steadfast in its pursuit of new opportunities abroad, expanding our customer base and cultivating strong relationships with customers and partners to create a robust business network and establish a recognizable brand while prioritizing the delivery of exceptional customer service. Our primary objectives include expanding our customer base and cultivating enduring relationships with customers and partners alike. With confidence in the company's potential, alongside an experienced management team and dedicated employees, we believe our company will achieve steady and sustainable growth.

Additionally, over the past year, the Board of Directors has reviewed the key roles and responsibilities of both the Board of Directors and the Audit Committee. We have also raised the importance of various good corporate governance policies and practices which emphasized by regulators We have worked closely with the Audit Committee to maintain good corporate governance, transparency and fairness. The company was awarded the 5-star (Excellent) rating for the second consecutive year in the 2023 Corporate Governance Assessment of Thai Listed Companies (CGR) by the Thai Institute of Directors (IOD).

The next pivotal phase for the company, which I would like to term as our movement towards a sustainable future, involves an unwavering commitment to technological advancement and sustainable business practices. We are steadfast in our endeavor to integrate sustainable development into the core of our organizational strategy, considering societal and environmental impacts alongside maximizing benefits for our esteemed shareholders and stakeholders across all sectors.

Finally, I would like to thank everyone for the trust in the company and hope to continue receiving good support from all sectors.

Message from Chief Executive Officer

The year 2023 is one of the most challenging years for Silicon Craft Technology Public Company Limited to deal with external factors due to the greater macroeconomic uncertainties that continue in the field of geopolitics. This resulted in a direct slowdown in the overall economy and indirectly on the Company's cost due to fluctuations in oil prices, gold and rare metals. Moreover, the acute changes in the market and technology in the semiconductor industry sector have also resulted in the continued contraction of the global semiconductor business in the second half of 2022.

As for internal factors, the experience of confronting the supply crisis of the semiconductor business in the period of 2020-2022 of the coronavirus pandemic made it imperative for the Company to undertake major changes in moving product technology to greater advancement, having more cost-effectiveness and reducing the risk of supply scarcity in the semiconductor industry chain. As a result, the Company continued to stock products that are important to the Company's business continuity and that of its customers in order to be sufficient for the expansion of the Company's business, especially in terms of Animal identification and Industrial IoT.

As Chief Executive Officer, my team and I are proud of the fact that the Company has been able to overcome various obstacles in 2023, continue to deliver products to customers around the world and achieve growth as planned. That is to say, total revenue grew by 11%, net profit grew by 4% and investment in research and development increased from 11% to 16% of the total revenue in the previous year to support long-term sustainable business growth. In the past year, the Company was able to bring two products to the market in the Industrial IoT and NFC Sensors groups, which are part of driving revenue growth in the past year. In addition, the Company adjusted its management plan to reduce the impact of the currency fluctuations, which has had very satisfactory results in the past year.

The Company recognizes that personnel are a very important resource for the Company. In 2023, the Company implemented a plan to retain quality personnel in terms of appropriate

welfare and support for projects encouraging more employee participation. With respect to personnel development, the Company provided employee skills development in terms of technology research and development, leadership and other soft skills necessary for work. The investment in this development tripled from that of the previous year, and the average hours of employee training were 23 hours per person per year.

Moreover, the Company consistently received honors from various organizations and agencies. Over the past year, the Company received SET Awards in three categories, namely Best Company Performance Awards, Best Innovative Company Awards and Outstanding Investor Relations for the second consecutive year from the Stock Exchange of Thailand. The Company was also ranked in the list of sustainable stocks for the second consecutive year and was assessed as a SET ESG Rating at 'A' Level by the Stock Exchange of Thailand. The Company was assessed in the ESG100 Universe by the Thaipat Institute and assessed for the 2023 Corporate Governance of Thai Listed Companies (CGR) by the Thai Institute of Directors (Thai IOD) with a 5-star rating or Excellence for the second consecutive year.

With this opportunity, we have moved on to the next phase of the Company's strategic plan to create growth, which I call the "Roadmap to 1,000 million baht." As in the past, everyone has seen the acceleration of investment in research and development in line with the Company's technology roadmap in order to bring new products to the market and generate sustainable income in the future. The Company continues to search for partners with the nature and direction of the business that support each other to create exponential growth. The Company remains committed to driving sustainable development as part of its corporate strategy, conducting business by minimizing social and environmental impact, being transparent, fair and taking into account all stakeholders.

Finally, I, the management and all employees would like to take this opportunity to thank you very much for all the great support from all sectors.

“

The year 2023 is one of the most challenging years for Silicon Craft Technology Public Company Limited. As Chief Executive Officer, my team and I are proud of the fact that the Company has been able to overcome various obstacles in 2023, continue to deliver products to customers around the world and achieve growth as planned. With this opportunity, we have moved on to the next phase of the Company's strategic plan to create growth, which I call the "Roadmap to 1,000 million baht."

”

Dr. Bodin Kasemset

Chief Executive Officer
Silicon Craft Technology PLC.



Board of Directors



Mr. Manop Dhamsirianunt
Chairman of the Board of Directors/
Non-Executive Director



Mrs. Monluedee Sookpantararat
Director/ Independent Director/
Chairman of the Audit Committee/
Member of the Risk Management
Committee



Mr. Wuthipong Suponthana
Director/ Independent Director/
Chairman of the Risk Management
Committee/ Member of the Audit
Committee/ Member of the Nomination,
Remuneration and Corporate
Governance Committee



Mr. Sarote Phornprapha
Director/ Independent Director/
Chairman of the Nomination,
Remuneration and Corporate
Governance Committee/ Member of the
Audit Committee



Mr. Naiyavudhi Wongkomet
Director/ Non-Executive Director/
Chairman of the Executive Committee/
Member of the Risk Management
Committee/ Member of the Nomination,
Remuneration and Corporate
Governance Committee



Mr. Apinetr Unakul
Director/ Non-Executive Director



Mr. Bodin Kasemset
Director/ Executive Director/ Member of
the Executive Committee/ Member of the
Risk Management Committee/ Chief
Executive Officer



Mr. Apinunt Thanachayanont
Director/ Executive Director/ Member of
the Executive Committee/ Chief Research
Officer



Ms. Arunee Poontawe ⁽¹⁾
Director/ Non-Executive Director

Remark: ⁽¹⁾ Ms. Arunee Poontawe resigned from the Member of the Board of Directors at the Board of Directors' Meeting No. 1/2023 dated February 24, 2023 with effect from March 1, 2023 onwards.

Management Team



Mr. Bodin Kasemset

Director/ Executive Director/ Member of the Executive Committee/ Member of the Risk Management Committee/ Chief Executive Officer



Mr. Kowit Nuangsuk

Member of the Executive Committee/ Chief Financial Officer



Mr. Sarun Polachart

Member of the Executive Committee/ Chief Operating Officer



Mr. Thaweesak Thantipwan

Member of the Executive Committee/ Chief Technology Officer



Mr. Apinunt Thanachayanont

Director/ Executive Director/ Member of the Executive Committee/ Chief Research Officer

01 Business Operations and Results



TECHNOLOGY ECOSYSTEM

1. Structure and operations of the Company

1.1 Policy and Business Overview

Silicon Craft Technology PLC (“The Company”) is in the business of research and development, in-house design, and Integrated Circuit (IC) and microchip products marketing to customers. The Company outsources the manufacturing process and deliver finished products under the Company’s trademark “SIC”. Our designed microchips are one of the essential components in Radio Frequency Identification (RFID) application, a system that is widely adopted worldwide. It is capable to communicate information among devices using a host of radio frequencies. The applications range from locating items wirelessly, tagging registered objects and animals. Pass cards to gain entry into buildings, tickets, automotive keys, small tags or capsules which are inserted inside animals to record data, labels on commercial goods to receive and display information are among chief applications that RFID system is capable of.

1.1.1 Overview of vision, objective, target and strategy of operation of the Company

Silicon Craft Technology Public Company Limited (“the Company”) has specified business operations guidelines which focused on creating of new innovation, presentation of product innovation to build difference and respond to demand of the trade partners and users, as well as to become one of the leaders on design, development and supply of RFID microchip and related technology. The Company has cultivated corporate culture which emphasis on becoming the innovation organization through operations of the management to employees at all levels under transparent management with governance principle. Such guidelines are clear, concrete and can be practiced with details as follows:

Vision

“Shape the world of Secured & Connected devices with Innovation & Intelligence”

Mission

Products and services:

The Company will design and deliver outstanding and unique integrated circuit products and services.

Customers and business partners:

The Company determines to add value to customers and business partners by focusing on creation of innovation that can be achievement at global level.

Employees:

The Company will be the organization with happy working environment which determines to develop potential of its employees on creative idea and courage to encounter challenges with strong determination to success and self-development continually.

1.1.2 History of the Company



Silicon Craft Technology Public Company Limited (“the Company”) was founded in 2002 by a group of Thai researchers and electronic engineering experts with a registered capital of 5 million baht under the leadership of Mr. Manop Dhamsirianunt, a former IC design specialist in the Reverse Brain Drain Project who needed to transfer knowledge and working experiences in Integrated Circuit (IC) design from overseas for more than 10 years to develop and prove that research

works and knowledge on integrated circuit can add very high economic values. Hence, he joined hands with a group of researchers and specialists who have the same concept to establish a private company because it is agility and can closely cooperate with the public agencies on concretely development of body of knowledge on integrated circuit design in Thailand. Those founders who are currently the Company’s shareholders are Mr. Naiyavudhi Wongkomet, Mr. Apinunt Thanachayanont and Mr. Apinetr Unakul.

With the expertise and dedication of its personnel, combined with the continuous support from the government, which wanted to jointly create a truly integrated circuit design industry in Thailand, the Company was able to successfully develop its first and only RFID Animal Identification microchip in Thailand. The Company has also been continuously successful in designing and developing other RFID products, such as microchips for Industrial IoT systems, microchips for electronic vehicle immobilizers and microchips for near-field wireless high-frequency (NFC) applications. The Company also develops products in the sensor group for measuring electrical, physical and chemical parameters.

The Company is the first and only Thai operator in South East Asia which engages in business of a complete research and development of integrated circuit, beginning from research & development, chip production, test, marketing and supply, just like the top companies in the United States of America’s Silicon Valley. Consequently, the Company can develop new products to respond to the trade partners’ requirements by presenting products with different qualifications in the competitive prices with the competitors in the world’s market. The Company’s products have been increasingly and continually accepted by the customers in many countries worldwide, such as in European countries, Australia, People’s Republic of China and the United States of America, under operations of the professional management and teams of engineers who have experiences in such industry and technology for a long time.

Key Changes and Developments

Significant Events

- 2002** • Silicon Craft Technology Company Limited has been established with initial registered capital of 5.00 million Baht, by dividing into 50,000 ordinary shares at par value of 100.00 Baht per share to engage in business of design, research & development and supply of integrated circuit (IC) products.
-
- 2004** • The Company has entered into a joint venture agreement with the Mutual Fund for joint investment in Small & Medium Enterprises (SMEs). The Company increased its registered capital by 0.60 million Baht to be 5.60 million Baht to participate in the “5 Year Strategy to Build-up Thai Entrepreneur Society” and par value has also been changed from 100.00 Baht per share to 10.00 Baht per share. Consequently, the Company has 560,000 ordinary shares at par value of 10.00 Baht per share.
- The Company has relocated its head office from Pakkred District, Nonthaburi Province to Don Muang District, Bangkok for convenience on business operations.
 - The Company started to develop integrated circuit (IC) for RFID Animal Identification with the support from the National Electronics and Computer Technology Center (NECTEC).
-
- 2005** • The Company became the first and only company in Thailand and in South-east Asia that can successfully develop integrated circuit (IC) or chip for RFID Animal Identification and the product has been launched in such year.
-
- 2006** • The Company together with the partner in South Korea can successfully design and develop the Interrogator.
-
- 2007** • The Company increased its registered capital by 11.28 million Baht to 16.88 million Baht, dividing into 1,688,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
- The Company received Asia Pacific Business Development Strategy Leadership Award on RFID Animal Tagging Market from Frost & Sullivan, a global research and consulting firm.
 - The Company has been granted investment promotion from the Office of Board of Investment for integrated circuit design and RFID devices design including continuous product from design activities.
-
- 2008** • The Company can achieve development of integrated circuit (IC) or microchip to be used with Immobilizer and this product has been launched in the market in same year.
-
- 2009** • The Company increased its registered capital by 8.12 million Baht to 25.00 million Baht, dividing into 2,500,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
- The Company’s shareholders purchased shares back from the Mutual Fund for jointly investment in the Small & Medium Enterprises (SMEs) pursuant to condition in the joint venture agreement. Total 249,305 shares have been purchased back.
 - The Company received Thailand Embedded Product Awards (TEPA) for its outstanding products under category of Ear Tag and Inlay.
 - The Company received the honorable mention under category of Telecom Product for 13.56 MHz Multi Standard RFID Reader IC from Telecom Innovation Award 2009 arranged by the Telecommunications Research and Industrial Development Institute (TRIDI).
-
- 2010** • The Company increased its registered capital by 5.00 million Baht to 30.00 million Baht, dividing into 3,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
- The Company enrolled to become the corporate member of the Thai Chamber of Commerce, registration number T5300184.
-
- 2011** • The Company increased its registered capital by 20.00 million Baht to 50.00 million Baht, dividing into 5,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
-

Significant Events

- 2012**
- The Company increased its registered capital by 30.00 million Baht to 80.00 million Baht, dividing into 8,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
 - The Company relocated its head office from Don Muang District, Bangkok to Soi Senanikom, Bangkok to support for its expansion and for increased efficiency on management.
-
- 2013**
- The Company has been accredited for ISO9001: 2008 on Quality Management System Standard of product and services on design, research & development and distribution of integrated circuit (IC) and RFID device from Bureau Veritas (UK Branch).
 - The Company commenced for registration for an establishment of Silicon Technology (Shenzhen) Company Limited, as its subsidiary company in Shenzhen, People's Republic of China on September 19, 2014 with registered capital of 1.00 million yuan to support for its business expansion into China.
-
- 2014**
- The Company increased its registered capital by 20.00 million Baht to 100.00 million Baht, dividing into 10,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
 - The Company relocated its head office from Soi Senanikom, Bangkok to Chatuchak District, Bangkok to support for its business expansion.
-
- 2016**
- The Company increased its registered capital by 50.00 million Baht to 150.00 million Baht, dividing into 15,000,000 ordinary shares at par value of 10.00 Baht per shares to be used as working capital for business operations.
 - The Company closed down Silicon Technology (Shenzhen) Company Limited, its subsidiary in People's Republic of China, to restructure its organization for preparation to be listed in mai.
 - The Company has entered into a Memorandum of Understanding (MOU) with one of the world's leading electric appliances manufacturing company in South Korea for collaboration on research and development of microchip products for sensor system.
-
- 2017**
- The Company has entered into a Memorandum of Understanding (MOU) with the leading RFID device manufacturing company in Germany for joint collaboration on development of new model of immobilizer and also entered into a Memorandum of Understanding (MOU) with the immobilizer manufacturing company in Spain for collaboration on development of Cloud system for such company.
-
- 2018**
- The Company has entered into a Memorandum of Understanding (MOU) with Thailand's leading cement, petrochemical and chemicals company for joint collaboration on research and development of microchip products for chemicals detection.
-
- 2019**
- The Company registered to transform from a company limited to a public company limited and changed its name to Silicon Craft Technology Public Company Limited.
 - During the Annual General Meeting of Shareholders No. 1/2019 dated February 21, 2019, the Meeting resolved to change value of par value from 10.00 Baht per share to 0.50 Baht per share. As a result, the Company has total 300,000,000 ordinary shares, at par value of 0.50 Baht per share. The Meeting also resolved and approved for capital increase for additional 50.00 million Baht to 200.00 million Baht, dividing into 400,000,000 shares, at par value of 0.50 Baht to support for the initial public offering (IPO) amounting to 100,000,000 shares. Consequently, the Company has total 400,000,000 ordinary shares, at par value of 0.50 Baht per share, dividing into 300,000,000 ordinary shares of the existing shareholders and 100,000,000 new ordinary shares for initial public offering (IPO).
-

Significant Events

- 2020**
- The Company signed a Memorandum of Understanding (MOU) with Chulalongkorn University by the Center of Excellence on Petrochemical and Materials Technology to jointly develop intelligent blood transport box temperature sensors to control the quality of blood bags during transportation.
 - The Company receives R&D subsidies from the Office of the National Digital Economy and Society Commission, Ministry of Digital Economy and Society, for portable residual toxin monitoring systems that work with smartphones, and shrimp farming optimization projects with wireless sensor networking and artificial intelligence.
 - July 30th, 2020 marked the first day for Silicon Craft Technology PLC to list and begin trading its shares on the Market for Alternative Investment (mai) of The Stock Exchange of Thailand under the ticker “SICT”, raising funds for microchip business development, new technological developments, and future joint-venture projects. The Company issued 100,000,000 ordinary shares, which corresponded to 25% of all issued and fully paid ordinary shares.
-
- 2021**
- On 13th May 2021, the Company’s Board of Directors approved the Employee Joint Investment (EJIP) project.
 - On 11th August 2021, the Company’s Board of Directors passed a motion to appoint Dr. Bodin Kasemset as CEO.
 - On 11th August 2021, the Company’s Board of Director pass a motion to appoint Mr. Manop Dhamsirianunt as Chairman of the Board.
 - On 11th August 2021, the Company’s Board of Directors approved the second round of the Employee Joint Investment (EJIP) project.
-
- 2022**
- In the first quarter, the Company launched a new immobilizer product under the name “Ultimate X (ULTX)”, which is a microchip for automotive key backup systems which could support 99% of the car models on the market.
 - In the second quarter, the Company revised its product classification, that is, the change from the group of microchips set used for on-site access system to the IoT group in the industrial sector to be in line with the Company’s current business and market. At present, the Company’s product groups include animal registration system, automotive electronic key system, industrial IoT, NFC, and others.
 - On June 1, 2022, the Company signed a Memorandum of Understanding (MOU) with Smooth and Sharp Corporation (S&S), Taiwan, to cooperate in the development of Green RFID projects and create innovations in Digital Healthcare Sensor.
 - On August 10, 2022, the Company’s Board of Directors’ meeting resolved to approve the project of Employee Joint Investment (EJIP) Group 3.
 - On October 3, 2022, the Company restructured its organization and established the Research Department, while announcing the appointment of Prof. Dr. Apinunt Thanachayanon as Chief Research Officer to supervise and manage all works of the department activities.
-
- 2023**
- On April 27, 2023, the Annual General Meeting of Shareholders approved the issuance of 80,000,000 new ordinary shares with a par value of THB 0.50 per share to support the payment of dividends. The meeting also approved the issuance of up to 240,000,000 new ordinary shares under the General Mandate with a par value of THB 0.50 per share.
 - On May 12, 2023, the Board of Directors approved the Employee Joint Investment (EJIP) Program for Group 4.
 - In the second quarter, the Company launched a new Industrial IoT product, the SIC73F1, which is a microchip for use in automated wafer manufacturing systems.
 - On August 9, 2023, the Company signed a Memorandum of Understanding (MOU) with King Mongkut’s University of Technology North Bangkok (KMUTNB) to collaborate on developing the capabilities of Thailand’s semiconductor industry workforce to meet global standards.
 - On December 14, 2023, the Executive Committee, which has been authorized by the Board of Directors, approved the establishment of a joint venture company named Adaptrics Co., Ltd., in which Silicon Craft Technology Public Company Limited will hold a 25% stake. The joint venture will support the growth of the RFID business in Thailand.
-

1.1.3 IPO Spending Progress

According to Silicon Craft Technology Public Company Limited (“the Company”)’s Initial Public Offering (IPO), in which the Company has offered 100 million new ordinary shares at the offering price of 1.38 baht per share on July 21-23, 2020 and registered such IPO with the Market of Alternative Investment on July 30, 2020. The Company has received the net proceeds of approximately 129 million baht (after deducting underwriting fee and other expenses involved in the IPO). The Company would like to report the utilization of proceeds ending 31 December 2023 as follows:

(UNIT: MN THB)

Utilization of Proceeds	Budget Plan (Approximately)	Amount Used accumulated until 31 Dec 23	Outstanding Balance as at 31 Dec 23
1. To invest in tools, equipment and software on microchip design and test, including intellectual property, such as patent	45.24	45.24	-
2. To invest or joint invest in other company engaging in business of integrated circuit design and development or having innovation which can enhance the Company’s business operations	38.78	24.55	14.23
3. To use as working capital for business operations	45.24	45.24	-
Total	129.26	115.03	14.23

1.2 Nature of Business

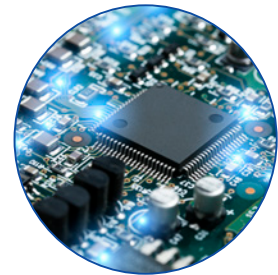
Silicon Craft Technology Public Company Limited is a designer, researcher and developer of integrated circuits (ICs) or microchips for RFID systems. The Company focuses on the development, design and qualification of application-specific integrated circuits (ASICs), which are either customized to meet the specific needs of customers (Exclusive Product) or developed by the Company for various customer groups to apply in their business expansion (Standard Product).

The Company does not have its own factory or production line (Fabless/Factoryless Company). Instead, it hires manufacturing partners to produce its designs, including wafer fabrication, microchip testing and sorting and microchip cutting and packaging in various forms and shapes. The Company is involved in monitoring and controlling the manufacturing process to ensure that the microchips meet its requirements. The microchips are then sold by the Company under its own “SIC” trademark, both in the form of microchips and integrated into various materials in different forms and shapes (IC packaging, Form Factor) according to their applications, such as wire-bonded, plastic stick or glass stick. This allows customers to use the Company’s microchips in their RFID tags or readers as needed.

Summary of Characteristic of Business Operations of the Company



**Design Research and
Development of
Integrated Circuit (IC)**



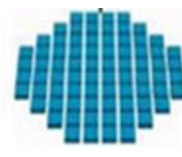
Outsourcing



Mask Shop



Wafer
Foundry



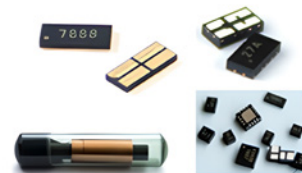
Wafer Dicing and IC Packaging



Form-Factor
Assembly House



Integrated Circuit: IC



Electronic Component / Product Manufacture



Animal ID



Advanced NFC



Immobilizers



Industrial IoT

1.2.1 Revenue Structure

At present, the Company's revenues are derived from 4 product groups: 1) Microchip for identification, 2) Microchip for immobilizer, 3) Microchip for Industrial IoT, and 4) NFC and others.

The revenue structure from 2021 to 2023 is as follows:

Revenue Structure	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenue from Animal identification group	139.7	33.1	221.6	36.9	303.3	45.5
2. Revenue from Immobilizer group	100.4	23.8	176.6	29.4	136.6	20.5
3. Revenue from Industrial IoT group	171.8	40.8	189.0	31.4	211.0	31.7
4. Revenue from NFC and others group	9.7	2.3	13.8	2.3	15.4	2.3
Total revenues	421.6	100.0	601.0	100.0	666.4	100%

1.2.2 Information of Product & Service

The Company's main products are integrated circuits (ICs) for radio frequency identification (RFID) systems. RFID systems consist of tags and readers that communicate data wirelessly. This technology allows for faster data transfer, increased data storage capacity, and enhanced data security. As a result, RFID systems can be used in various industries. Currently, the Company's products are divided into four main groups:

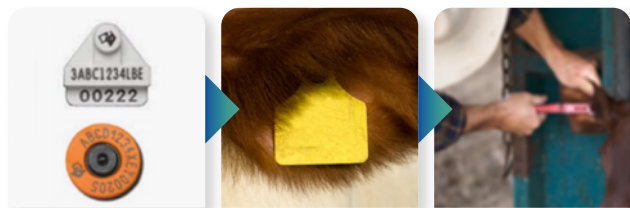
1. Microchips for tags in animal identification system (Animal Identification Tags):

Animal identification tags are one of the RFID applications that are used to record data of individual livestock such as beef cattle, dairy cattle, sheep as well as pets e.g. dogs and cats. In many countries that produce livestock and export livestock-derived products, for instance, Australia and nations in the South Africa region, there are laws and regulations in place that require livestock or animals to be tagged with microchips. Australia is one of such countries that demands tagging of all beef cattle and dairy cattle and it has also made progress in the enforcement of electronic identification tags for sheep and goats for the purpose of food traceability and safety.

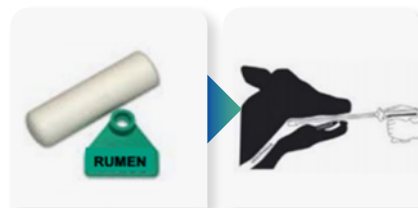
At present, the Company provides several models including plastic tags that can be fitted in animal's ears or small glass cylinders suitable for implantation (for pets). These devices are capable of recording and reading individual animals' data swiftly and accurately. Examples of digital data are species, feeding, vaccination, etc. In animal identification system, interrogator transmits radio signals continuously or periodically. When a tag with the microchip comes into close proximity of the interrogator, the tag receives the signal and activates internal circuits by means of electromagnetic wave induction which converts the wave into electricity. The tag utilises the generated electricity to transmit data back to the interrogator in radio waves. Once the interrogator receives the returned signal, it will analyse the data and relay commands and results to display on the interrogator's built-in screen or a computer or store them in a database. As the system works automatically, users benefit from convenience, greater data accuracy, and reduced human errors which may come from manual data record as well as fewer sets of information that can be handled by human compared to the digitalised system. As the result, animal identification system enables data from the entire process to be recorded accurately and forms the basis for food traceability in livestock-derived product value chain.

Example of RFID device's technical requirement in animal identification application.

Example of Ear Tags



Example of Rumen Bolus



Source: Silicon Craft Technology PLC, and Accredited Devices April 2017 document, National Livestock Identification System Cattle.

Currently, we supply tags which do not require batteries to operate (passive operation) and utilise radio signals in low frequency (LF) region according to ISO 11784, ISO11875, and ICAR (The International Committee of Animal Recording) standards. Our customers incorporate the supplied microchips into finished products for selling to livestock business. Our Company's products' advantages are greater communication range of over 10% compared to competitors and product quality that satisfies minimum standards. A combination which allows us to offer outstanding product quality at costs that compete on a global market.

Example of application in animal identification system



Source: Silicon Craft Technology (PLC)

In fiscal year 2023, the microchips for animal identification system generate revenues for the Company at 303.3 million Baht.

2. Cryptography microchip for replacement car key's immobilizer system (Immobilizer):

Automotive electronic key (or "electronic key") is an RFID device that provides car security by encrypting and decrypting data transmitted between car and microchip. The system comprises of a code reader installed in the vehicle and chips which are embedded in a key fob. Automotive makers designate the Electronic Control Unit (ECU) which controls car's electronic systems to communicate with RFID device and only allow car engine to operate upon receiving a valid authentication from the RFID reader. The engine will not start in a case of cloned key or by-passing ignition interlock (or "hot-wiring"). The immobilizer system is mandatory as standard or may provide the manufacturers certain manufacturing exemptions should the system is included with the car in many countries, for instance, European Union countries, Canada, and the United States.

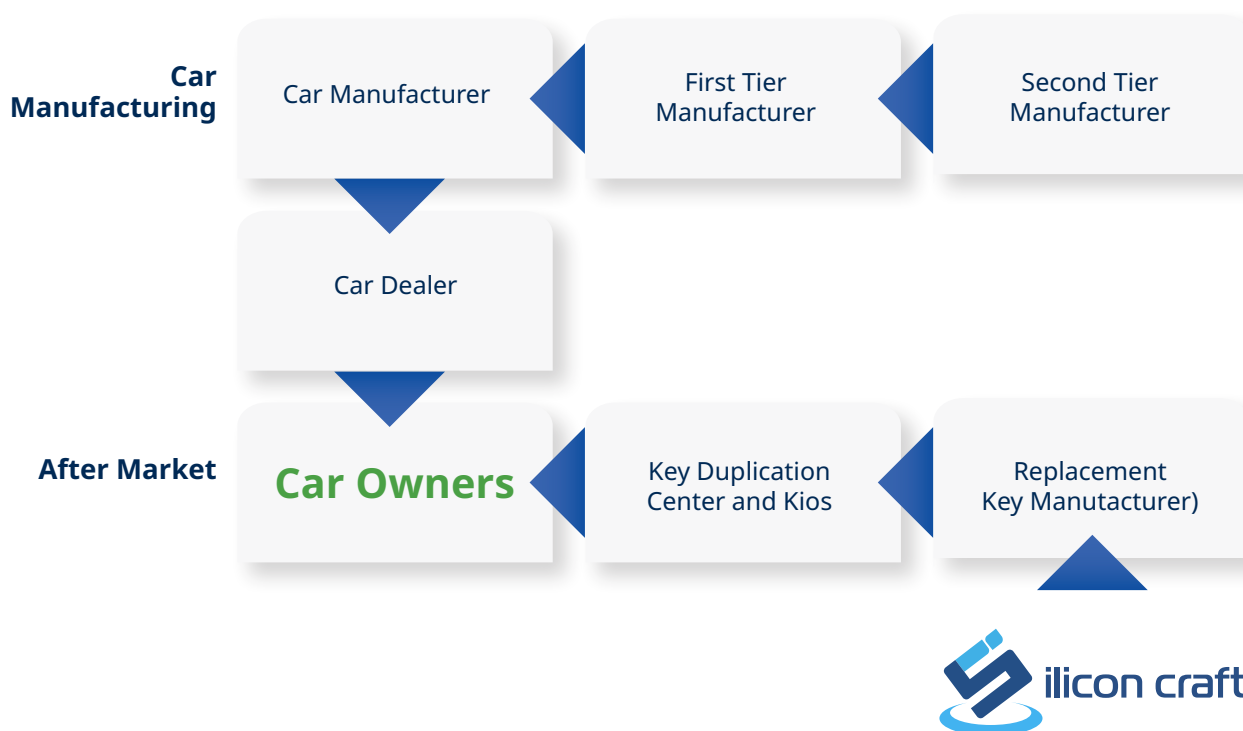
Examples of usage in replacement automotive electronic key (immobilizer) application.



Source: Silicon Craft Technology (PCL)

Our Company is a leader in microchip R&D and has gained worldwide reputation from replacement electronic key manufacturers for providing microchips in various forms and form factors for the industry. Replacement electronic key is one of the After-Market businesses in automotive industry. Our microchips for replacement electronic key utilise low frequency (LF) RFID technology which allows key fob to operate without additional power supplied by battery (Passive Tag). Additionally, some business partners entrust the Company to develop code reader device to decrypt codes from pilot electronic keys to fabricate replacement electronic keys. As the result, the Company can provide microchips for both replacement electronic key and code reader. The Company offers outstanding products for both quality and innovation. For example, the SIC61AU (ULTX) products with universal replacement keys cover 99% of the car models in the market. This then eliminates the need for multiple replacement keys among the providers. So, it's considered as an added convenience to enable customers for better management of their inventory.

Structure of players in replacement key for automotive market



Source: Silicon Craft Technology PLC

For the year 2023, the Company's revenue from microchip for automotive immobilizer key system accounted for 136.6 million Baht.

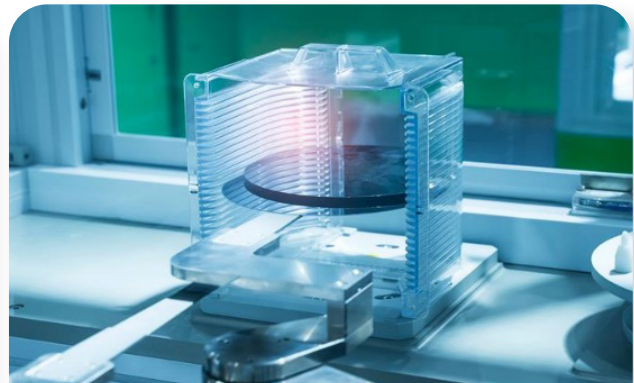
3. Microchips for Industrial IoT systems (Industrial IoT):

These are RFID technology microchips applied in industrial processes. For example, RFID system devices used for access control, consisting of cards for carrying and readers installed at various entry points. The reader reads data from the card to record information about entry and exit and it can be linked to a security system, unlocking doors only when receiving a confirmed identity command. Another application is in Factory Automation systems, where RFID tags are placed on products, and readers are installed at each station in the production line. The reader reads the tag's information, processes it through various systems, allowing manufacturers to automatically search, track, and obtain detailed information about each product. For instance, the product SIC73F1 has an RFID tag in the packaging box, a crucial component of the microchip and a high-value raw material. This product aids in automatically tracking information about the wafer sheets in the manufacturing process, enhancing security and reducing errors caused by human intervention in the production process. Additionally, RFID systems are used in Waste Bin Management, with RFID tags on bins and readers on waste collection vehicles. The reader reads information on the tag to automatically determine the type and weight of the waste in the bin, facilitating efficient waste management. Furthermore, RFID technology is applied in various other purposes, such as Smart Toys and Educational Toys, connecting toys to display screens for interactive engagement with the players.

Example of usage in access control and in factory automation systems



Source: Silicon Craft Technology PLC



The Company is a developer of microchips for industrial IoT system of low frequency (LF) to be used in the cards with an access system and tags of industrial factories. Also, high frequency (HF) microchips are developed for readers attached to various locations of the access system. Meanwhile, others frequency microchips are still in development process for future use in other systems.

In fiscal year 2023, the microchips for Industrial IoT generate revenues for the Company at 211.0 million Baht.

4. Microchips for NFC and Others

Microchips for Near Field Communication (NFC) systems, a short-range wireless communication system that can be used in conjunction with smartphones or newer mobile phones. The Company develops microchips for NFC systems to be utilized in various industries. For example, they can be used for smart labels to prevent product counterfeiting (Anti-counterfeiting) with the ability to detect tampering or destruction (Tamper Detection) and unique encoding. They can also be connected to various types of sensors (Smart Sensor) to make measurements and readings of various components more convenient and rapid. This enables readings to be obtained through mobile phones, allowing the development of various preliminary analysis devices. For instance, detecting suspended solids in water or measuring blood sugar levels without the need for batteries. Additionally, the Company generates revenue by designing and manufacturing products, offering services, and selling various related equipment, providing additional services to customers such as selling study kits, testers, and form factor devices.

Example of usage in Smart Label and Smart Sensors



Source: Silicon Craft Technology PLC

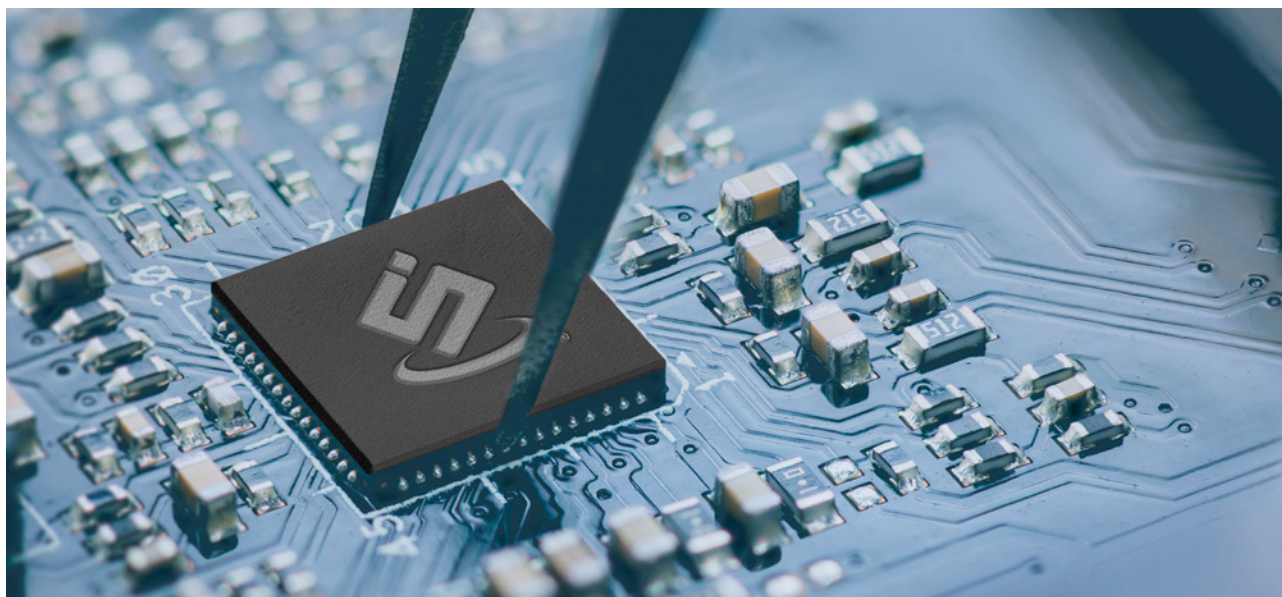
In fiscal year 2023, the Company recognised revenues from NFC&Others group at 15.4 million Baht.

Summary Table of Company Products

Type of Use	Usage	Standard	Example Form-Factors for Sales	Example Products	Customer Segment
1. Cryptography microchip for replacement car key's immobilizer system	Microchip in replacement keys and cryptographic readers to create spare keys for the anti-theft immobilizer system (Low-frequency band 125KHz - 134.2KHz)	Proprietary encryption	Glass transponder, wedge transponder	SIC61 Family, SIC61AU (ULTX)	Electronic replacement car key manufacturers
2. Microchips for tags in animal identification system	Microchip in animal identification tags (Low-frequency band 125KHz - 134.2KHz)	ISO11784/11785 FDX, HDX	Glass transponder, wedge transponder, microchip attached to rod antenna.	SIC 7888, SIC279, SIC278	Animal registration system tag manufacturers
3. Microchip for Industrial IoT systems	Microchip in cards and readers for access control, microchip for industrial factories, data readers for toys, etc. (High-frequency band 13.56 MHz for readers and Low-frequency band 125KHz - 134.2KHz for tags)	Reader: ISO14443 A,B and ISO15693 Tag: and ISO11784/11785 SEMI E144	Microchip in IC package	Reader: RA10, RE31, RE41, RA12 Tag: SIC 5777, SIC73F1	Access-control card manufacturers, industrial buildings, warehouses, manufacturers of interactive toys
4. Microchips for other systems	Microchip in smart label systems, for preventing counterfeiting, for sensing, etc. (High-frequency band 13.56 MHz with NFC (Near field Communication) technology)	ISO 14443 A, 14443 Type 2	Microchip in IC package	SIC4310, SIC4311, SIC4351, SIC43NT, SIC43NTG2, SIC4340, SIC4341, SIC4343	Industrial factories, warehouses, smart-label manufacturers, anti-counterfeiting product manufacturers, libraries, water contamination smart label makers.

1.2.3 Marketing and competitiveness

Business Strategy



As a Company specialized in designing and developing microchips for RFID applications, what we do makes a difference to other players in the age of digital. Our microchips play a part in transforming the Company's customers to transform their business operations into more efficient and capable of delivering value-added, quality products and services versions of themselves. By working together, all players in the value chain can continue to grow continuously and sustainably. The Company's business strategy is as follows.

Maintaining our position as a leader in innovation

The Company positions itself in the market as a chip developer with a sharp and undivided focus on research and development for innovation. We strive to always serve our customers with innovative products that provide the highest efficiency at the right cost. As a result, we are honored to receive trust from high profile clients worldwide to develop microchips for their products. For over two decades, the Company has developed chips that are specially designed according to any customer requirements in terms of technology, form, and functionality, i.e., full range RFID integrated circuits.

To maintain our position as a leader in innovation, the Company appointed an Innovation Committee. The committee comprises experts from various departments: business development, design, and engineering departments. The Innovation Committee is tasked with reviewing published international research and literature, making predictions on trends, and seeking new business opportunities for all product categories. Then, the committee collates insights and uses them to create technology and product roadmaps for the Company.

Organizational learning by retention of knowledge and high-skill staff

Being a leader in innovation requires a body of know-how, experience, and expertise to be retained. These elements take years to learn and develop for IC design and RFID device development. The Company is the first in the private sector to have its core business in design and developing microchips for RFID systems. We also have priceless assets of experience in the industry for 21 years and combined expertise from founders. Therefore, the barrier to entry for new entrants into the RFID industry is high. The condition is especially true in the context of Thailand, where talents with such area-specific expertise are rare.

To ensure that the Company will continue to be an employer of choice for new talents, we co-host activities with many universities to give training and disseminate knowledge to engineering students, particularly from disciplines related

to the Company's business. These activities aim to recruit college students with the potential to work with us in the future. We also foster a culture of learning and sharing knowledge within the organization. Employees are encouraged to share their experience and know-how from the previous generation to the next. Such collective learning also happens across senior to junior levels. The Company's engineers at any levels are given opportunities to improve their expertise and know-how. Moreover, we regularly organize educational training and overseas work visits for engineers to be up to date about the ever-changing, state-of-the-art technologies. These efforts make our engineering teams exceptionally knowledgeable, highly skilled, and specialized in designing integrated circuits for RFID applications. As a result, we can compete with international corporations such as Texas Instrument and NXP at their level.

Operating Business at Low Fixed Cost but High Flexibility

The Company is fabless in which our products are manufactured and assembled by business partners. To maintain product quality and fabrication standards, the Company conducts an annual assessment of our partners. By eliminating the manufacturing part, the Company is free from the burden of fixed costs. The practice also gives us the freedom to seek out new business partners to provide options in selecting the lowest manufacturing costs possible. As a result, the Company can operate with the highest returns while hedging risks from overreliance on a production line. Moreover, the Company is highly responsive to market competition at any given time by increasing or decreasing production levels in real time. At a time of new product development, we can re-arrange the manufacturing value chain by forming a partnership with new firms with the right capacity to readily produce for the Company. These are parts of the deliberate strategy to make the Company dynamic in supplying products to our customers within an agreed-upon timeframe.

Nonetheless, to ensure that the Company will always have manufacturers to produce goods in time for our customers, we put effort into forming a close relationship with our partners by collaborating on work plans and schedules so that they would adjust production quota as needed. For newly developed products, the Company conducts meetings with our business partners to deliberate on an optimal production plan at an acceptable cost.

Maintaining Excellence in Products and Services Quality

In the age where technology has become indispensable in improving people's quality of life and playing more significant roles in all facets of living, our customers have seen a rising demand for high-quality microchips. By supplying at a reasonable cost, they can expand their business over the long run. Microchips developed by the Company have been technically proven to perform on par or superior to microchips produced by well-known overseas manufacturers at a competitive cost. To uphold such high product and service standards that our customers favorably accept, the Company places great importance on quality control of products and services throughout the process from design, procurement, sourcing raw materials, selecting business partners with good manufacturing practice, quality control, inventory, transportation, and distribution stages. These efforts are to ensure that all products delivered to our customer's hands are of high quality and performance as specified and presented to the customers and in a manner that complies with all customers' conditions and terms. We want our customers to be confident that there would be no loss in quality or standard by incorporating our goods into their products. We believe that it is our integrity and unwavering commitment to quality that leads our customers back time and again.

Strong Relationship with Business Partners for Sustainable Mutual Growth

The Company strives to form a partnership with competent companies with experience and expertise in aspects of innovation and technology research and innovation, production, and distribution channel. It is our intent to deliver products and services that truly match the requirements and needs of our target customers. We conduct our business with good governance and ethics while ensuring that all parties in the supply chain may grow sustainably alongside one another.

In conducting our business, the Company works closely alongside customers and business partners. This is to create an environment where key stakeholders may share their opinions and information of technical or market-based in nature. We also collaborate on doing research and development with the ultimate purpose of planning for the sustainable

growth of all concerned. Through such collaborations, the Company consistently develops products that specifically meet our target customers' demand while delivering benefits to end-users. Moreover, the Company places great importance on becoming partners with various organizations to disseminate and increase the body of RFID technology knowledge in Thailand's academic circle. In addition to technical institutes and universities, exemplary partners are the National Electronics and Computer Technology Center (NECTEC), National Science Technology and Innovation Policy Office (STI), and National Innovation Agency (NIA). The Company regularly dispatches our staff to give a talk at those organizations. We also welcome students to intern at the Company. As a result of these efforts, the Company has a good relationship with RFID technology-related organizations and educational institutes in Thailand, which allow us to collaborate with them in doing research and development and training new talents in the field of RFID.

The product prices are also set at a competitive level in the market for all product groups, standard products or customized project base, to achieve the goals set by the Company.

Factors driving the Company's business growth

As our core business focuses on researching and developing microchips for Application Specific Integrated Circuit (ASIC) and providing innovative products for each application and customer. Consequently, our products stand out as unique, and experience growth in both the current target industries and new businesses. We hope to develop new chips for RFID devices that our customers can apply to a plethora of IoT applications, including logistics and healthcare businesses. Key factors that foster the growth of the Company are summarized in the following section.

Multiple Capabilities Beyond Barcode System

RFID system utilises radio frequencies to identify details or owner of an object that has a RFID tag attached. Being developed from the preceding Barcode technology, RFID system presents a number of advantages. For instance, the system is capable of reading data from multiple tags or labels simultaneously, is contactless, without the need for the tag or label to physically touch or exposed to the reader, and is able to read data from a distance at high speed. It is also resistant to humidity, vibration, and impact. Moreover, RFID tags can be used virtually in any materials, goods, or living organisms. These advantages allow RFID system to be applied in a variety of applications. Additionally, technologies surrounding RFID system are being developed continuously which allow for RFID device costs to be lowered while having superior effectiveness compared to Barcode system. The system can be easily integrated with databases as in the case of cloud computing. Thus, the trend of adopting RFID to replace Barcode system is on the rise in large and small enterprises.

Nowadays, apart from substituting Barcode system, RFID technology has been applied in various arrangements different purposes for example, RFID devices for security such as an access control card or a replacement immobilizer car key, for improvement of harvest and food safety such as a small implantable glasstag that keep animal's records and use for food traceability, for production planning or quality control of different manufacturing processes in the industry, for goods delivery service and delivery status tracking and also the logistics and inventory management, etc. Because the RFID system have several capabilities that can be developed to support many industries mentioned before, RFID system devices have strong growth tendency together with the growth of each industry.

Changes in Consumer Behavior

Originally, the concept of developing communication ability of equipment or things with RFID mostly serves the objective of increasing business efficiency e.g. usage in logistics, inventory tracking, and traceability system for livestock, etc. However, consumers today have more tendency to live for a quick, comfortable, and trendy lifestyle. Therefore, the concept of devices that can communicate with each other is being employed in our daily life ever more to facilitate and expedite people activities such as the concept of Internet of Things (IoT) which is widely adopted these days.

Changes in consumer behavior and the spread of IoT concepts are considered factors that promote the development of RFID-enabled products that are able to communicate with each other to the market without limiting to the level of business management as in the past. From the diverse capabilities of the RFID system that can be designed and implemented in a variety of activities, the RFID system is a technology that can help owners of various products or services to respond to changing consumer behaviors more easily and conveniently. It can be used in all groups of products and services, such as linking payment systems with electronic payment machines at stores or mobile phones (E-payment), using them as smart labels to immediately prove counterfeiting in the handbag or wine business group, controlling the operation of various amenities in the house or in the automobile (Smart home or Smart car), or attaching to patients as a device collecting treatment information and tracking the patient's position (Smart Healthcare), etc. Therefore, number of RFID devices tend to grow from expansion of the market into daily lifestyle of consumers in various products and services.

Supports from local public and private sectors

Integrated circuit design (IC Design) is considered as one of the intelligent electronics industry which is in a high-potential existing industry group (First S-Curve) in accordance with the 20-year Thai Industrial 4.0 Development Strategy (2017-2036). According to the strategic plan, the first S-Curve industry group is an industrial group with potential to create high economic and trade value. In addition, the intelligent electronic technology has been assigned a major role as technology and innovation group to drive traditional industries into value-added industry group. This group also becomes an important component in the development of the new high-potential industrial group (New S-Curve), which is a new industry group that relies a lot of technology and innovation as well. Therefore, both the public and private sectors have continuously given focus on developing knowledge about the RFID system through various agencies such as National Electronics and Computer Technology Center (NECTEC), Software Industry Promotion Agency (Public Organization) (SIPA), Thai Embedded System Association (TESA), RFID Institute of Thailand, GS1 Thailand, The Federation of Thai Industries, also including various academic institutions to develop and promote electronic knowledge in Thailand.

Support factors for business growth and competitive strategy



Customer Profiles and Target Customer Groups

Animal Identification Tag Manufacturers Group

Animal identification tag manufacturer group represented approximately 45% of the Company's total revenue in 2023. These customers purchased the Company's microchips and installed them in identification tags made by themselves. They then marketed the assembled animal identification products under their brand names to various end-users, for instance, farm owners and livestock breeders.

Replacement Car Key Manufacturers Group

Replacement car key manufacturers group accounted for 21% of the Company's total revenue in 2023. This group of customers are some of the largest replacement immobilizer manufacturers that purchased our microchips and assembled them into their key blanks. Afterwards, they distributed replacement car keys as finished goods to replacement car key service centers across the globe. A large portion of products was shipped to European countries and the United States, where laws and regulations on automobile safety were first adopted and enforced.

Industrial IoT Customer Group

In 2023, Industrial IoT customer groups represented accounted for 32% of the Company's total revenue. These customers purchased and directly distributed the Company's products to manufacturers or end-users in various industries. Due to the versatility of products in this group, the Company had a broad customer base from many industry sectors.

Customer Group for NFC Products and Others: Innovative product development businesses

NFC and other products were marketed to the product innovation customer group. The sales represented approximately 2% of the Company's total revenue in 2023. These customers are innovative product development businesses seeking to add value to their products, protect them, and enhance security. Examples include businesses related to Luxury Brands, where products in the Smart Packaging or Anti-Counterfeiting categories effectively address their needs. The Company also develops products in the Digital Healthcare Sensor category to meet the increasing consumer interest in health.

Product Presentation and Distribution Channels



The Company's objectives are to place and distribute products and services both directly and indirectly through our customer network. Direct sales, distributors channel, and agents channel are some of the examples. We place great importance on developing long-standing trust with our customers while maintaining long-term business relationships. We secure their faith by listening to customers' requirements and creating products that they want. Teams from

the Sales and Business Development department are responsible for contacting customers and presenting products directly. Our teams of engineers from the embedded system and engineering support department support the sales and business development teams by providing any products and services' technical details. In this way, the sales teams are knowledgeable and responsive in engaging with customers. Channels and protocols for customer engagement are detailed as follow.

Direct Sale: Since the Company's products are those which require specialized knowledge and expertise, the Company therefore uses a method of creates brand awareness to its products and services through event marketing and participating in exhibitions related to RFID technology worldwide. In 2023, the Company participated in exhibitions such as RFID Journal Live 2023 in the United States, Euroanalysis 2023 in Switzerland, Electronica 2023 in India, Luxe Pack 2023 in Monaco and Wireless IoT Tomorrow 2023 in Germany to promote its products and services. while sending a team to present the products and services, including the Company's past works for various target customers to be known among target customers in different countries. The Company also allows customers to consider products and services, as well as the Company's qualifications, to be included in the vendor list of each customer. In case customers need services or wish to order products from the Company, they can contact the sales department for additional products and services to negotiate the terms and conditions.

Since the easing of the COVID-19 pandemic situation, the Company has adapted its activities from online to a hybrid approach, combining online and offline activities. This includes traveling to meet with key customers and partners both domestically and internationally to strengthen relationships and explore new business opportunities continuously.

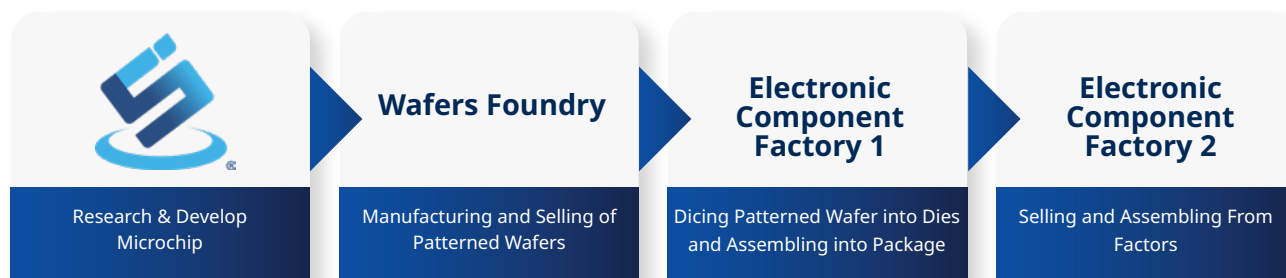
Distributors Channel or Agent Channel: The Company forms partnerships with trading companies who act as our distributors in regions of our target countries. Since these distributors have experience of doing business in the area and have a working relationship with each country's target customers, the Company can expand our business into a new market. Distributors purchase our products and sell them to target customer groups in several countries. They also share market insights to create new opportunities for expanding our business. Meanwhile, the Company also market products through agent channel. Agents receive compensation in the form of a commission fee per each sale or service order made by the agents' customers. Having a partnership with distributors and agents, the Company dramatically benefits in many ways. Firstly, it gives us information on state-of-the-art technology, customer preferences, and trends. Secondly, the Company can reach large customer accounts who prefer to do business only through distributors and agents or only with traders with past transactions.

1.2.4 Procurement of Products and Services

We are a fabless company in which our products are manufactured and assembled in the place of business partners. To maintain product quality and fabrication standards, the Company conducts an annual assessment of our partners. Details regarding sources of primary raw materials and outsourcing are as follow:

- 1) **Raw materials.** The main raw materials used in the chip manufacturing process are wafers made from silicon to be cut into sheets for circuit patterns with light (Photolithography) as specified by the Company. The production of wafer sheets is an upstream industry that entrepreneurs in Thailand have not yet been able to operate. Therefore, the wafers must be imported from overseas. There are only a few operators in the industry worldwide where factories obtain contracts for wafer production. However, only 10 operators in the group of technologies are suitable for the Company's products. Wafers were purchased from a major supplier in Singapore, or a world-class wafer manufacturer. The Company has a policy to mitigate the risk of dependence on such suppliers and prepares for the production of products in new technology groups by seeking new partners of wafer factories. Currently, the Company has a number of wafer manufacturers in its database from various countries, such as Singapore, South Korea, People's Republic of China, and Taiwan.
- 2) **Contracts for service hiring:** Operating in the design of integrated circuit systems, the Company therefore has to hire another company that provides services for manufacturing, assembling, and testing microchips in various forms and shapes (Form Factor) required by customers, such as glass rods, plastic rods or coils. The Company has hired both domestic and foreign operators depending on the type of products and costs. Therefore, the outsourcing process needs long-term planning for all products to prevent capacity shortages and reduce a risk of late delivery.

Raw material procurement and outsourcing



Source: Silicon Craft Technology Public Company Limited

- 3) **IC Design Engineer.** Apart from raw materials and outsourcing, we regard IC design engineers as an essential resource in doing business. Thailand faces a severe shortage of talents with knowledge and skills in the discipline. Over the years, to increase the number of people in the field, the Company recruits and develops new talents by collaborating with several educational institutes. We hold activities to offer training and disseminate knowledge to engineering students in areas related to the Company's business with an aim to raise their understanding and interest in the career path. Since the Company is the sole operator in Thailand with the core business specialized in the design and R&D of the RFID system, we are fortunate to receive a steady stream of job applications from most people with skills and expertise in the RFID field.

To support our future growth, the Company will continue to work with educational institutes and other organizations to educate and support people's development to increase talents in the field. Meanwhile, the Company also plans to hire experts from overseas in the future. As of 31st December 2023, the Company employed 104 engineers.

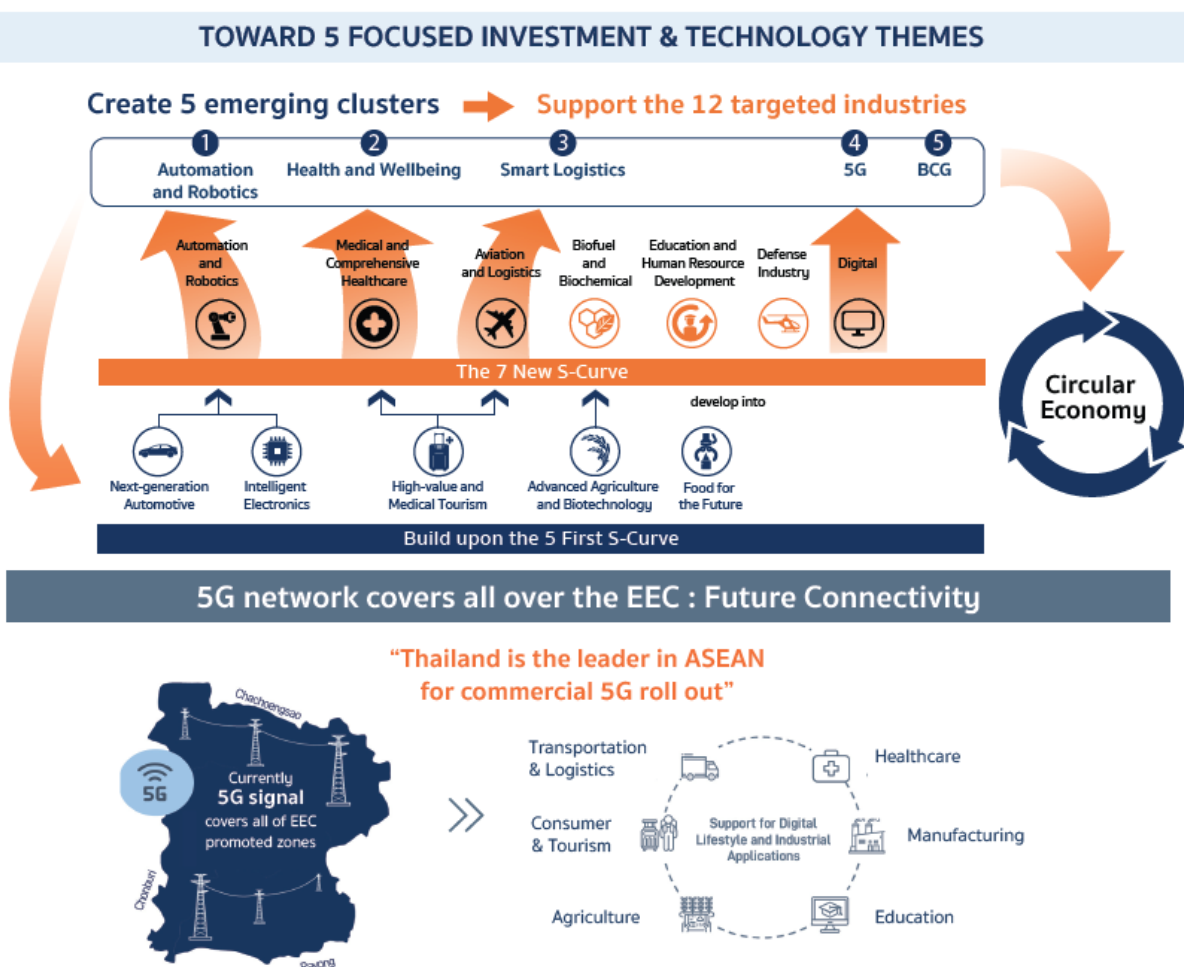
1.2.5 Industry Overview

Semiconductor industry is considered crucial in the electronics industry as semiconductor or semi-conductive materials are essential components in the production of almost all types of electronic devices. Furthermore, it plays a pivotal role in the development of cutting-edge technologies. Over the years, this industry has been a significant driver of economic growth in many countries, prompting governments worldwide to recognize its importance in recent years.

Overview of Thailand's Electronics Industry

The electronics industry is a key sector in Thailand, contributing significantly to the country's economy with continuous development. Both the government sector and the Board of Investment (BOI) have implemented incentive measures to attract investments in this industry, encouraging the establishment of production bases in the country. Notable incentives include exemptions from import duties for machinery and raw materials used in export-oriented production, as well as other non-tax benefits. These measures have led to substantial interest from foreign investors, resulting in the rapid growth of Thailand's electronics industry.

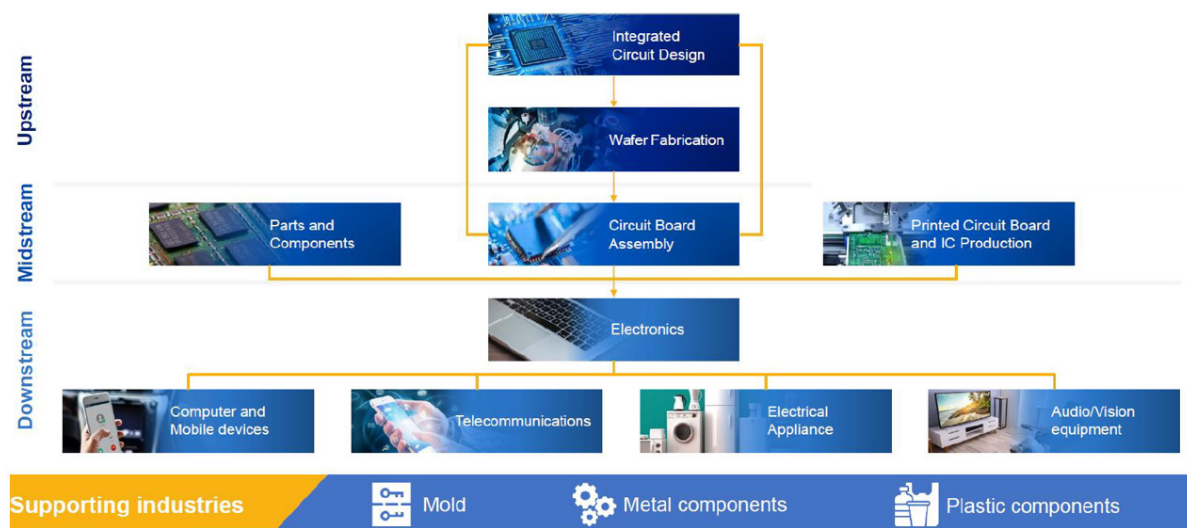
Currently, Thailand is a crucial production hub for electronic components, serving various industries such as household appliances, automobiles, and complex electronic parts. Moreover, the electronics industry is selected as one of the "5 First S-Curve" sectors out of the 12 targeted industries in the Eastern Economic Corridor (EEC) development project, part of Thailand 4.0 strategy.



Source: EEC Factsheet, 20 Oct 2022

The electronics industry's structure can be categorised into 3 levels as follows:

1. **Upstream Industry** is defined as a group of basic industries which fabricate materials for electronics goods. Examples of these industries are integrated circuit (IC) design and wafer fabrication. Presently, Thailand is experiencing some obstacles in developing Upstream industry due to the lack of technologies and investment funding. As such, the country is not capable of fabricating wafers and relies on importing the raw materials from overseas.
2. **Midstream Industry** comprises of makers at components and electronics parts such as IC and capacitors. In Thailand, a significant portion of investment is seen in this industry segment. A majority of the makers are of foreign nationals and joint venture firms from overseas which have a scale of operation ranging from medium to large. On the other hand, Thai makers are a minority in the industry. They usually have a smaller size compared to its international counterparts and sometimes are subcontractors of those large manufacturers.
3. **Downstream Industry** refers to makers who deal with final processes in manufacturing electronics goods. They source various components and assemble to finished consumer goods, for instance, computers, handheld mobile devices, radio receivers, and television sets. Most makers in Thailand are capable of manufacturing at this level.

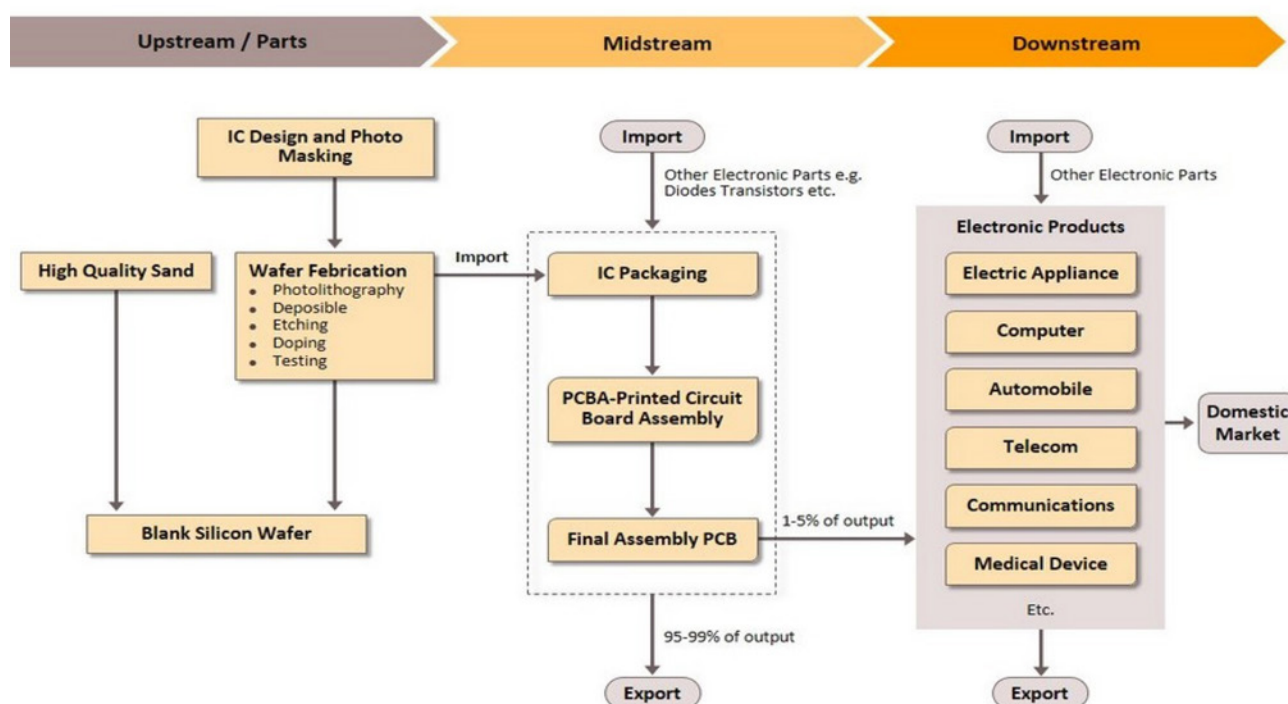


Source: BOI, Industry Supply Chain in Thailand

Thailand's electronics industry has been focusing on leveraging production capabilities at electronics parts, components, and assembly. These activities account for the Midstream and Downstream industries and are labour intensive. However, core businesses of the Company are categorised in the Upstream industry which are one of future driver industries as outlined in the Ministry of Industry's national development strategy "Industry 4.0". The Company is the sole organisation from the private sector in the country that has a specialised research and development team dedicated in developing technologies in RFID system over the years. Our microchip products have garnered recognition and exported products to a number of world-leading RFID product manufacturers.

However, Thailand's current production faces challenges in the upstream manufacturing process, particularly in wafer fabrication. This is due to constraints in capital investment and a shortage of skilled personnel, leading the country to depend on importing raw materials and manufacturing technologies from abroad. Additionally, Thailand's electronics industry is export-oriented, making it sensitive to global economic fluctuations and rapid technological developments.

Integrated Circuits Supply Chain of Thailand



Source: Thai Electrical and Electronics Institute (2017) and Krungsri Research

Trends in the Thai electronics industry

As analyzed by SCB Economic Intelligence Center (SCB EIC) using data from the Ministry of Commerce, suggest that the export value of the Thai electronics industry in 2023 is expected to remain relatively stable, with a slight YoY growth of 0.2%. This aligns with the subdued global economic conditions, persistent tight monetary policies, and high living costs. Furthermore, trade barriers, both tariff and non-tariff, continue to impact the export of certain product categories.

The product category with the most promising growth includes electronic components used in various industries, such as semiconductors and printed circuit boards. These components are expected to align with the growth of the electric vehicle industry. Meanwhile, consumer electronics are slowing down, partly due to the saturation in computer purchases and reduced consumer spending in the global market amidst economic uncertainties.

However, the electronics industry still faces issues that need close monitoring due to the situation of semiconductor shortages and persisting geopolitical risks, which continue to stretch the supply chains and trade barriers, both tariff and non-tariff.

- The global semiconductor shortage situation is showing signs of gradual recovery, partly due to a slowing global market demand and increased contributions entering the market. Nevertheless, this issue continues to impact the production of end products across various industries.
- Geopolitical and manufacturing base migration risks have heightened tensions between China and the United States, particularly after the enactment of the CHIPS Act, extending the technology war that began in 2019. This situation has led to a significant shift in manufacturing bases and consequences for the global semiconductor industry.

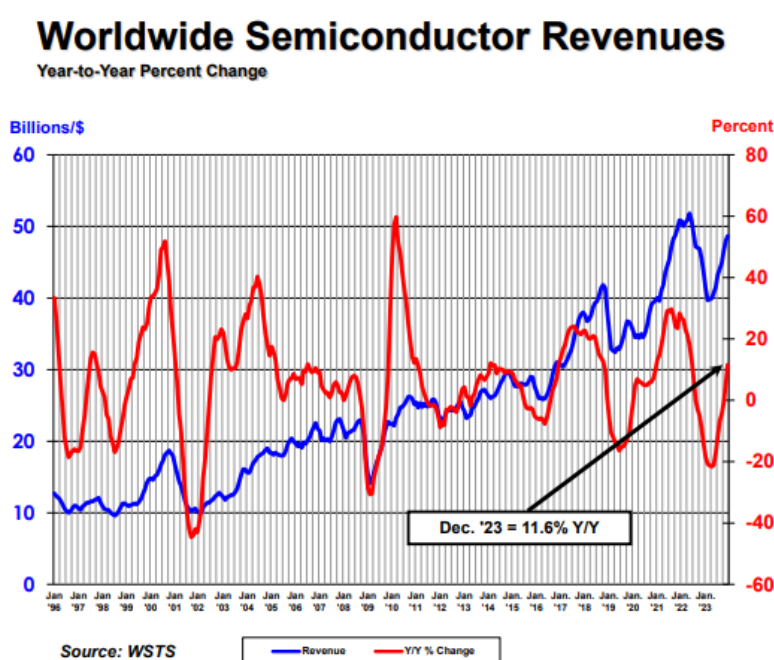
- ESG (Environmental, Social, and Governance) pressures on the electronics industry have increased, driven by concerns over global warming from greenhouse gas emissions, along with stricter trade regulations and conditions. This has compelled businesses in the electronics industry to prioritize environmental issues, energy conservation, and sustainable business practices, including research and development to meet changing consumer demands.

The Trends of the Global Semiconductor Industry

The Semiconductor Industry Association (SIA) reported that global semiconductor industry sales totaled \$526.8 billion in 2023, a decrease of 8.2% compared to the 2022 total of \$574.1 billion. However, it rebounded strongly during the second half of the year. In fact, fourth-quarter sales of \$146.0 billion were 11.6% more than the total from the fourth quarter of 2022 and 8.4% higher than the total from the third quarter of 2023, with double-digit market growth projected for 2024.

On a regional basis, Europe was the only regional market that experienced annual growth in 2023, with sales there increasing 4.0%. Annual sales into all other regional markets decreased in 2023: Japan -3.1%, the Americas -5.2%, Asia-Pacific/All Other -10.1%, and China -14.0% from the previous year.

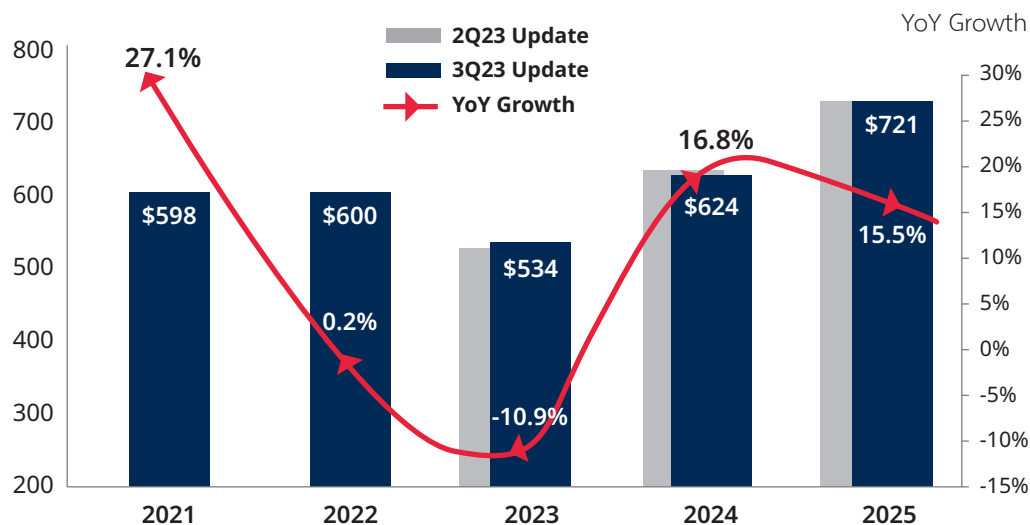
Worldwide Semiconductor Revenue



Source: The Semiconductor Industry Association (SIA)

Regarding the trends of the global semiconductor industry in the future, Gartner's research predicts that the sales of the global semiconductor industry will grow by 16.8% in the year 2024, driven by the recovery of various chip types, particularly in the Memory category. Additionally, the advancements in generative AI technology contribute to the increased demand for microchips, including processing units and accelerated processing cards.

Semiconductors Revenue Forecast, Worldwide, 2021-2025 (Billions of U.S. Dollars)



Source: Gartner (December 2023)

Overview of worldwide RFID system and device business

Radio Frequency Identification (RFID) technology utilises telecommunication radio frequencies to read and write data of various items onto a piece of equipment called a Tag or a Transponder. The main usage objective is to support or replace the Barcode system. It has better performance in many ways such as it is capable of reading and writing a large volume of data or re-written multiple times, Data can be read while items are in motion such, Greater security due to data encryption capability, etc.

Due to the advantages of the RFID system, it is being used in over 120 nations worldwide. In 1990s, the system gained widespread adoption with the advent of Smart Card being deployed in public transit systems. Circa year 2000, RFID system was introduced to Supply Chain application which led to more funding in technological development surrounding the RFID technology as well as to developing standards that supported and gave rise to the popularity.

According to a UK-based business research centre specialised in Emerging Technology-related market research, IDTechEx, the overall RFID market size is expected to reach approximately \$12.97 billion in 2023 and \$16.46 billion in 2027. Upon a closer look of RFID market value by product type, it has been found that Passive Tag, the Company's major product offering, dominated the overall market at \$7.09 billion in 2023 and is forecasted to grow to \$8.11 billion by 2027, representing an annual growth rate of 3.42%. Next in the line is Interrogator business, also one of the Company's main products, which had the market value at \$2.53 billion in 2023 and expected to reach \$3.19 billion in 2027, representing an annual growth rate of 5.97%.

\$ billions	2023	2024	2025	2026	2027	2032
Passive RFID Tags	7.09	7.48	7.66	7.87	8.11	9.67
Passive RFID Interrogators	2.53	2.57	2.73	2.92	3.19	4.44
Passive RFID Services, Networking, Software	3.00	3.40	3.80	4.10	4.50	7.00
Active RFID/RTLS Systems	0.35	0.35	0.41	0.49	0.67	1.08
Total \$ billions	12.97	13.79	14.60	15.38	16.46	22.19

Source: RFID Forecasts, Players and Opportunities 2022-2032 The complete analysis of the global RFID industry", IDTechEx

The top 5 industry sectors that RFID system is being used are:

- 1) **Retails Sector** It is expected that the market value of this sector will grow from \$2.34 billion in 2023 to \$5.51 billion in 2027, representing an annual growth rate of 23.88%. Application examples in this sector are inventory monitoring system to prevent loss of goods or tracking items in transit, and recording goods' data such as type, quantity, pieces as required in inventory management system.
- 2) **Financial, Security Sector** This sector's market size is expected to be at \$4.55 billion in 2023, and anticipated to be \$4.11 billion in 2027, representing an annual decline rate of -2.51%.
- 3) **Automotive and Public Transportation Sector** It has been estimated that the market size in 2023, which is at \$4.03 billion, will be \$3.58 billion in 2027, representing an annual decline rate of -2.92%. Examples of RFID application in this sector are Smart Ticket and automotive electronics key and Immobilizer.
- 4) **Logistics and Transportation Sector** In this sector, the market value's forecast is from \$0.69 billion in 2023 to \$1.20 billion in 2027, representing an annual growth rate of 14.84%. Examples in this sector are parcel tracking system and sorting of parcels with special codes.
- 5) **Livestock Sector** The sector's market share is on course to grow from \$0.69 billion in 2023 to 0.83 billion in 2027, representing an annual growth rate of 4.73%.

\$ billions	2023	2024	2025	2026	2027	2032
Retail	2.34	2.89	3.51	4.34	5.51	7.63
Financial, Security	4.55	4.61	4.58	4.39	4.11	4.15
Passenger transport/automotive	4.03	4.06	4.01	3.82	3.58	3.49
Land, sea logistics and post	0.69	0.77	0.88	1.01	1.20	3.55
Animals and farming	0.69	0.72	0.75	0.79	0.83	1.06
Total	12.30	13.05	13.73	14.35	15.23	19.88

Source: RFID Forecasts, Players and Opportunities 2022-2032 The complete analysis of the global RFID industry", IDTechEx

The Company's core businesses are focused on designing and developing microchips for passive tags and microchips for interrogators. Both businesses have high value-added as well as have demonstrated significant growth potential in the future. The overview and trend of the Company's main customer groups, livestock replacement automotive immobilizer, and industrial IoT businesses are outlined as follows.

Overview and Trends of the Animal Registration System Business

Currently, there is an increasing trend among humans to conscientiously choose their food. In addition to nutritional considerations, factors such as cleanliness, safety, and environmentally friendly production processes are also taken into account. This has led farmers to manage their livestock farms more efficiently to produce an adequate supply of food that meets the current consumer demands. One crucial tool that aids farmers in better management is the Animal Identification Tag system, especially for animals like cows, goats or sheep that are susceptible to diseases. If one animal shows signs of illness or infection, it can quickly spread to others, potentially affecting the entire farm. Therefore, tracking and preventing the spread of diseases among animals are significant.



Australia, the Company's main customer, is the world's largest producer and exporter of beef cattle and sheep, as well as products from beef cattle and sheep, which places much importance on food traceability after meat processing. In 2002, Australia announced the use of an animal registration system with RFID or electronic tags in the form of Ear Tags for all cattle in Victoria, and it started enforcement within the country during the year 2004. Moreover, there have been plans to extend electronic tagging to other animals, such as sheep, goats, and pigs. The animal registration

with RFID could fully provide more details and accurate animal information than the traditional animal identification system of only basic information. The animal registration system with RFID can also record various information of those animals, such as breeding history, feeding, vaccination, and transport to various places.

Currently, the Australian Government has approved regulations for the use of electronic tags for every sheep and goat in the country to prevent diseases and enhance biological safety. This initiative began by mandating the use of electronic tags for newly born and migrating sheep and goats. Consequently, the growth in the number of new cattle and sheep births in Australia directly supports the growth of companies involved in the livestock business.

Sheep and goat eID National Implementation Plan – updated 6 April 2023

State or territory	Newborn eID tagged	eID tagged before leaving a property	Abattoirs scan devices	Saleyards scan devices	Property to property movement recorded
Australian Capital Territory	1 Jan 2025	1 Jan 2025	N/A	N/A	1 Jan 2025
New South Wales	1 Jan 2025	1 Jan 2027	30 June 2024	1 Jan 2025	1 Jan 2025
Northern Territory	1 Jan 2025	1 Jan 2025	1 Jan 2025	1 Jan 2025	1 Jan 2025
Queensland	1 Jan 2025	1 Jan 2027	To be confirmed	To be confirmed	1 Jan 2025
South Australia	1 Jan 2025	To be confirmed	To be confirmed	To be confirmed	To be confirmed
Tasmania	To be confirmed	To be confirmed	To be confirmed	To be confirmed	To be confirmed
Victoria	1 Jan 2017	1 Jan 2022	31 Dec 2017	31 Mar 2018	31 Mar 2018
Western Australia	1 Jan 2025	1 Jan 2025	1 Jan 2025	1 Jan 2025	1 Jan 2025

Source: Australian Department of Agriculture, Fisheries and Forestry

The success of the animal registration system in Australia has become a model for other countries, such as Canada and New Zealand. These countries have also developed and promoted animal registration systems using RFID tags. By encouraging voluntary adoption and enforcing electronic tag usage in some states for specific types of animals, the market for identifying animals continues to grow steadily and has significant commercial potential.

Overview and Trends of the Automotive Electronic Spare Key System Business

Electronic immobilizer keys, or microchip-embedded keys, have been used to enhance security systems in automobiles since the 1990s. These keys evolved from the security measures for cars that initially relied solely on physical keys. They progressed to authentication through radio frequency (RFID) waves between the microchip embedded in the key and the reader installed in the vehicle. Subsequently, the complexity of codes increased through the implementation of encryption technology.

As the technology of car keys advanced to increase complexity for security purposes, spare key creation has become more challenging. If a consumer needs an additional or replacement key, they must contact the dealer directly, which often involves a lengthy process and high costs. As a result, the electronic spare key business emerged as an alternative for consumers or vehicle users who prefer not to deal directly with dealers. It also provides an option for automotive dealerships that do not want to focus on the service aspect but still need to fulfill customer requests. Dealerships can send duplicate key orders to Key Duplication Centers and Kiosks.

In many countries, such as Germany, Austria and Canada, laws have been enacted mandating the use of immobilizers in every vehicle for increased safety. In the United States, legislation has been implemented to promote the use of immobilizer systems, requiring manufacturers who do not use such systems in their vehicles to comply with registration requirements for components used in production, which is more challenging.

Electronic spare keys for automobiles are in demand when users change to a new vehicle or lose their keys. This has led to an increase in popularity among the main customer group of the immobilizer market: owners of second-hand cars. The economic slowdown and reduced purchasing power due to the global economic downturn, exacerbated by the COVID-19 pandemic, have further driven the preference for second-hand cars. Additionally, the recent shortage of microchips has temporarily reduced the production capacity of new cars, presenting an opportunity for the second-hand car market to adjust and thrive in the short to medium term.

Overview and Trends of the Industrial IoT Business

At present, technology plays an increasingly important role in industrial processes. The connection between machines, people, and various work systems through technology will improve the efficiency of safety management and increase efficiency at work. As a result, the products in such group are widely used with a range of application, such as the entry-exit system using a portable card and reader machine, the reader machine for industrial systems to track the transport of products in the production line, or even a reader machine to check product details in the warehouse. For this reason, the products in such group are considered as one of the important technologies in driving the industry towards the Industry 4.0 era.

1.2.6 Research and Development

As the Company engaged in comprehensive circuit design and microchip development, great importance is placed on research and development. Research and development are crucial factors driving the Company's business, requiring several years to cultivate various knowledge domains. Designing current products and developing products for future markets necessitates continuous and forward-looking investment to keep pace with technological changes and customer demands. The Company has been engaged in continuous research and development for over two decades, involving specialized engineers and collaborative efforts with customers. This history has enabled the company to design and develop new products that meet customer requirements and foster ongoing business growth.

Research and Development Process

To ensure the success of the Company's research and development projects and their commercial viability in the future, an efficient and rigorous research and development process is essential. The Company has established a project approval process known as 'Gate' to ensure that each project aligns with the Company's plans and future directions. The research and development projects undergo a structured evaluation process divided into five main phases:

1. Concept Phase: This phase involves market study and analysis of the potential development of products or processes within the project. It includes preliminary product design.
2. Scope Phase: Clear boundaries for research and development are established during this phase, specifying features, quality, and the time frame for the research and development process.
3. Design Phase: This phase focuses on designing the products and processes within the research and development project. It includes confirming the design and summarizing the product's features.
4. Qualification Phase: The qualification phase involves verifying the product's characteristics within the research and development project to ensure they meet the company's requirements and adhere to established standards.
5. Release Phase: This phase prepares the product for market launch and commercial distribution as a result of the research and development project.

Research and Development Process



The product and marketing management team, comprised of representatives from marketing, technology, production, and finance departments, collaboratively assesses the business plan, deliverables, schedule, and budget at the completion of each phase (Gate).

The Company has established a budget framework for research and development, not exceeding 25% of the estimated annual sales. This allocation depends on the business plan and operational factors for each year. In the year 2023, the Company incurred 109.30 million baht in expenses for research and development.

Summary of research and development expenses

Details on research & development in 2021-2023 of the Company are as follows:

Description	2021 (Million Baht)	2022 (Million Baht)	2023 (Million Baht)
Research expenses ¹⁾	12.55	24.56	37.08
Product development project increased during the period ²⁾	28.84	44.60	72.22
Total	41.39	69.16	109.30
Intangible assets - Net (Development Project) ³⁾	55.10	76.20	134.40

Remark: ¹⁾ Research expenses will be recorded as expenses in the comprehensive statement of income in each accounting period incurred.

²⁾ Product development project which has been increased during the period, such as expenses relevant to development incurred in each accounting period which will be recorded as accumulated value in intangible asset (Development Project) in the statement of financial position.

³⁾ Intangible assets - Net (Development Project), such as accumulated costs for product development, beginning from commencement until the end of the development projects and they were ready to be commercially launched. Accumulated product development cost will be recorded in the statement of financial position as cost price, deduction with 1) Accumulated amortization; and 2) Loss of accumulated impairment. Amortization and loss from impairment will be recognized as cost of sales and expenses in each period considered.

Promoting Creativity and Innovation

Innovation is considered a crucial foundation for the company's business, reflecting the organization's vision, mission, values, and strategy. Fostering an innovative culture within the organization is of utmost importance, enabling employees to apply their knowledge and skills to develop new products or improve internal processes. Therefore, the Company supports open communication and encourages employees to freely express their opinions. Management accessibility and activities such as Town Hall meetings are implemented to facilitate communication. Additionally, the Company has policies to encourage patent applications to protect knowledge, providing rewards for patent holders.

Rewards for patent inventors



While the patent policy may not currently lead to research results being developed into products for sale, the knowledge gained serves as a critical foundation for future commercial applications. This enables the Company to introduce new products that meet customer needs, explore continuous market opportunities, and adapt swiftly to rapidly changing environments.

Product Development Projects

As of December 31, 2023, the Company has 25 ongoing product development projects, contributing to overall business growth, which 12 projects were accomplished have been amortised. The other 13 projects are under progress. The direction of product development projects focuses on technological advancements to address future trends.

Smart Farm Project: The Company is dedicated to researching and developing products to elevate Animal ID solutions to Animal Healthcare. This involves providing farm managers with more comprehensive information beyond basic animal identification, allowing them to monitor the health of animals through sensor measurements. This data empowers farm owners to manage and make decisions more efficiently, leading to improvements in farm management systems. The project's outcomes can also be applied to general animal health tracking, including laboratory experiments.

Smart Industry Project: In response to Industry 4.0 demands, the Company is researching and developing products that expand the scope of communication frequencies for various applications. This includes checking large quantities of products in industrial settings or integrating into automated processes in various related industries. Increased connectivity between individuals, data, and machinery enhances data analysis convenience and improves overall management efficiency, ultimately reducing human errors.

Smart Healthcare: The Company aims to make medical devices and services more easily accessible. Therefore, it is dedicated to researching and developing products that connect measurement and reading of various components more conveniently, rapidly, and user-friendly. The goal is to develop products that can be transformed into preliminary analysis devices through secure connections, supporting remote medical activities (Telemedicine) for diagnosis and healthcare (Diagnostic, Wellness, and Healthcare). This will be achieved through a testing platform at the point of care on mobile devices (Mobile Point of Care Testing or POCT). It can effectively respond to the aging population trends, both nationally and globally, allowing quick and convenient access to services.

Smart Product: The Company is committed to researching and developing products to enhance the safety and connectivity between users and various products. This is achieved through the development of high-level encryption NFC technology for product identification. This technology plays a role in preventing product counterfeiting and adds value to various products and services.

SIC as Data Connectivity Platform

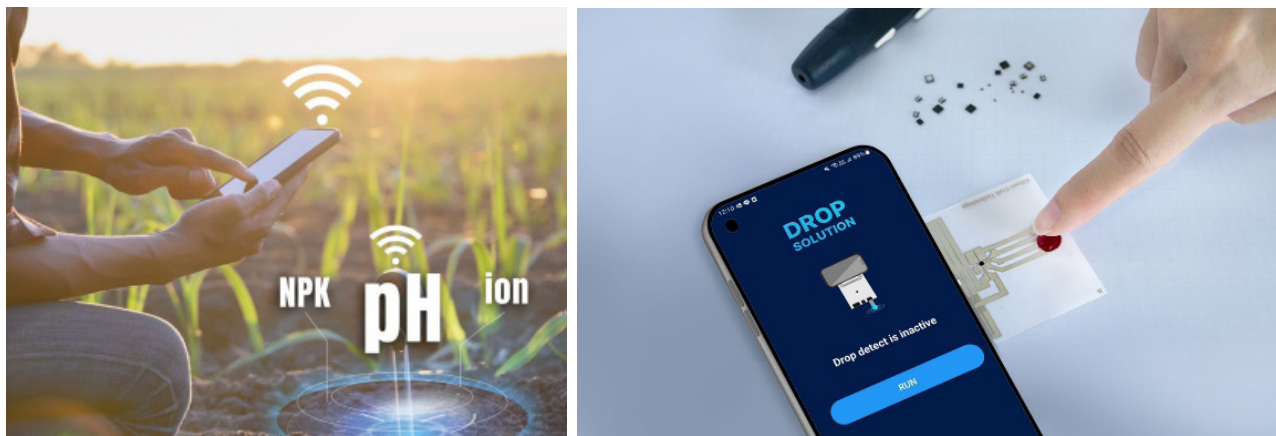


Source: Silicon Craft Technology Public Company Limited

Innovation for Sustainability

The company is committed to developing innovations to ensure that its products and services can generate sustainable returns in the long term. To achieve this, the company is developing products under the framework of the Technology-Driven Sustainability concept. The objective is to create products that bring added benefits to all stakeholders through innovation and smart technology, leading to global success. The company has examples of sustainable innovation development, as outlined below:

Innovation Example – NFC Integrated Sensor Microchip:



The NFC Integrated Sensor Microchip is a new microchip that combines a wireless communication channel and a sensor interface in the same chip. It operates without the need for batteries or a central processing unit (Microcontroller Unit or MCU), making the chip small in size, energy efficient, and capable of working by harvesting energy from radio waves emitted by smartphones without the need for batteries. This aligns with the Company's main business approach for sustainability.

This microchip can be used to measure various types of signals, such as force, strain, temperature, humidity, pH, ions (ammonia, Ca⁺, K⁺, Na⁺, Cl⁻, etc.), biomolecules (glucose, lactate, human chorionic gonadotropin hormone (HCG), disease biomarkers, etc.) The chip is versatile and can be used for various purposes, including quality checking of machinery in industrial settings for maintenance planning, measuring chemicals in water or environmental contaminants, point of care testing (POCT) for disease diagnosis, and even as a wearable sensor, measuring ion levels in sweat to indicate bodily abnormalities.

It can be said that the aforementioned product has positive impacts on the economy, society, and the environment. It can be applied to increase efficiency and reduce production flaws in various industries, making medical diagnostics or measuring bodily abnormalities in daily life easier. Additionally, it operates with very low energy consumption, contributing to a reduction in electricity usage and electronic waste.



In 2023, this innovation received the Best Innovative Company Awards 2023 for companies listed on the Market for Alternative Investment (MAI) at the SET Awards 2023, reflecting the excellence of the innovative work and the internal management promoting creativity within the organization.

Investment projects to support future research and development

Due to the Company's nature of business, it requires continuous research and development to offer new products to customers on a regular basis. Thus, in a bid to support future research and development, the Company has investment plans as follows:

1. Investment in the tools, equipment, and software of microchip design and testing

In the process of chip design, one important step is to review the layout of chip components and simulation through a software program for errors, as well as verifying and revising the work to ensure that the designed circuit structure and its parts can be used in practice with efficient performance before development into a prototype chip. Then, there is a test to work with other devices because the chip must be used in actual work with other components. A full system simulation must be performed by using the processing software for results of performance in various specified situations. At present, the Company invests in the leading microchip design software programs of international reliability for its workflow process.

In 2023, the Company invest in additional testing equipment to support new technological development and increase number of engineers according to its business expansion, such as other frequency measurement accessories for more comprehensive testing, electrical signal meter, equipment for signal measurement directly from wafer level, and testing equipment.

2. Investment or joint investment in other company engaging in integrated circuit design and development or having innovation which can support the Company's business operations.

Apart from additional investment in tools, equipment, software and patent, the Company also has other mean to build up growth of its business by investment or joint investment in other company that can support the Company's business operations. Criteria that the Company will be used to consider to invest with such prospect company, if it:

- Operates business in integrated circuit design and development; or
- Has innovation which can support the Company's business operations; or
- Own the patent or intellectual property or software that the Company can jointly use with; or
- Has personnel who have skill and expertise in the branch relevant to the integrated circuit design.

In addition, such company must not have record for infringement of intellectual property, or its key personnel has record for infringement of intellectual property.

1.2.7 Assets Used in Business Operations

Details on assets used in business operation

As of December 31, 2023, net value of assets that the Company used in business operation after deduction of accumulated depreciation is 28.97 million Baht, with details as follows:

Type of Asset	Nature of Ownership	Net Book Value (Million Baht)		Obligation
		Dec. 31, 2022	Dec. 31, 2023	
1 Improvements of leased building	Lease and own	2.17	3.15	Nil
2. Office equipment	Own	2.26	2.92	Nil
3. Office furnishings	Own	0.68	0.92	Nil
4. Plant tools	Own	28.46	20.37	Nil
Total		33.57	28.97	

Intangible Assets Used in Business Operation





Intangible Assets

As of December 31, 2023, value of the Company's intangible assets were 143.4 million Baht which included package software and 25 product design and development projects. 12 projects has been completed and amortized and 13 projects are in progress.

Intangible Assets	Net Book Value (Million Baht)		
	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023
Package software - Net	0.26	11.60	8.99
Product design and development projects	55.10	76.20	134.41
Total Intangible Assets	55.36	87.80	143.40

Trademark

The Company has registered trademarks with Department of Intellectual Property, Ministry of Commerce as follows:

List of Product	Registered No.	Coverage Country	Expiry Date
 List of Product/ Service: Integrated circuit chip, integrated circuit, E-Label for individual identification	161108877	Thailand	March 24, 2025
 List of Product/ Service: Integrated circuit chip, integrated circuit, E-Label for individual identification	161108878	Thailand	March 24, 2025
 List of Product/ Service: Integrated circuit chip, integrated circuit, E-Label for individual identification	161108719	Thailand	March 24, 2025
 List of Product/ Service: Integrated circuit chip, integrated circuit, E-Label for individual identification	171101949	Thailand	March 24, 2025
 List of Product/ Service: Electronic labels for computer programs that control electronic devices	201120383	Thailand	21 April 2029

Patents

The Company has registered patents both in Thailand and in foreign countries and as of December 31, 2023, the patents registered by the Company which are still valid are as follows:

List of Product	Patent No.	Coverage Country	Application Date ¹⁾
Patent Application No.: AU20070216685 System and method for tuning RFID resonant frequency	AU2007216685 (B2)	Australia	September 30, 2007
Patent Application No.: NZ20110621699 Charge-pump circuit for improving read distance	NZ621699 (B)	New Zealand	November 13, 2011
Patent Application No.: 112013023503 Sistemas, dispositivos, circuitos e metodos para comunicar-se em um sistema de comunicacao	BR112013023503 (B1)	Brazil	March 18, 2011
Patent Application No.: 112011105048 SYSTEMS, DEVICES, CIRCUITS AND METHODS FOR COMMUNICATING IN A COMMUNICATION SYSTEM	DE112011105048 (B4)	Germany	March 18, 2011
Patent Application No.: CN2011800693781 SYSTEMS, DEVICES, CIRCUITS AND METHODS FOR COMMUNICATING IN A COMMUNICATION SYSTEM	CN103493074 (B)	People's Republic of China	March 18, 2011
Patent Application No.: US201114005559 SYSTEMS, DEVICES, CIRCUITS AND METHODS FOR COMMUNICATING IN A COMMUNICATION SYSTEM	US9818055 (B1)	United States of America	March 18, 2011

Remark: ¹⁾ Coverage of the registered patent shall begin from the application date and it can be renewed every year. Maximum coverage is 20 years from the application date.

Material agreements relevant to business operations

As of December 31, 2023, the Company has materials agreements relevant to business operations as follows:

Office building lease agreement and relevant service agreement

As of December 31, 2023, details of the areas lease agreements of the Company are as follows:

Office building lease agreements

Rented Space in the Building, Room No. 2B, 3A, 3B, and 4 La Unique Building	
Counterparties:	Silicon Craft Technology Public Co., Ltd. (“Lessee”) and Mr. Nattapong Wisetsiri (“Lessor”)
Execution date:	June 30, 2022
Objective:	To use as the location of the Company’s office building
Location of Building:	No.40, Thetsabanrungrunsunua Road, Ladyao, Chatuchak, Bangkok
leased area:	1,763 square meters
Lease period:	36 months from July 1, 2022 to June 30, 2025
Lease rate:	<ul style="list-style-type: none"> • 209,000 baht/month
Important Conditions:	<ul style="list-style-type: none"> • If the Lessee commits a breach of contract or fails to comply with any of the terms of this Agreement and does not remedy the breach of contract within 14 (fourteen) days from the date of receipt of written notice from the Lessor, the Lessee agrees that the Lessor shall exercise its right to terminate this Agreement by giving written notice to the Lessee. Such termination shall not deprive the Lessor of any rights under this Agreement, including forfeiture of the rent deposit. • In the event that the Lessee wishes to renew the rental agreement, the Lessee must provide the Lessor with a notice of such intention at least three (3) months prior to the expiration date of the lease agreement. In case the Lessee and the Lessor are able to agree on the rental rate, terms, and conditions of rental payment, the renewal of this agreement shall be extended from the expiration date of the rental agreement. The parties agree to use the terms and conditions of this agreement for the duration of its renewal (but not exceeding 3 years).

Remark: The Company has entered into the property insurance policy with one insurance company and the insured properties includes 1) Equipment and office furnishings within limit of liability of not exceeding 20 million Baht; 2) Inventory stored in the Company within the limit of liability of not exceeding 163 million Baht.

Office Building Service Agreement

Rented Space in the Building, Room No. 2B, 3A, 3B, and 4 La Unique Building	
Counterparties:	Silicon Craft Technology Public Company Limited (“Service Recipient”) and Lukdee Property Company Limited (“Service Provider”)
Execution date:	June 30, 2022
Details of agreement:	Provide services related to renting the office building on the 2nd, 3rd, and 4th floors, such as building common area cleaning service, elevator service in the building, electrical system service in the building, air conditioner service in the rented areas, and security guard service in the territory of the building.
Service Term:	36 months from July 1, 2022 to June 30, 2025
Service fee rate:	<ul style="list-style-type: none">• 300,000 baht per month, the service recipient must pay electricity, water, and telephone system separately from the rental fee.
Payment of service fee :	<ul style="list-style-type: none">• Monthly payment by the 10th day of each month
Termination of Service Agreement :	<ul style="list-style-type: none">• When the rental agreement expires or is terminated before it reaches maturity, this arrangement comes to an end.• If the service recipient does not act and/or perform any of its obligations under this contract and does not remedy the breach of this contract within 14 (fourteen) days from the date of receipt of written notice from the service provider, it shall be deemed that the service recipient has breached this contract. The service provider shall have the right to terminate this contract without prejudice to any rights that the service provider may have.

Loan agreement with the financial institutions

As at December 31, 2023, the Company has credit line for exporting goods to overseas with a bank with the credit limit of Baht 100 million at the interest rate of MRR per annum which is matured by 180 days, guaranteed by the same bank deposit.

As at December 31, 2023 and 2022, the Company has credit line for importing goods from overseas with twobanks with the credit limit of Baht 165 million and Baht 12 million respectively, at the interest rate of MRR per annum which is matured by 180 days, guaranteed by the same bank deposit.

1.2.8 Right and Privileges from Promotion Certificates (BOI)

The Company has been granted rights and benefits from the Board of Investment (BOI) pursuant to the Investment Promotion Act B.E. 2520 as 3 promotion certificates for its business operations as per approved by the Board of Investment under the specified conditions. Essence on taxation privileges granted to the Company is summarized as follows:

Promotion Certificate	1 st Certificate	2 nd Certificate	3 rd Certificate	4 th Certificate
Promotion certificate no.:	1980 (4)/2551	2435(4)/2556	59-0321-1-00-2-0	66-1224-1-00-2-0
Date approved:	August 4, 2008	September 5, 2013	January 14, 2016	June 12, 2023
Type of activities promoted:	Type 5.7: Electronics design activities	Type 5.7: Electronics design activity	Type 5.6.1: Microelectronics Design and Type 5.6.2: Embedded System Design	Type 5.6.1: Microelectronics Design

Right and privileges :

<ul style="list-style-type: none"> Exemption of corporate income tax for the net profit from the promoted activity up to 8 years from the date income is first derived from such activity. In case the promoted activity recorded a loss during the promoted period, annual loss incurred during such period can be deducted from the net profit accrued for a period of not more than 5 years from the expiry date specified and may choose to deduct such loss from the net profit of any one year or several years. 	✓ (Privileges have been fully exercised)	✓ (Privileges have been fully exercised)	✓ (During the exercise of privileges)	✓ (During the exercise of privileges)
<ul style="list-style-type: none"> Exemption from computation of dividends derived from a promoted activity of taxable income throughout the exemption period of corporate income tax. 	✓ (Privileges have been fully exercised)	✓ (Privileges have been fully exercised)	✓ (During the exercise of privileges)	✓ (During the exercise of privileges)
<ul style="list-style-type: none"> Exemption of import duties on machinery as per considered and approved by the Board throughout the promotion period. 	✓ (Privileges have been fully exercised)	✓ (Privileges have been fully exercised)	✓ (During the exercise of privileges)	✓ (During the exercise of privileges)

Promotion Certificate	1 st Certificate	2 nd Certificate	3 rd Certificate	4 th Certificate
<ul style="list-style-type: none"> Exemption of import duty on raw materials and materials necessary to be imported for usage in production for export for 1 year beginning from the first import date. 	✓ ¹⁾ (Amended to be from February 8, 2022 to February 7, 2024)	✓ ¹⁾ (Amended to be from September 27, 2022 to September 26, 2024)	✓ ¹⁾ (Amended to be from July 21, 2021 to July 20, 2023)	✓ ¹⁾
<ul style="list-style-type: none"> Exemptions of import duty for materials imported for re-export purpose for 1 year beginning from the first import date. 	✓ ¹⁾ (Amended to be from February 8, 2022 to February 7, 2024)	✓ ¹⁾ (Amended to be from September 27, 2022 to September 26, 2024)	✓ ¹⁾ (Amended to be from July 21, 2021 to July 20, 2023)	✓ ¹⁾
Material conditions:				
<ul style="list-style-type: none"> In order to submit an application for exemption of corporate income tax from selling of products from electronics design for commercially manufacturing, there will be either one of the following document for each product to presented as evidence and failure to submit evidence for any product, rights and privileges on corporate income tax exemption of such product will not be granted: <ul style="list-style-type: none"> - Patent concerning invention, product design or petty patent. - Certificate to certify that it is an electronics design project from the National Science and Technology Development Agency (NSTDA) or the relevant institutes for each product. 	✓	✓	✓	✓
<ul style="list-style-type: none"> Quality of products manufactured or assembled must comply with the international standards and if standard of such product has been specified under the Industrial Product Standards Act, it must have TISI Certificate and industrial standard emblem from the Industrial Product Standard Committee must be displayed. 	✓	✓	✓	✓

Promotion Certificate	1 st Certificate	2 nd Certificate	3 rd Certificate	4 th Certificate
<ul style="list-style-type: none"> There must be system to control and prevent damage to quality of environment and danger or nuisance to the people living nearby with approval from the relevant government agency. Factory must be established in Bangkok area within 15 years from the date business is commenced and such factory cannot be relocated to other areas. Shareholders of at least 51 percent of registered capital must be Thai nationality. Registered capital 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ -
	Paid-up registered capital must be at least 16.88 million Baht.	Paid-up registered capital must be at least 80 million Baht and registered capital must be increased by 20 million Baht and when combining with the existing registered capital, it must be at least 100 million Baht. In addition, value of shares must be fully paid before commencement of business.	Paid-up registered capital must be at least 100 million Baht.	Paid-up registered capital must be at least 200 million Baht.
<ul style="list-style-type: none"> Size of investment 	At least 1.0 million Baht (excluding cost of land and working capital)	At least 1.0 million Baht (excluding cost of land and working capital)	Expenses for salary of electronics design personnel must be at least 1.5 million Baht per year	At least 1.0 million Baht (excluding cost of land and working capital)

Promotion Certificate	1 st Certificate	2 nd Certificate	3 rd Certificate	4 th Certificate
<ul style="list-style-type: none"> • Production capacity 	<ul style="list-style-type: none"> • 50 integrated circuit designs and RFID device designs per year. • DIE and IC: 300.00 million pieces per year each. • 100.00 million RFID tags per year. • 12,000 RFID Reader per year. 	<ul style="list-style-type: none"> • Design continuous products, i.e. DIE, IC and RFID Tag and etc.: 1,000,000,000 pieces per year. • 500,000 RFID Readers per year. • Electronics design 	<ul style="list-style-type: none"> • Design continuous products, i.e. DIE, IC and RFID Tag and etc.: 1,000,000,000 pieces per year. • 500,000 RFID Readers per year. • 8 working hours per day and 248 days per year. • Electronics design 	<ul style="list-style-type: none"> • Design continuous products, i.e. DIE, IC and RFID Tag and etc.: 2,000,000,000 pieces per year. • 500,000 RFID Readers per year. • 8 working hours per day and 248 days per year. • Electronics design • Integrated circuit design and design

Remark: ¹⁾ The Company has been granted permission to expand the exemption of import duty of raw material and supplies for re-export for 2 years each (Information from the Board of Investment)

The Company has requested an extension of the period and additional benefits of the Promotion Certificates (BOI) There are certificates that have been approved for additional promotions as follows:

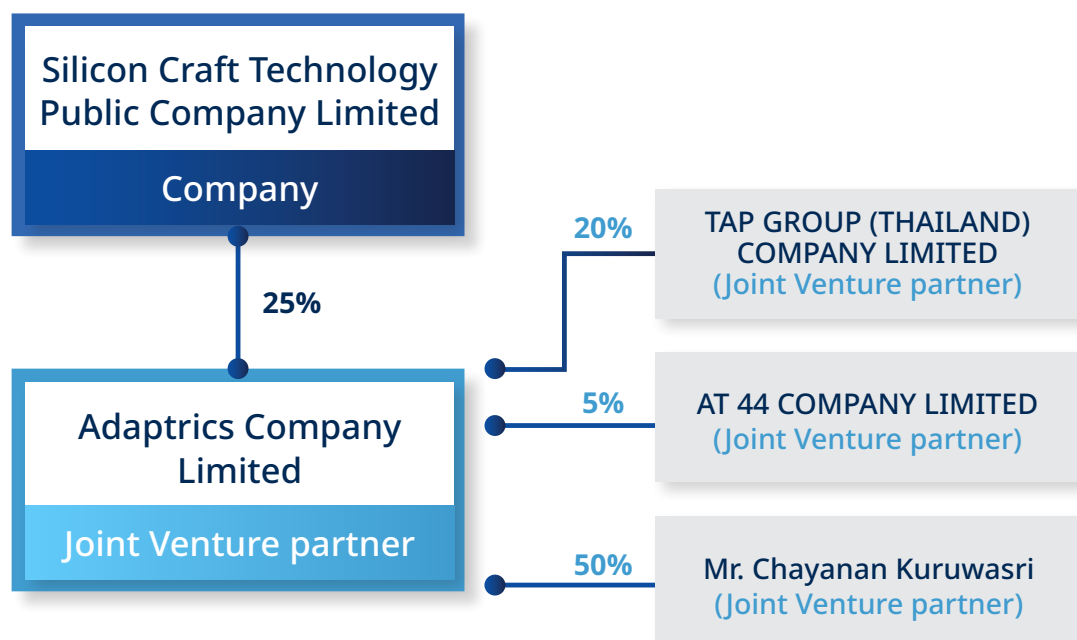
Promotion Certificate	2 nd Certificate
Promotion certificate no.:	66-1225-2-22-1-0
Date approved:	July 12, 2023
Type of activities promoted:	Type 4.1: Electronics design activities
Right and privileges :	
<ul style="list-style-type: none"> Exemption from corporate income tax for the net profit derived from promoted activities. This exemption is equal to 50% of the investment in efficiency improvement, excluding land and working capital. The exemption period is set at 3 years, starting from the day following the income-generating date after receiving the BOI promotion certificate. In cases where the business incurs losses during this period, these losses can be carried forward and deducted from the net profit generated after the expiration of the tax exemption period. The maximum carry-forward period is 5 years, counted from the end of the exemption period. Companies have the flexibility to choose from which profit year or years to deduct these losses. 	<p style="text-align: center;">✓ (During the exercise of privileges)</p>
<ul style="list-style-type: none"> Exemption from computation of dividends derived from a promoted activity of taxable income throughout the exemption period of corporate income tax. 	<p style="text-align: center;">✓ (During the exercise of privileges)</p>
<ul style="list-style-type: none"> Exemption of import duties on machinery as per considered and approved by the Board throughout the promotion period. 	<p style="text-align: center;">✓ (During the exercise of privileges)</p>
<ul style="list-style-type: none"> Exemption of import duty on raw materials and materials necessary to be imported for usage in production for export for 1 year beginning from the first import date. 	<p style="text-align: center;">✓¹⁾ (Amended to be from February 8, 2022 to February 7, 2024)</p>
<ul style="list-style-type: none"> Exemptions of import duty for materials imported for re-export purpose for 1 year beginning from the first import date. 	<p style="text-align: center;">✓¹⁾ (Amended to be from February 8, 2022 to February 7, 2024)</p>

Promotion Certificate	2 nd Certificate
Material conditions:	
<ul style="list-style-type: none"> In order to submit an application for exemption of corporate income tax from selling of products from electronics design for commercially manufacturing, there will be either one of the following document for each product to presented as evidence and failure to submit evidence for any product, rights and privileges on corporate income tax exemption of such product will not be granted: <ul style="list-style-type: none"> Patent concerning invention, product design or petty patent. Certificate to certify that it is an electronics design project from the National Science and Technology Development Agency (NSTDA) or the relevant institutes for each product. 	✓
<ul style="list-style-type: none"> Quality of products manufactured or assembled must comply with the international standards and if standard of such product has been specified under the Industrial Product Standards Act, it must have TISI Certificate and industrial standard emblem from the Industrial Product Standard Committee must be displayed. 	✓
<ul style="list-style-type: none"> There must be system to control and prevent damage to quality of environment and danger or nuisance to the people living nearby with approval from the relevant government agency. 	✓
<ul style="list-style-type: none"> Factory must be established in Bangkok area within 15 years from the date business is commenced and such factory cannot be relocated to other areas. 	✓
<ul style="list-style-type: none"> Shareholders of at least 51 percent of registered capital must be Thai nationality. 	✓
<ul style="list-style-type: none"> Registered capital 	Paid-up registered capital must be at least 200 million Baht.
<ul style="list-style-type: none"> Size of investment 	At least 1.0 million Baht (excluding cost of land and working capital)
<ul style="list-style-type: none"> Production capacity 	<ul style="list-style-type: none"> Design continuous products, i.e. DIE, IC and RFID Tag and etc.: 2,000,000,000 pieces per year. 500,000 RFID Readers per year. 8 working hours per day and 248 days per year. Electronics design 50 integrated circuit designs and RFID device designs per year.

In addition, in 2023, the company requested an extension of the benefits of the Promotion Certificates (BOI) 3rd Certificate. This extension would prolong the period of exemption of corporate income tax for the net profit from the promoted activity from 8 years from the date income is first derived from such activity to 13 years from the date income is first derived from such activity. This extension was approved by the Board of Investment on 30 January 2024.

1.3 Shareholding structure of the Company

As of December 31, 2023, Silicon Craft Technology Public Company Limited has the shareholding structure of Subsidiaries and Associated Companies as follows:



1.3.1 Business of Subsidiaries and Associated Companies

1. Adaptrics Company Limited

Company's Name	Adaptrics Company Limited
Date of Incorporation	5 February 2024
Country of Registration	Thailand
Registered Capital	12,000,000 Baht
Total number of shares	1,200,000 Shares, value of 10 Baht per share
Shareholding Structure	1. Silicon Craft Technology Public Company Limited holds 25% shares 2. TAP GROUP (THAILAND) COMPANY LIMITED* holds 20% shares 3. AT 44 COMPANY LIMITED** holds 5% shares 4. Mr. Chayanan Kuruwasri holds 50% shares
Nature of Business	Operate RFID Solution Development Service
Board of Directors	1. Mr. Chayanan Kuruwasri 2. Mr. Panupong Warinthanaphan 3. Mr. Kowit Nuangsuk

1.3.2 Information of Major Shareholder

According to the book of shareholders' registration as of Mar 8, 2024, Silicon Craft Technology Public Company Limited's major shareholders are as follows

List of Shareholders	No. of Shares	%
1 Mr. Manop Dhamsirianunt	102,578,212	21.37
2 Mr. Apinetr Unakul	79,637,020	16.59
3 Mr. Naiyavudhi Wongkomet's Group		
1) Mr. Naiyavudhi Wongkomet	32,812,120	6.84
2) K INVESTMENTS LIMITED ⁽¹⁾	16,795,848	3.50
Sub-total	49,607,968	10.33
4 Mr. Apinunt Thanachayanont	24,075,302	5.02
5 Mr. Vitid Pongpirodom	23,761,800	4.95
6 UBS AG LONDON BRANCH	17,448,180	3.64
7 Mrs. Naranit Pathompothiwat	16,000,000	3.33
8 Thai NVDR Company Limited	13,135,816	2.74
9 Mr. Bodin Kasemset	9,835,449	2.05
10 Mr. Thaweesak Thantipwan	7,366,244	1.53
11 Mr. Karn Opasjumruskit	7,172,662	1.49
12 Mr. Weeraphong Seetrakul	4,512,500	0.94
13 Mr. Thanit Kasemset	3,318,000	0.69
14 Mrs. Tattapon Leepisut	3,220,800	0.67
15 Mr. Punnaruj Pathompothiwat	2,779,900	0.58
16 Mrs. Arunee Poontawee	2,564,200	0.53
17 Mr. Nattapong Visessiri	2,523,272	0.53
Total	369,537,325	76.99

Remark (1) K INVESTMENTS LIMITED a juristic person registered in Hong Kong and its shareholders are Miss Aiyanuch Wongkomet, holding shares of 50.00% and Miss Unyanuch Wongkomet, holding shares of 50.00% of the registered capital.

1.3.3 Dividend Payment Policy

The Company has policy to pay dividends to shareholders at the rate of not less than 50% of the profit after deducting all reserves. The Company may consider paying dividends different from the established policies depending on the performance, The Company's financial status, liquidity, investment plan, including factors related to management, necessity, and other suitability in the future as the Board of Directors deems appropriate. This action must be in the best interests of the shareholders of the Company.

The decision to declare and pay annual dividend must be declared and approved at the Shareholders Annual General Meeting upon the recommendation of the Company's Board of Directors. In the case of interim dividend, the Board of Directors may in its discretion declare an interim dividend based upon profits arrived at an appropriate level that would allow the Company's operation and publicly communicate to the shareholders in the subsequent shareholders meeting.

The paying of interim payment is determined by the Company's Board of Directors and is subject to change depending on the business operation, financial status, liquidity, investment plan, and other necessities and factors deemed appropriate to the future business operation by the Board of Directors

Information of dividend distribution during the year 2021-2023

Financial Statements	Year 2021	Year 2022	Year 2023
Net Profit (Million Baht)	64.04	135.08	140.36
Legal reserves (Million Baht)	3.20	2.79	7.02
Amount of Shares (shares)	400,000,000 As of Dec 31, 2021	400,000,000 As of Dec 31, 2022	479,999,884 As of Dec 31, 2023
Dividend per share (Baht per share)	0.043	Dividend payment for the year 2022 in form of stock and cash dividend payment at the rate of Baht 0.1112 per share. 1) Dividend payment in the form of ordinary shares to shareholders of the Company at the rate of 5 existing shares per 1 share stock dividend at the par value of Baht 0.50 per share, equivalent to a dividend rate of Baht 0.10 per share 2) Cash dividend payment at the rate of Baht 0.0112 per share	0.035
Dividend payout Ratio (Percentage of net profit)	27%	33%	12%
Total amount of dividends paid (Million Baht)	17.20	44.48	16.80

However, there is still uncertainty for right to receive such dividends by the Company until it receives approval from the 2024 Annual General Meeting of Shareholders.

2. Risk Management

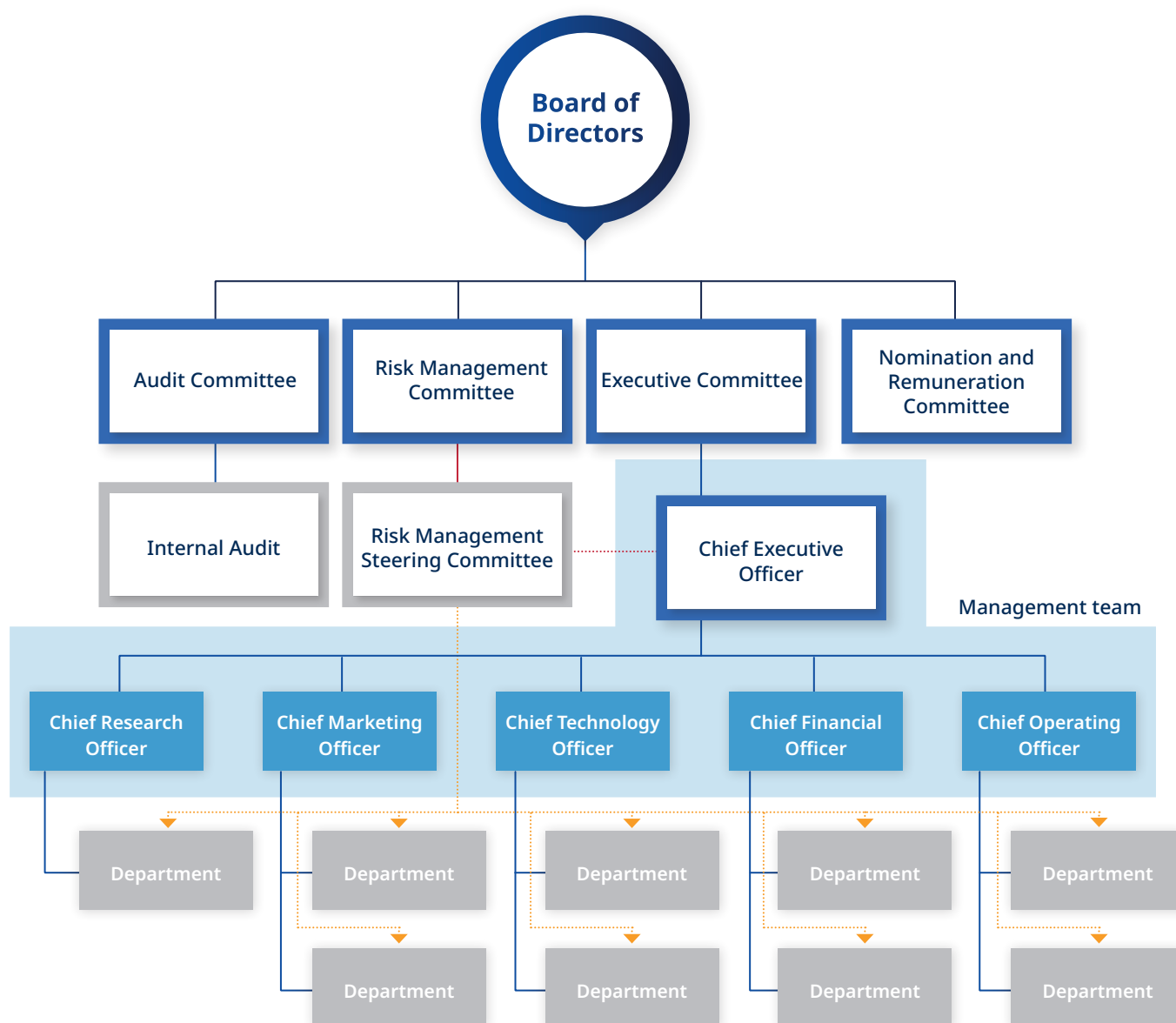
2.1 Risk Management Policies and Plans

The Company is confident and aware of the importance of effective risk management and control in order to enable it to operate its business steadily and continuously at an acceptable level. It is used as an administrative tool that maximizes the chances of success for the Company and reduces the likelihood of failure and loss to a level that the Company can control, taking into account the Company's goals as a priority and reducing the uncertainty in the Company's overall performance to achieve the Company's objectives.

Risk management policies include:

1. Foster a risk management culture to build mutual understanding, consciousness, and shared responsibility regarding risk, control, and its impact on the company. Demonstrate leadership commitment to integrate risk management into the organization's processes and decision-making. Emphasize the importance of risk management, particularly in product design projects.
2. Establishment of Risk Management Committee: Form a Risk Management Committee responsible for overseeing risk management in various areas such as strategic and technological risks, operational risks, marketing risks, financial risks, regulatory risks, and sustainability risks, including emerging risks. Create a Risk Management Steering Committee with the committee secretary serving as the chairperson. Committee members should include department heads or staff in departments related to risk. Conduct monthly risk reviews collectively, providing insights on risks to the management. Facilitate an environment that supports effective risk management, fostering awareness and a risk management culture among employees. Regularly report the results of risk management to the Risk Management Committee every quarter. The company's risk oversight and management structure is summarized in the diagram below. Additionally, the Risk Management Committee will present risk management outcomes to the company's board every quarter, and there will be an exchange of information between the Risk Management Committee and the Audit Committee during company board meetings. Internal auditors will assess to ensure continuous adherence to the risk management policy.

The company's risk oversight and management structure



3. Establishing Quality Global Processes, Guidelines, and Measures for Risk Management: Implement processes, guidelines, and measures for risk management that are of sufficient quality at the global level. Ensure that these are adequately designed and provide ongoing training or knowledge dissemination through email, video, and meetings regarding continuous, regular risk management. Extend these activities universally to the board, senior executives, and employees regularly, fostering a comprehensive understanding and awareness of risk management.
4. Provide risk measurement of both qualitative (for example, the Company's reputation and image) and quantitative (for example, loss, decreases in revenue, increases in costs) aspects based on potential opportunities and impacts.
5. Determine the risk limit to limit potential damage to the level of risk appetite of the organization, including monitoring the progress of the risk mitigation plan and key risk indicators (KRIs), which are a tool for early warning to prevent and determine additional risk management measures in time.
6. Provide written operating procedures to be implemented by executives and operators to control the risk of the operation.

The approach to risk management consists of the following steps:

1. Define the operational purposes and the context of the company.
2. Identify risk indicators (including impacts and causes of risk) to analyze, assess, and prioritize risks.
3. Define criteria, risk control methods, and a risk management plans.
4. Monitor risk management plans and key risk indicators and conduct a risk assessment.
5. Communicate with employees and meet with the Risk Management Committee.
6. Record data and prepare reports.

Besides this, for continuous business operations under unexpected crises, such as natural disasters, political unrest, terrorism, epidemics, war, and various threats that will affect the ability to conduct business and may cause disruption of important processes or production chains, the Company has established a BCM (Business Continuity Management) system to support changes in the future, taking into account the safety and security of the business and the interests of all stakeholders.

The Company has assigned the BCP Team, consisting of representatives from the relevant departments, to manage the business continuity plan and be representatives in communication to various departments. The Company divides its business continuity plan into three areas: asset management, product production continuity, and important data protection. The management approach can be divided into four parts: crisis prevention, incident response, crisis response, and business recovery. The Company appropriately prepares readiness and drills, as well as promoting awareness and responsibilities for employees in accordance with the business continuity management system framework.

Asset Management

The company diligently manages its core assets, focusing on activities during production and readily available inventory. This involves securing warehouse insurance coverage to protect both the company and the primary production recipient. Additionally, we conduct continuous assessments and monitoring of the risks associated with disaster events, ensuring preparedness for potential incidents at both the company and production recipient levels. Furthermore, the company maintains three inventory warehouses, providing flexibility in relocating goods as needed. In the aftermath of an emergency, the company can request additional production capacity from the production recipient to manufacture replacement products if inventory is lost or damaged.

Continuous Production Assurance

To ensure continuous production, the company has business interruption insurance and agreements with primary manufacturers to provide uninterrupted services for specified periods, preventing unexpected disruptions. Additionally, the company regularly exchanges business plans with manufacturers to assess situations and prepare contingency plans by identifying a secondary manufacturer. The company can relocate production within 6–12 months for wafer production and within 3–6 months for IC packaging. We maintain reserve stock for core products for 3–6 months as a precaution in case of supply chain interruptions.

Critical Data Protection

The company has stringent measures in place, such as the installation of a firewall and the implementation of two-factor authentication (2FA) to prevent unauthorized access. Following ISO 27001 standards, the company continuously adapts and updates its practices. For on-premise data management, access control is maintained through Windows login systems, and daily data backups are performed. Internally backed-up data is stored on the cloud for an additional layer of security. Cloud data management involves the use of Azure AD and Microsoft Defender to detect and respond to potential attacks. The company can recover data from backup files, with the information being up to date within one day prior to the incident.

2.2 Risk Factors in Business Operation

2.2.1 Risks for depending on main raw material manufacturer and main supplier

The company is engaged in the design and development of chips for RFID by outsourcing other operators to produce and assemble products (Fabless Company). Wafer Fabrication is in an upstream industry where Thai enterprises are not yet able to produce, and there are very few entrepreneurs in the industry. Globally, there are only about 10 major pure-play foundry companies. Therefore, the company needs to import all such raw materials from abroad and must plan the order in advance, the production of integrated circuits on the wafers will take about 3-6 months. In the case of hiring a new integrated circuit manufacturer. Time must be set aside for circuit adjustments to fit new production formulas. It takes at least 6-12 months for the first production of the product. In addition, after the company imports wafers from abroad. The company has to hire a wafer cutting plant including IC Packaging assembly and hire form factor assembly to produce finished products, which in order to change the factory requires between 3 and 6 months of trial and quality testing, which takes less time than the integrated circuit manufacturer change, and there are more operators who can provide services in such production process.

There are only a few manufacturers hired for integrated circuit production, with a long period of time for manufacturing and procedures in changing to new partners. In case of discrepancies in the production plan or disruption for a long period of time, the Company may be at risk of not having products delivered to customers as scheduled, thus causing the loss of income and credibility with customers. During the year 2021 until the beginning of 2023, there was a shortage of microchips in the world market due to insufficient production capacity to serve the demand of integrated circuit manufacturers' IC packaging assembly plants. However, such a situation has been recovered in the second quarter of 2023, with no significant impact on the Company.

The Company assesses the likelihood of production disruptions in both integrated circuit manufacturers and assembly plants by assigning clear responsibilities to closely coordinate production planning with suppliers to assess the capacity situation of trading partners. The Company has measures to prevent such risks by making stock in accordance with the volume of customer demands. Monthly estimates are submitted in advance to major partners for a period of 6-12 months with monthly reviews. There is a contract which requires major suppliers who manufacture integrated circuits to give at least 12 months' notice if production of any products is to be stopped. In addition, the Company has a policy to reduce dependence on a single integrated circuit manufacturer by finding additional partners. At present, the Company has 3 partners that can support the company's orders, spread across countries including Singapore, South Korea and China. As a result, the company has been able to design new products with similar features to existing products in the production line of new manufacturers, to have a replacement product in case one of the manufacturers has a problem. The Company will consider the R&D costs to be designed to match the production methods of the new plant and the order volume to achieve an economy of scale.

In terms of outsourcing wafer cutting and assembly IC Packaging services, The Company has reduced its risk by providing factories that can provide contract manufacturing services as a backup source. The plant has been tested. In addition, the company manages and develops manufacturers in addition to existing ones. The Company has a process of working with affected customers by sending pre-clarification documents to affected customers and sending samples of products to customers for testing.

During the end of 2022 until the beginning of 2024, the trade war between the United States and China continued. China was banned from accessing advanced semiconductor technology, especially the suspension for the export of AI chips to China. Nonetheless, the Company's products were not in the prohibited groups, thus obtaining no effects at all. Besides this, during the end of 2023 until the beginning of 2024, the Middle East's crisis, including the Israel-Hamas

war and the United States–the Houthis war, disrupted transportation in the Red Sea, affecting product costs. Despite no current impact on the supply chain at this time, the Company continuously monitored and assessed such impact, while planning to cope with any possible effects in a timely manner.

2.2.2 Risks of dependence on product or customer groups

Since the company's revenue comes from the sale of four groups of products: 1) microchips for automotive electronic key systems; 2) microchips for animal registration systems; 3) microchips for IoT in the industrial sector; and 4) microchips for NFC and others. Each group of products has customers who are global major operators or customers who are distribution partners. As a result, the main source of revenue for the Company comes from the distribution of products to 10–15 major customers. (See more details in Section Characteristics of Customers and Target Customers).

Therefore, if the Company fails to maintain the competitiveness of its products, including good business relationships and unexpected changes to the businesses of its key customers, it may affect the Company's orders, leading to a significant decrease in revenue. In 2023, the Company's main revenue come from the product groups 1), 2), and 3), which account for 20%, 46%, and 32% of revenue from sales and services, respectively. In 2022, the Company's main revenue come from the product groups 1), 2), and 3), which account for 29%, 37%, and 32% of revenue from sales and services, respectively.

The Company monitors changes in revenues in each product group and revenues from the top ten key customers in order to assess the risk of impact from the major customers and has measures to maintain relationships, including exchanging advances and plans for product development with customers. The Company also has a policy to maintain competitiveness and reduce dependence on the product group or the major customer group by ... and continuously researching and developing new microchips in both the original product group and the new product group like NFC to increase the diversity of the product group. This will help the Company to expand its customer base and reduce its dependence on each product group in the future.

In 2024, the Company tends to rely more on the animal ID microchip product group. During 2023, there was growth in this product group due to manufacturers preparing to comply with the law on electronic ID for sheep and goats in Australia, which will be implemented in 2025. The Company is reducing its risk of income loss by entering into long-term contracts with large customers. Additionally, it is finding more customers in other continents to reduce reliance on the Australian market. Meanwhile, the Company is developing new microchips for three other product groups, including automotive immobilizer system, industrial IoT, and NFC, to reduce reliance on the animal ID microchip product group after 2025.

2.2.3 Risks from rapid changes in technology and consumer behavior

The Company's main business involves products in the technology group that are at risk of becoming outdated or being replaced by new technology (Disruption). Some products may have a shorter product life cycle in the market than estimated, and while the product research and development of the Company may take several years to develop into products that can be sold to customers, including the rapid change of technology and changing behavior of consumers, when the Company has completed its product development, it may not keep up with the market needs. This results in a loss of sales in the product development project or microchip products of the company and has a significant impact on the performance of the company in the future.

The Product Management and Marketing Working Group, consisting of representatives from the Departments of Marketing, Technology, Production, and Finance, has planned to explore global research findings and emerging technologies in order to identify and manage such risks. In addition, a range of methods have been used to study market trends and

opportunities in different product segments. This includes exchanging advances and product development plans with key customers and international research institutes to assess risks and opportunities and establishing guidelines for research and development in both technology and product roadmaps of the Company, which are reviewed every six months to ensure that it can continuously develop and offer new products to the market and meet the needs of the market and customers. Furthermore, the Company has constantly engaged in research and development with customers who are major operators in each business group to be able to develop products in the direction that the market needs regularly. From the above operations, the company continues to maintain significant revenue growth. Revenue from the Animal Identification group rose by 37%, driven by increased revenue from key customers in Europe, due to the expansion of the market. Revenue from the Industrial IoT group increased by 12% from last year, mainly due to increased revenue from key customers in Asia and revenue from the new product. Revenue from the innovative NFC group increased by 12% compared to the year 2022, mainly from the growth of NFC Authentication products. However, revenue from the Immobilizer group dropped by 23% from last year mainly due to the slowdown in revenue from key customers in US resulting from a high level of inventory.

The company has chosen to develop products for the industrial market that are used in the manufacturing process or used as components. The technology and market needs do not change rapidly, so the Company has time to prepare a response plan that has had little impact. Take for example, a change in the animal registration system technology requires a change in investment in related systems, including reader and database systems. For countries with law enforcement related to animal registration systems, such a change takes time and money. Therefore, it is the business group with a slight change in technology. This is similar to RFID technology for industrial IoT with investment related to infrastructure. For the automotive electronic spare key group, the spare key group will be needed after the release of each model of automobile for about 3–5 years. Therefore, the Company can plan what kind of product must be developed to support the demand in the spare key market for new car models in each period. For these reasons, the market trends for all four product groups are expected to remain stable in the next few years.

2.2.4 Risks from investment costs in research and development of products that cannot be commercially produced

Due to the nature of the company's business, including microchip research and development, which has a relatively high investment cost, the Company needs to research and develop new knowledge and products to keep up with the changes in technology and customer needs. The research has been done to expand knowledge, which may not be able to be used to develop products for sale at present. However, it is necessary to invest in such research in order to use it as a base to expand into further commercial use in the future. The Company records research and development costs in the area that can be assessed as commercial expansion as an intangible asset in the financial statements. If such research and development does not follow the plan, such as owing to delays from manufacturers, dramatically changing costs, or drastically changing market behavior, such products invested in research and development cannot enter the market as planned. This may result in impairment or amortization of development costs in the event that such development cannot be commercially produced. As a result, the Company may incur relatively high administrative costs, which may significantly affect its overall performance.

Therefore, to reduce such risk, the Company has prepared an annual budget and set a limit framework for research and development each year to be used as a guideline for planning investment in research and development effectively and in line with the Company's financial position, performance, and future growth direction. The Company has a strict research project approval process. In the details of the research project, the objectives and results must be clearly identified, as well as opportunities for future development projects. The Company's research projects are also in line with its guidelines for a technology roadmap and must be considered by the Product Management and Marketing Working Group. The Company has established procedures for reviewing the research and development projects into five main phases:

concept, scope, design, qualification, and release. The Product Management and Marketing Working Group, consisting of representatives from the Departments of Marketing, Technology, Manufacturing, and Finance, will consider the business plan, deliverables, schedule, and budget. When the project reaches the end of each phase (Gate) and it is assessed that it still appropriately meets the project's goals, it is able to proceed further. The working group can stop the project and have the relevant departments consider review and revision if the project is not in accordance with the plan for approval again, or it can close the project if it believes that the project will not achieve the set goals.

In 2021–2023, the Company had a balance of intangible assets for the product design development project equal to 55.1, 76.2, and 134.4 million baht, accounting for approximately 11.4%, 11.7%, and 11.6% of total assets in each year, respectively. Meanwhile, the Company reserved for the impairment of intangible assets in 2021–2023 in the amount of 32.6, 11.1 and 1.1 million baht, respectively. The continual decrease in the impairment reserve is primarily due to a strict review of research and development project as part of the risk management plan.

In the future, the Company is more likely to invest in research and development to be in line with the Company's growth, which may result in increased intangible assets. However, according to the review of the market plan, financial plan, and project risk, each gate of every current product development project does not appear to have trends or events that will cause risks to the presence of non-commercial products or impairment of intangible assets.

2.2.5 Risk of non-compliance with laws and regulations

Since the Company's products are used as an element of the customer's RFID equipment, there are various rules and standards that must be followed. Thus, in the design and manufacture of the company's products, various conditions or requirements must be taken into account that the customer of the company must comply with, such as REACH (Registration Evaluation Authorization and Restriction of Chemicals), RoHS (Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment), CMRT (Conflict Minerals Reporting Template), etc. In addition, the Company must comply with laws or regulations related to intellectual property, employment and labor, the protection of personal information, anti-bribery or anti-corruption, taxes, and other matters.

If the Company does not comply with the relevant laws or regulations above, it may affect the Company's ability to sell products to its customers as expected or invest in the development of inefficient products according to the standards required by the customers, which will have a significant impact on the Company's performance. It includes possible litigation from the Company's customers, violations of laws, or the unawareness of changes in laws or regulations that may affect the business, leading to litigation, fines, and penalties. All of them may adversely affect the results of operations and reputation.

Therefore, to reduce the risks above mentioned, the Company has assigned a person responsible for closely coordinating with the customers of the Company to exchange information and trends about changes in regulations related to the customer's products. This leads to advising customers to deploy the Company's products in accordance with changes and improvements to product features, or even the development of new products in accordance with relevant standards. The Company has also appointed a person responsible for monitoring and reviewing the consistency of compliance with new laws related to the Company's business operations in order to control, monitor, and recommend compliance with relevant laws and regulations to various departments within the organization. In the past, the Company has never been sued or had disputes for non-compliance with any relevant laws or regulations.

In 2023, the European Union introduced the CBAM (Carbon Border Adjustment Mechanism) system, which is a regulation that affects the export of goods to the European Union. The CBAM intends to encourage both foreign manufacturers and importers to improve their production processes in compliance with the strict greenhouse gas emission standards,

especially in industries with high greenhouse gas emissions. They must pay taxes for the carbon emission produced by the production of those goods, which can increase production costs and affect competition in the international market. Currently, the CBAM system has no impact on semiconductor components. However, the Company remains in preparation for the reduction of its carbon footprint, along with closely monitoring the progress of the CBAM system.

2.2.6 Risk of infringement of intellectual property of other persons

Since the Company's business involves research and development to seek innovations or new knowledge that can be used to create products that can respond to the needs of customers, technology industry operators protect their own intellectual property, especially through the use of invention patents, so new product development has the opportunity to have the same components or methods of using products as those of other persons who have previously registered patents. Accordingly, the product is likely to infringe on the intellectual property of others who may have registered those rights. As a result, the Company is at risk of being sued by the owner of the intellectual property or being prohibited from selling the product in question, which may affect customers who use the Company's products. This may affect its performance by being sued and fined, as well as affecting its image with customers and partners.

In order to prevent the risk of infringing on the intellectual property of others, the Company has provided training for both current and new employees to have knowledge and understanding of intellectual property practices. In addition, the Company has determined to assess the risk of infringing the intellectual property of the product development projects by conducting a patent search and searching for things that the Company can perform (Freedom to Operate: FTO), which provides preliminary information to decide which design can or cannot be done. This leads to planning to design the product without infringing on the intellectual property of others. The Company's intellectual property working group consists of representatives from the Departments of Technology, Research, and Business and intellectual property experts responsible for considering, screening, and reviewing at all times so that the Company does not have problems with infringement of the intellectual property of others, including considering patent applications for things developed by the Company. In the past, the Company has never been fined or sued for infringing the intellectual property rights of others.

2.2.7 Risk of reliance on expert engineers in the terms of microchip design

Since the Company engages in the design and development of chips for RFID devices, its main operations involve research and development, which requires a reliance on the Company's expert engineers in the terms of microchip design. These engineers are knowledgeable, capable, and experienced in microchip design, which is a rare skill. Thailand has considerable limitations on the number of personnel with expertise in such knowledge and professions. If there is a loss of professional engineers, it may be difficult or time-consuming to find replacements. In 2022 and 2023, the Company has a total of 88 and 104 engineers, respectively, consisting of: 1) professional engineers; 2) managing engineers supervising the design; 3) microchip design engineers; 4) electronics and embedded system engineers; and 5) production and sales support engineers.

If the Company cannot maintain the engineering team or cannot find any other competent personnel to replace them, particularly in the critical area of microchip design engineering where the demand is steadily rising, it may affect the research and development of new products, such as by delaying product delivery, producing inferior products, and failing to meet customer requirements, leading to an impact on the Company's future revenue growth.

In order to assess the risk of retaining human resources, the Company annually conducts an engagement assessment in the organization and accepts anonymous questions and comments from employees to executives through the Townhall meeting every quarter and brings the assessment results and feedback for improvements. Moreover, the Company

has planned and initiated a retention program for professionals and talented employees. In this project, there are long-term plans to maintain the position and ability of the organization to remain at a competitive level in the chip design industry. There are many implementations in different dimensions, such as consideration of special compensation, an employee joint investment program depending on the Company's turnover each year, and a long-term employee capacity development plan to provide employees with career advancement.

The Company promotes the cultivation of corporate culture by continuously transferring knowledge among employees in the organization from generation to generation through its work from top to bottom to increase the know-how and expertise of engineers at all levels of the Company. Besides this, the Company has a policy of decentralization of management and rotation of the engineering team to reduce the dependence on personnel individually, including focusing on the development of such personnel to have knowledge and expertise according to the changes in technology equivalent to leading companies at the international level by continuously providing training, education, and support for study abroad and site visits to engineers of the Company.

In terms of reducing the risk of not being able to adequately recruit specialist personnel for the Company's business operations, the Company has a policy to develop knowledge and personnel in related disciplines in conjunction with educational institutions by conducting activities with universities in Thailand to train and educate engineering students in related disciplines of the Company's business in order to create an understanding of the way to grow in the field and to promote the presence of additional personnel in such professions. There is also a plan to hire personnel from abroad who have expertise in specific professions to work with the Company in the future.

In 2023, the trade war between the United States and China on the issues of the semiconductor industry led to so much attention among students. In the meantime, the government sector has realized the importance of personnel development in the field of semiconductor field toward the enhancement of Thailand's electronics industry to reach the intelligent electronics level. Thus, there is cooperation between the government, private sector, and educational institutions to develop curricula and improve internships for the support of manpower in microchip and semiconductor design. It is expected that there will be a significant increase in new engineers who graduate from this field by the year 2025.

2.2.8 Risks from fluctuations in foreign exchange rates

Since the Company is engaged in almost all exports. To set the price of goods with customers, the Company mainly prices products in US dollars and euros. Furthermore, the Company imports wafers from abroad, which must be paid for primarily in US dollars. Therefore, the Company is vulnerable to fluctuations in the exchange rate affecting revenues and profits in baht. However, the revenues from overseas sales account for about 99 percent of sales revenue.

Fluctuations in the exchange rate can have a significant impact on the Company's performance, both positive and negative. The weak baht exchange rate increases the recognition of income in baht, resulting in an increase in net profit. On the other hand, the strong baht exchange rate will have the opposite effect. It may result in gains or losses from the exchange rate depending on the difference in the exchange rate between the date of recording the sale of goods or the purchase of raw materials and the date of receipt/payment of goods. Therefore, in order to reduce the risk of such exchange rate fluctuations, the Company closely monitors the exchange rate changes by assessing the situation and trends of the currency exchange rates involved and plans to align the cash flows in the same foreign currency. In addition, the Company has a policy to manage exchange rate risk in accordance with the revenue structure according to the product to reduce the impact of exchange rate fluctuations on the recognition of Thai baht income.

At the end of 2021, 2022, and 2023, the Company recorded derivative liabilities from forward foreign currency contracts in the amount of 9.92, 7.79, and 0.30 million baht, respectively. The value of such forward foreign currency contracts tends to affect profit (loss), which may be from the proportional exchange rates to each other. The management of risk by consistently arranging cash inflows and outflows in the same foreign currency can reduce the need to use currency contracts, as witnessed from the value of currency contracts. As of December 31, 2023, the Company entered into forward foreign currency contracts to reduce the risk from fluctuation in the US dollar, amounting to USD 1.60 million, with the exchange rate according to the contract of 34.01–34.26 baht/US dollar.

2.2.9 Risk from climate change

The risk from climate change is considered an ESG Risk that may affect the Company's business operations in various ways, including extreme weather conditions, natural disasters, and regulatory changes. This is likely to affect trading partners whose factories are located in areas at risk, causing them to cease production or have higher costs due to compliance with new regulations that affect the Company's operations and operating results.

The Company has assigned personnel to track news on climate change, including relevant laws and standards, regularly. Furthermore, the organization assesses its carbon footprint annually to evaluate the results of sustainability strategies. The Company also assesses the business continuity management plans (BCP) of its manufacturers during the supplier selection process. This is to ensure a plan for dealing with emergency situations and the delivery of raw materials to the Company. Nonetheless, overall, companies and related manufacturers have experienced less direct impact from climate change when compared to other industries.

2.2.10 Risk on human rights

The risk of human rights is considered an ESG risk due to the violations of labor and human rights standards from the Company's operations and its supply chain, such as forced labor, discrimination, and use of force, leading to complaints and legal actions. These actions may cause the Company to lose its reputation and be prosecuted.

The Company has a policy on human rights in compliance with national and international rules and regulations regarding human rights, including the International Labor Organization (ILO) Basic Rights at Work Declaration on Fundamental Principles and Rights at Work, the Code of Ethics for Responsible Business Partners of the Electronic Industry Community, the Human Resource Management Policy within the organization, including local laws in Thailand. Also, the Company has operated Human Rights Due Diligence to identify issues as well as assessing risks and impacts of human rights violation within the organization, determining the affected groups or individuals, planning and specifying corrective and preventive measures, correcting and protecting against human rights violations, and inspecting and following the results by providing an appropriate and effective mitigation process in case of human rights violation. In 2023, there were no incidents of human rights violation in the organization.

2.2.11 Geopolitical Tension Risk

Today's world economy, politics, and society are more complex and interconnected, causing geopolitical tension, which may inevitably affect the production supply chain as a significant emerging risk for the Company. At present, the conflict issues that may have an impact on the Company include: 1) The trade war between the United States and China, causing barriers to technology and semiconductor products made in China for some continual applications, along with the higher level of banning chip technology related to the artificial intelligence work at the end of 2023, 2) The Russia-Ukraine war which indirectly affects the cost of semiconductor raw materials due to the prolonged energy prices and inflation, 3) The Middle East wars in late 2023, such as the Israel-Hamas war as well as the United States and the

Houthis in the Red Sea, causing the disruption of shipping in the Red Sea. These wars could further spread to another continent and ultimately affect the Company's economy and production supply chain.

The Company has assigned persons to be responsible for tracking news on geopolitical conflicts and collecting information from relevant partners to assess the present and future situations. However, the trade war has not yet affected the Company because its products are not among the prohibited groups. For the wars in Ukraine and the Middle East, there has also been no impact on the Company's supply chain, although the Company has measures to support its supply chain planning in reducing the impact of such problems. Additionally, there is a strategic plan for cost management to compensate for the effect of higher raw material costs.

2.1.12 Risk from high inventories

An increase in inventories from higher orders of products to support the orders from key customers in Animal ID group and the production during the change to technology with more advanced wafer production modes toward the Company's long-term plans has caused a high level of inventories when compared to the level required for normal operations on an annual basis. If there is a change in market conditions or an incorrect forecast of demand, the investment in inventories can become a sunk cost, causing the possibility of lack of liquidity. Likewise, having too many product stocks may cause the products to become obsolete and cannot be sold in time, thus requiring us to set price allowance with a decrease in net profit.

To reduce the risk, the Company has a management policy to reduce inventories at a consistent rate with the timing of product launch based on new production technology. The Company collects a forecast of product sales from the business unit, in line with monitoring every quarter to obtain information for the evaluation of trends in inventory quantities and manages them appropriately before entering into long-term sales contracts with key customers. For products with a slow turnover, the Company shall expedite the release of such products by organizing promotional sales activities and opening sales with new customers.

The Company's total assets at the end of 2023 are 1,160.1 million baht, an increase of 508.8 million baht from the end of 2022, amounting to 651.3 million baht. The current assets increased by 462.7 million baht, mainly due to an increase in inventories due to the above reasons. In early 2024, the Company completed its operations according to its plan of product orders for storage and sales support during the change of technology. After that, the additional products in the inventories were gradually sold out. It is expected that the value of inventories can fall to a normal level within approximately 3–4 years, in line with the assessment of product demand in the market and the changing plan to newer products.

3. Sustainability Development

3.1 Policy and Goal for Sustainable Development

The Company specifically sets policies and goals for sustainable development in accordance with business directions and strategies to drive its business towards stable and sustainable growth by defining the operational framework for sustainable development in three dimensions: economy, society, and environment. The emphasis is placed on cultivating, promoting, and transferring development goals in all sectors so as to enhance the understanding and implementation in a concrete way, as well as the application of sustainable development policies as the core to drive efficiency and create maximum benefits for stakeholders.

Economy



The Company is committed to being a sustainably successful organization with maximum returns and benefits for shareholders and stakeholders.

Goal: To create sustainable business growth and returns.

1. To promote innovate electronic devices with smart, distinctive, unique innovations and deliver superior quality products and services.
2. To manage business for innovations and value added to customers and partners which shall together lead to global success.
3. To operate business in accordance with good governance, transparency, accountability, taking into account all groups of stakeholders.
4. To administer effective holistic risk management.
5. To enhance responsible and sustainable management of the value chain.

Society



The Company adheres to promoting and driving society for sustainable growth.

Goal: To build a good quality of life and sustainable society.

1. To treat all employees according to human rights principles with equality and safety at work.
2. To promote personnel development with career security and a good quality of life.
3. To enhance good relationships with the community and society, as well as educate and develop the potential of youths and students as an important mechanism in driving industry, economy and society.
4. To cooperate with educational institutions and government agencies for innovations and application of knowledge from research and development into practice towards sustainable knowledge development.

Environment

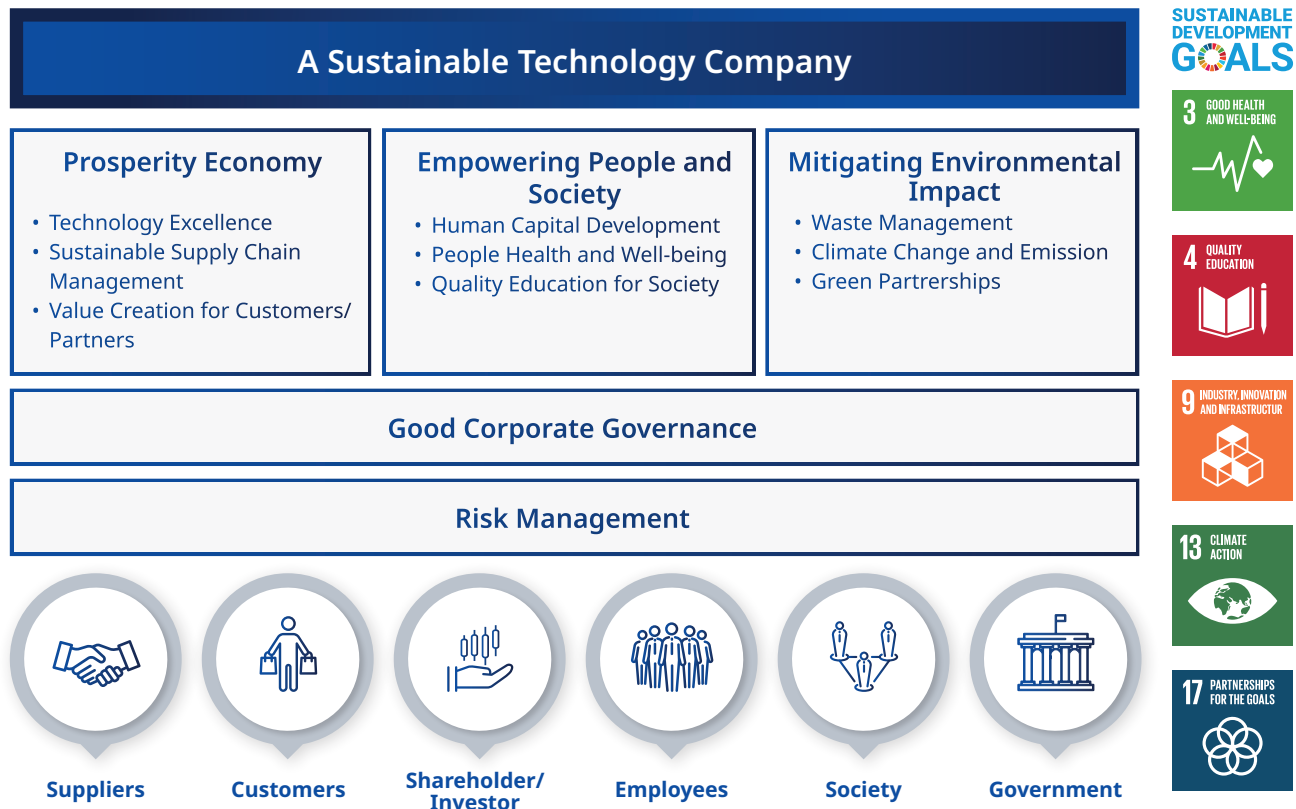


The Company emphasizes reducing the environmental impacts from its operations.

Goal: To drive the organization towards “A Low Carbon Company.”

1. To reduce the environmental impacts from its operations and production processes throughout the supply chain.
2. To focus on waste management within the organization and reduce waste from the production of its products efficiently.
3. To support and promote business operations with customers and partners, taking into account the environmental impacts.

3.1.1 Sustainability Strategy Framework
































The Company is committed to being a technology company with sustainable operations. In this regard, the sustainable development strategy framework is divided into three aspects: 1) Economic aspect, 2) Social aspect, and 3) Environmental aspect. This is in line with the Sustainable Development Goals (SDGs) of the United Nations to become an internationally sustainable organization. Such framework development must be operated under comprehensive risk management and good corporate governance to ensure that the Company will be able to achieve the objectives as specified with transparency, verifiability, and concerns for all stakeholders.

3.1.2 Communication on Sustainable Development



The Company communicates sustainability information to stakeholders through various channels. Sustainability management policies and goals, sustainability performance, corporate governance policies, and various sustainability activities have been disclosed through the Company's website on the investor relations page and annual report (56-1 One report). Also, the sustainability information is presented to both external and internal parties through corporate presentations at various meetings, including online channels like SIC on Facebook so that all stakeholders can access complete sustainability information and continuously follow up on sustainability performance. Additionally, in terms of doing business with partners, the Company identifies on sustainability issues, in the Supplier Agreement Contract to jointly drive business operations for sustainability. In the meantime, the Company has set sustainability as one of the topics in new employee orientation, and used e-mail to communicate with employees within the organization every week. This is to make all personnel realize the importance of such issues and help drive the organization forward in the same direction for long-term sustainability.

Communication Form	Stakeholders					
	Customers	Partners	Shareholders/ Investors	Employees	Communities	Government
1. Company's website						
2. Annual Report						
3. Investor Presentation/ Corporate Presentation						
4. Investor Presentation/ Corporate Presentation						
5. SIC Facebook						
6. Weekly internal communication email						
7. New employee orientation and employee training						
8. Sustainability issues are identified in the Supplier Agreement Contract.						

3.1.3 Sustainable Development Goals and Performance

Economic Dimension



Sustainable Development Operations Policy	Expectations/Long-term Goal 2022-2026	Key Performance in 2023
Create electronic devices with smart, distinctive, unique innovation and deliver excellent quality products and services.	Having sustainably continuous growth of income.	Total revenue growth is 11% from the previous year.
	Having a customer satisfaction rate over 90%	Customer satisfaction rate is 92.0%.
Manage business to create creative innovations to create added value for customers and partners that will lead to mutual success on a global scale.	Having more than 20 research and development projects for product design to support long-term growth.	There is a total of 25 product design development projects, of which 12 projects have been completed and launched into the market.
Conduct business in accordance with good governance, transparency, accountability and taking into account all stakeholder groups.	No significant warning from regulatory agencies.	There was no significant warning from regulatory agencies.
	Having the results of corporate governance assessment at the level of “Excellent” by external agencies.	The results of corporate governance assessment were at a “Excellent” level for a 2 consecutive year by Thai Institute of Directors Association.
Manage holistic risk effectively.	Reducing the risk of relying on primary raw material manufacturers with a Dual Source in all product lines.	Four wafer manufacturers in the Company’s database, namely those in Singapore, South Korea, China and Taiwan.
	Having a risk of losing an expert engineer in integrated circuit design with a turnover rate of no exceeding 5% for engineers in critical positions.	The Company has a turnover rate of engineers in important positions at 4.68%. There are plans in place to maintain personnel continuously, such as the Retention Program, with the EJIP project continuing as the 4th project. This program aims to retain employees with potential by motivating them to participate in business ownership. Additionally, there’s the Talent Development Program, which focuses on developing high-potential employees who are essential forces ready to drive the organization’s sustainable growth.

Sustainable Development Operations Policy	Expectations/Long-term Goal 2022-2026	Key Performance in 2023
Manage and administrate the value chain with responsibility and sustainability.	Reducing the amount of waste from production processes and product testing to a level of no more than 2.15%.	The Company has controlled the rate of waste from the production process and product testing at 2.47%, or a decrease from the previous year of 2.63% percent. This represents an improved number of 563,000 units from last year. The main components of such decreased waste are silicon, copper, and plastic compound.

Social Dimension



Sustainable Development Operations Policy	Expectations/Long-term Goal 2022-2026	Key Performance in 2023
Treat all employees with regard to human rights principles, equality, and safety at work.	Defining the Code of Conduct in accordance with international standards, such as the Electronic Industry Citizenship Coalition (EICC).	The Company has reviewed the business ethics and code of conduct manual from the Board of Directors' meeting. It has also organized business ethics training for all personnel in the organization to enhance the awareness and understanding of such topic. Currently, the Company maintains a proportion of 100% employees signing the letter of acknowledgment on the business code of conduct. All of them have the comprehensive testing with the score of more than 80%. Moreover, the Company has comprehensively reviewed its Human Rights Due Diligence to identify issues and assess the risks and impacts of human rights violation within the organization.
	No injuries, illnesses, and deaths from the operation.	There have been no casualties, illnesses and deaths from work.
	No complaints about human rights and safety at work taken to court proceedings.	No complaints about human rights and work safety have been brought to court.
Develop personnel to promote career stability and create a good quality of life.	Providing staff development and training at average of 25 hours per year per person.	The average employee development and training (excluding C-Level) is 23 hours per year per person.

Sustainable Development Operations Policy	Expectations/Long-term Goal 2022-2026	Key Performance in 2023
<p>Build a good relationship with the community and society, educate and develop the potential of youth and students who are important mechanisms in driving industry, economy, and society.</p>	<p>Expanding supports to related communities, such as educational institutions to cover nine institutions.</p>	<p>Supported research and development of microchip-related products to eleven educational institutes. There is the University Relation Project, including the Senior Project of 3rd-4th year students in collaboration with leading universities. There is also a joint activity of DD Camp with Thai Embedded Systems Association (TESA) to provide opportunities for students from universities across the country towards the development of skills and knowledge related to FPGA and Digital IC design.</p>
<p>Collaborate with educational institutions and government agencies to create innovations to bring about application of knowledge from research and development into practice to promote sustainable knowledge development.</p>	<p>Having projects to support or collaborate with educational institutions or government agencies on creating innovations that are put into practice for sustainable knowledge development every year.</p>	<ul style="list-style-type: none"> - There is joint funding by the Office of the National Higher Education, Science, Research and Innovation Policy Council for technical supports, totaling five innovation projects. - Microchips have been delivered to support research in Thailand and overseas, such as Kasetsart University, Khon Kaen University, Chulalongkorn University, Mahidol University, Imperial College (London), University of Rome Tor Vergata (Italy), Institute of Physical Chemistry (Poland), South China Normal University (China)

Environmental Dimension



Sustainable Development Operations Policy	Expectations/Long-term Goal 2022-2026	Key Performance in 2023
Reduce the environmental impact of operations and product processes throughout the supply chain.	Reducing the amount of greenhouse gas emissions associated with the organization's operations, with support projects; for example, renewable energy use, use potential technology to reduce greenhouse gases, and raising awareness for employees to use energy efficiently.	The organization's data on greenhouse gas emissions (Scope 1 and 2) have been collected with direct greenhouse gas emissions (Scope 1) of 20 tons of carbon dioxide equivalent and indirect greenhouse gas emissions (Scope 2) 119 tons of carbon dioxide equivalent. The information is verified by a verifier and certified by the Greenhouse Gas Management Organization (TGO), a greenhouse gas management certification body, University of Phayao by Dr. Surat Sedpho and Asst. Prof. Dr. Supreeda Homklin.
	Reducing in-house waste and waste production by recycling.	There is a waste separation and waste management project according to the 3E process (Reduce, Reuse, Recycle), along with the provision of knowledge and understanding on the benefits of waste separation to employees regularly through internal communication channels.
	Using renewable energy.	The control for worthwhile use of electricity is conducted in lighting and air conditioning systems. In 2023, the Company had a total electricity consumption of 237,761.70 kWh.
Support and promote business operations with customers and business partners, taking into account the environmental impact as a priority.	Requiring a standard checklist containing operational content by taking into account environmental impacts for all partners and customers.	The standard checklist is provided with contents about operations to avoid environmental impacts for the Company's business partners and major customers.

In 2023, the Company has established its goals to reduce the amount of greenhouse gas emission, and electricity consumption in the short term to accelerate the reduction process and move toward carbon neutrality and net zero greenhouse gas emission. Such goals have been approved by top executives and been informed to the Company's Board of Directors.

The Company’s short-term goals for reducing greenhouse gas emission and electricity consumption are as follows



Reduce overall electricity consumption by **5%** per year for 3 years.



Decrease overall greenhouse gas emission by **15%** (Scope 1 & Scope 2) within the year 2026.



Report the Scope 3 carbon footprint for organization by the year 2026 toward carbon neutrality and net zero.

3.2 Management of the impact on stakeholders in the business value chain

3.2.1 Characteristics of Business Value Chain

Silicon Craft Technology Public Company Limited (“The Company”) conducts its main business in research and development in microchip design, which is classified as an upstream industry of the electronics industry by hiring both domestic and foreign trade partners to produce products, namely raw material procurement, assembly, and product testing. The Company supervises and controls all steps to meet the needs of customers and quality according to international standards by selling microchips to customers or using microchips to assemble various materials to be a form and shape (IC packaging, Form Factor) that varies depending on the application. For the operations abovementioned, they are primary activities. Support activities such as procurement, human resource management and the infrastructure of various organizations also help to ensure that business operations go smoothly and meet the expectations of all stakeholders.

Primary Activities



R&D

Research and development to design products with a focus on features that can be used in various applications and meet the needs of diverse markets, but can still be specific to the needs of each customer. There are modern technologies that meet the needs of both domestic and international industrial markets.

Manufacturing

Procurement of high-quality raw materials and components from reliable international manufacturers that meet customer needs, usage requirements, and are competitively priced. Assembly and testing of products through partnerships with trusted suppliers that adhere to global standards, employ cutting-edge technology, and continuously improve production processes to minimize waste. Maintaining a production capacity capable of meeting market demand.

Supply Chain & Logistics

Efficient management of partners and suppliers. Effective inventory management to ensure optimal stock levels. Focus on maintaining product quality during the delivery process, with a commitment to timely deliveries. Cost-effectiveness in logistics, considering the value proposition of delivery costs to provide customers with reasonably priced products.

Marketing & Sales

The information and product details are provided, including displaying accurate and complete specifications, reasonable prices, and continuous marketing promotion plans.

Customer services

Consultation and solutions are provided in case of problems in the products or production process.

Support Activities

Product Line Management/ Project Management

Plan, control, and manage product development effectively to ensure alignment with the planned schedule.

Procurement

There is a plan to develop a database system to manage the procurement of both products and services in line with the main activity development plan and help increase efficiency in the production and distribution processes.

Firm Infrastructures

They include accounting, finance, organizational management, Intellectual Property management, IT and Cyber Security management.


HR Management/People Development

There is human resource management, starting from analyzing, recruiting, selecting, and evaluating systematically. There is a project to retain quality employees and to provide continuous development training to increase the potential of personnel, which is an important driving force in the main activities.





Stakeholder Analysis in the Business Value Chain (Stakeholder Engagement)

Inside the organization			
Stakeholders	Expectation	Operation	Engagement and Communication
 1. Employee	1. Stability, return, and clear career advancement	1. There are welfare and benefits in various aspects as appropriate and consideration on position adjustment when appropriate.	<ul style="list-style-type: none"> Employee welfare committee Employee satisfaction survey
	2. Clear goals, policies, and scope of work for implementation	2. Targets, policies, and scope of work are determined every year and clearly communicated to employees on a regular basis.	<ul style="list-style-type: none"> Determination of annual KPIs, and mid-year and annual employee performance appraisals Communicating goals and policies through SIC Town Hall meeting every quarter
	3. Work safety, good working environment	3. The work area is maintained to be safe and hygienic with equipment for facilitation. There is space to relax and meet with employees and dining room	<ul style="list-style-type: none"> Employee satisfaction survey Risk assessment Employee welfare committee The mechanism for receiving complaints through the supervisor, the Human Resources Department, and the Company's website (Whistleblowing Channel).

Inside the organization			
Stakeholders	Expectation	Operation	Engagement and Communication
 2. Shareholder	4. Training to increase skills and knowledge	4. Training is regularly organized to develop employees, including an appropriate budget.	<ul style="list-style-type: none"> Employee development programs, both organized within the organization and training courses outside the organization Collaboration with institutions to develop projects and share technological insights
	1. Worthwhile return	1. Effective business and financial management by focusing on the best interests of shareholders and all stakeholders	<ul style="list-style-type: none"> Shareholder meeting Meetings with analysts, investors, and various investor relations activities 56-1 One report, MD&A Company website/ IR website / Company Facebook The mechanism for receiving complaints through the Company's website (Whistle-blowing Channel).
	2. Sustainable growth of the organization	2. Clear policies, work plans, and business development for implementation, with a regular review and improvement, including operations with transparency and fairness	<ul style="list-style-type: none"> Shareholder meeting Meetings with analysts, investors, and various investor relations activities 56-1 One report, MD&A Company website/ IR website / Company Facebook The mechanism for receiving complaints through the Company's website (Whistle-blowing Channel).

Outside the organization			
Stakeholders	Expectation	Operations	Engagement and Communication
 1. Customer	1. Products with a distinctive appearance to create trading advantages for customers with simple use and quality according to relevant international standards	1. Innovative product development that can create competitive advantages for customers, with a product inspection process to ensure efficiency in accordance with relevant standards	<ul style="list-style-type: none"> • Market research • Customer's review and testing • Customer satisfaction survey • Risk assessment
	2. Competitive product prices	2. Effective cost management with clear plans and measures in the waste reduction project from the production and product testing as well as regular monitoring of the results, including product design improvement from the beginning to create the least wastes	<ul style="list-style-type: none"> • Market research • Project to reduce waste from production and product testing • Customer meeting • Customer satisfaction survey
	3. On time delivery, good service, customer satisfaction	3. Supply chain management to manage the delivery according to the agreed time with regular service development and improvement	<ul style="list-style-type: none"> • Customer satisfaction survey • Risk assessment
	4. Continuous collaboration in planning and developing new products	4. There is a clear plan to develop new products together with customers and business partners.	<ul style="list-style-type: none"> • Market research • Customer meeting
	5. Conducting business with ethics, taking into account the society and the environment	5. Identifying the Company's business ethics and other relevant ethical requirements for implementation in the organization	<ul style="list-style-type: none"> • Customer satisfaction survey • Risk assessment • The mechanism for receiving complaints through the Company's website (Whistleblowing Channel).

Outside the organization			
Stakeholders	Expectation	Operations	Engagement and Communication
 2. Supplier	1. Long-term contract, high volume, and continuous purchase	1. Good supply chain management with systematical plan of orders	<ul style="list-style-type: none"> • Customer meeting • Risk assessment
	2. Payment on time	2. Effective financial management	<ul style="list-style-type: none"> • Policy on treatment of creditors
	3. Accurate, complete information, necessary information exchange to increase work efficiency	3. Accurate, complete information with regular communication, meeting of relevant people to notify when having a change in the laws	<ul style="list-style-type: none"> • Customer meeting
	4. Business collaboration with growth, stability, sustainability, and fairness	4. Clear plans to develop new products, including various policies with partners	<ul style="list-style-type: none"> • Customer meeting • Supplier Code of Conduct • The mechanism for receiving complaints through the Company's website (Whistleblowing Channel).
 3. BOI	1. Increase employment in the country	1. Establishment of employment policies and practices to promote technology development in the country	<ul style="list-style-type: none"> • Participation in exchanging opinions with the government sector on various occasions • 56-1 One report
	2. Complete delivery of documents and on time	2. A plan to prepare documents for complete delivery and on time	<ul style="list-style-type: none"> • Meeting with government agencies
 4. Financial Institution	1. The company can fulfill financial commitments and others related to the existing contracts with financial institutions.	1. Efficiently plan and manage cash flows and other financial factors. Implement effective internal auditing and risk management processes.	<ul style="list-style-type: none"> • Meetings with financial institutions. • Quarterly and annual financial performance.
	2. Accurate, complete and sufficient company information for various risk assessments.	2. Provide adequate, accurate and transparent information.	<ul style="list-style-type: none"> • 56-1 One report, MD&A • Company Website

Outside the organization			
Stakeholders	Expectation	Operations	Engagement and Communication
 5. Community/Educational institution	1. Technology research and development projects that benefit the society and the country	1. Cooperation in joint research and development projects both in terms of personnel and funding	<ul style="list-style-type: none"> - Joint research and product development projects - Funding support to education, research and development - Provision of sample products to be models for research and development in various institutions
	2. An organization that supports graduates and cooperates with communities/institutions in order to produce graduates that meet the needs of the private sector	2. Job positions to support graduates that are suitable for their potential and in line with the company's plans, including cooperation in transferring knowledge and experience in both technology and business to various agencies or institutions	<ul style="list-style-type: none"> - Student Internship Program - Participating in discussions and sharing knowledge with institutions - Participating in Job Fair from institutions - Contributing to the development of the semiconductor curriculum in Thailand.



3.2.2 Process of Defining Key Sustainability Issues

The Company has established a process to assess key sustainability issues in line with the organization's long-term goals and strategy, including considering stakeholders' comments and international sustainability standards. The process is as follows:

1. Analysis and Identification of Critical Issues

- Consider the business nature, direction, and strategic plan of the Company.
- Consider significant risks, challenges, and opportunities of the Company, such as the Company's operations, finance and investment, and industrial condition.
- Study and compare sustainability issues among leading international technology companies, including sustainability issues at the national and global levels; for example, the UN Sustainable Development Goals (UN SDGs).

2. Prioritization of Critical Issues

- Bring important issues to the assessment with the management team providing opinions, including direct and indirect inquiries on issues from all stakeholders.
- Prioritize sustainability issues.

3. Consideration and Examination of Key Issues

- Clarify and report to the management team to review key sustainability issues in line with the organization's goals and strategy.
- The Board of Directors approves significant sustainability issues and the disclosure of information through various channels.

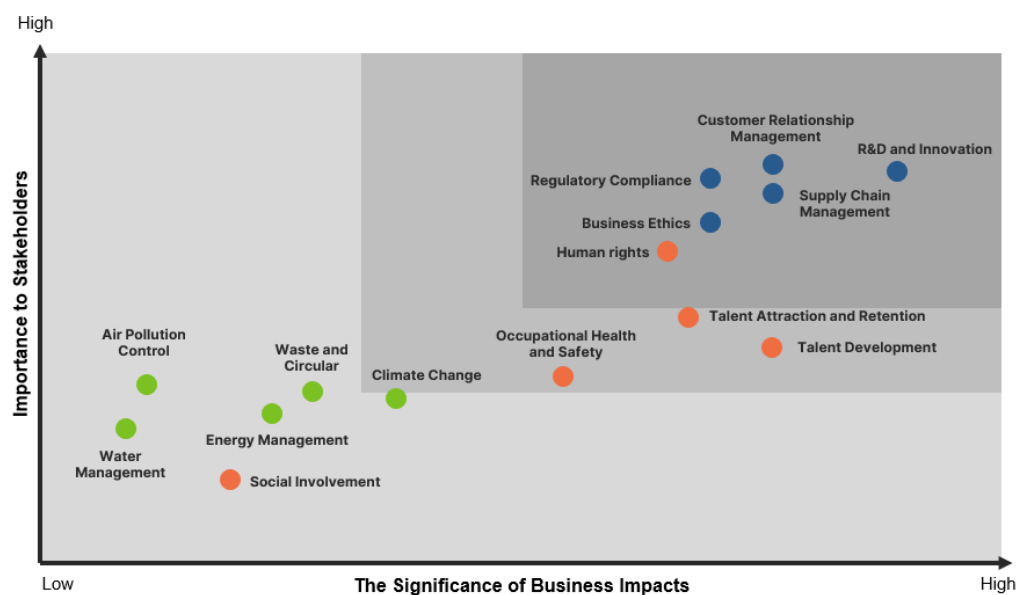
4. Review on Key Issues and Reporting Improvement

- Continuously review key sustainability issues and gather feedback from all stakeholders to improve the Company's operations and sustainability reporting in future editions

3.2.3 Materiality assessment

The Company has conducted the materiality assessment on sustainability every year by collecting opinions and suggestions from all stakeholders, both directly and indirectly. This is to ensure that the Company has realized all comprehensive issues which are significant to business operations, economically, socially, and environmentally.

In 2023, the Company's results of the materiality assessment on sustainability are as follows:



3.3 Sustainability management and performance in the economic dimension

The Company intends to be an organization with sustainable success and ability to create the highest returns for shareholders, in line with maintaining benefits for all stakeholders. The Company has its economic performance as follows:

Economic performance

In 2023, the Company had 11% revenue growth and 4% net profit growth when compared to the previous year, which is in accordance with the overall management plan. The Company continuously invests in technology and innovation to generate sustainable income in the long term. Currently, the Company maintains 25 product design development projects, of which 13 projects have been completed and released into the market (as detailed in No. 1.2.6 on research and development and future projects) in terms of waste control from the production process. In 2023, the Company has continuously reduced waste from production and product testing by reducing the rate of waste from 2.63% in the previous year to 2.47% percent, showing an improvement from last year at 563,000 units. The main components of such reduced waste are silicon, copper, and plastic compound, as part of efficient and sustainable cost control and waste reduction. Moreover, there is a plan to reduce the risk in manufacturing plants by increasing the number of manufacturers with a plan to have dual source in every product line toward continual production and delivery of products to customers.

Summary of operating results



revenue growth
11%



net profit growth
4%

The Number of research and development projects



2021 8 projects
2022 12 projects
2023 13 projects

The Number of projects that are in progress.



2021 9 projects
2022 12 projects
2023 12 projects

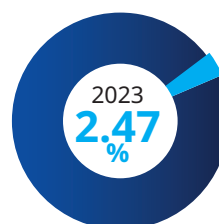
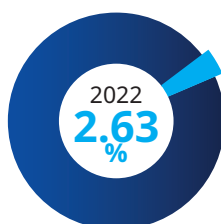
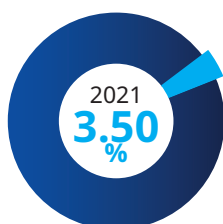
The Number of projects that were accomplished have been amortized.



2021 17 projects
2022 24 projects
2023 25 projects

Total

Rate of waste from production and product testing



In 2023, the rate of waste from production and product testing was reduced from the previous year to 2.47% showing an improvement from last year at 563,000 units. The main components of such reduced waste are silicon, copper, and plastic compound.

Business code of conduct and anti-corruption

The Company conducts business with a focus on good corporate governance in business operations with ethics, honesty, transparency, fairness, and verifiability. The business code of conduct manual has been prepared for all personnel as guidelines at work (more details as in Attachment 4) in accordance with the laws and related industrial regulations, including the rules of the Stock Exchange of Thailand and the Securities and Exchange Commission. Moreover, the Company has established the Nomination, Remuneration and Corporate Governance Committee to recommend policies and guidelines regarding business ethics and code of conduct, social responsibilities, as well as other policies and measures on good corporate governance system to the Board of Directors and the management as the organizational regulations and practices up to international standards.

Currently, the Company has reviewed the business code of conduct manual again at the Board of Directors' meeting to ensure that various practices are up to standards, in line with the training on business code of conduct for all personnel in the organization to create their awareness and understanding on such matter. The Company maintains a proportion of 100% employees signing the letter of acknowledgment on the business code of conduct. All of them have the comprehensive testing with the score of more than 80%.

**The proportion of
personnel signing the letter
of acknowledgment on the
business code of conduct is**

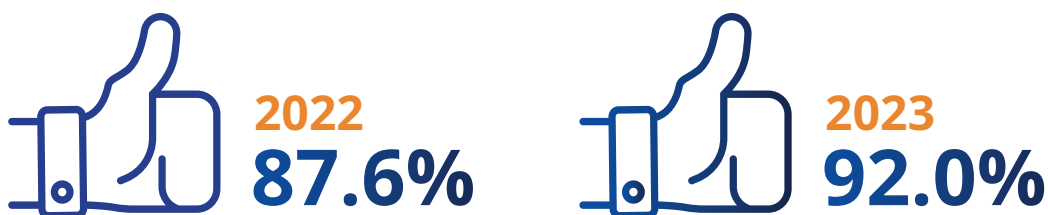


Additionally, In 2023 the Company has consecutively received an “excellent” corporate governance assessment for the second year from the Thai Institute of Directors Association, which reflects the Company’s commitment to continuously driving its business toward the stable and sustainable growth under good corporate governance and transparency with realizing on the stakeholders in all sectors. Moreover, there are no significant comments from the relevant regulatory agencies.

Customer relations management

The Company evaluates customer satisfaction every year. The results of evaluation are applied as a guideline for the continual development of the Company’s products and services. In 2023, the Company has received a customer satisfaction rate of 92%, or an increase from last year at 87.6% following the customer satisfaction on product, shipping, sales representatives, and the Company’s technical support.

Customer satisfaction rate



Risk and crisis management

The Company believes that effective risk management and control are important for its continual business operations with sustainability and stability, under the principles of holistic risk management. The Company has established the scope of risk management consistent with the Company's framework and policy to cover significant types of risks in all activities and operating processes. Key risk indicators are monitored on a regular basis, such as risk from reliance on main production plants, risk of losing expertise engineers in the design of integrated circuit board, risk from exchange rate fluctuation, and risk on sustainability (more details in the risk management section).

Product quality control

The Company controls its product quality throughout the supply chain to ensure the effectiveness and quality of all products according to the Company's standards. Currently, the Company has obtained ISO 9001:2008 certification for product quality management system and design service, research and development, and distribution of integrated circuit board equipment. Moreover, the Company's products also meet the international quality standards, such as ISO 11784, ISO 11785, ISO 14443 Type A and B, ISO 15693 and SEMI E144. The Company's details of information on products and services are provided through the website so that everyone can access all product information.

RFID PRODUCT LINE

- ADVANCED NFC**
SIC offers microchips for Near Field Communication (NFC) which can be used in many industries
- IMMOBILIZER**
SIC offers microchips for access and immobilizer systems
- INDUSTIAL IOT**
SIC offers microchips for the access control and interrogator or reader system
- ANIMAL ID**
SIC offers the microchips for livestock identification tag which can be used in a wide range of animals

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Product Description

Multi-purpose R/W LF RFID IC - SIC279

SIC279 is a fully integrated Radio Frequency Identification (RFID) ASIC using Half-Duplex transmission for advanced electronic tags. The device in Read-Only mode is fully compliant with the ISO11784/11785 HDX animal RFID data protocol and structure. The device in R/W mode can be configured to support any customized ID format. The IC contains a pre-configured 128-bit ID for generic HDX RFID reader, and additional 192 bits (6 blocks) of R/W user memory for advanced application. The device is intended for use in animal ID tag applications having advanced features that allow users to perform read/write operation with companion advanced database readers/writers. The factory UID ensures the chip uniqueness, which prevents the ID from cloning. SIC279 is a low power CMOS IC that contains on-chip resonant capacitors and on-chip tunable capacitors, which are programmable and able to operate as soon as the device powers on. SIC279 can achieve 15% longer read range comparing to SIC7960DX. The device operates with only an external inductor.

SIC279 operates in half-duplex mode, where the transponder charges energy from activation field of the RFID reader into a large storage capacitor (typically 220 nF). By default, after the activation field is turned off, the transponder transmits its 128-bit animal ID to the reader. The transponder responds via an FSK modulation scheme, in which data "0" is 134.2 kHz, data "1" is 124.2 kHz, and each bit is 16 clock cycle long. If the reader wants to send a data stream to the transponder, it turns on and off the RF field in a predefined pattern to signify binary data.

Note: 1) This feature is available only in some package, e.g. HDFN

Supported Protocols

- Compliant with BDE format (for waste management application)
- Fully compliant with ISO 11784/11785 HDX R/O Animal tag
- ID data protocol/structure
- Fully compliant with mainstream HDX R/W ID format

Memory

- R/W user memory of 6K32 (192 bits)
- Supporting user access to factory unique ROM ID (UID), preventing chips from cloning
- Direct Access/Write Mode
- Protected Direct Access/Write Mode
- One-time programming (OTP) configuration
- Write endurance > 100,000 R/W cycles
- Memory retention > 20 years

Commands

- Proprietary command protocol
- Comprehensive error logging reports
- Support cascade commands

Operating Conditions

- Carrier frequency f_c is 134.2 kHz
- Operating temperature: -25°C to 85°C

Applications

- HDX industrial application
- Waste bin tag (BDC)
- HDX ISO 11784/85 Animal Tag, ICAR compliant RFID tags
- Long Read-Range EAS Transponders

Example of products and services on website

3.4 Social Sustainability Management and Performance

3.4.1 Social Policy and Practices

Silicon Craft Technology Public Company Limited (“The Company”) is committed to conducting business with transparency and responsibility towards all stakeholders for sustainable growth. This is aimed at achieving a balanced approach to business operations in terms of economic, social, and environmental aspects. The Company is conscious of its responsibility towards the development of society and communities. To address this, the Company has established a Corporate Social Responsibility Policy under the Sustainable Development Policy. The Social Policy is guided by eight key principles, as follows:

Principle	Practices	Operations
1 Conducting business with fairness	The Company promotes fair competition, avoids operations that may cause conflicts of interest and intellectual property violations. It also promotes social responsibility throughout the business chain.	Risk assessments are conducted to identify potential intellectual property violations, especially in the development of new products. If a patented invention is discovered during development, the Company will either avoid using it or negotiate with the patent owner for usage rights, including payment, if necessary.
2 Anti-corruption	The Company opposes corruption both internally and externally for transparency and verifiability. It collaborates with various organizations to counter all forms of corruption and encourages employees to resist corporate corruption. The Company has policies against corruption, gift giving or receiving and provides channels for complaints, specified in the business ethics and the Company’s website.	The Company promotes employee awareness against corporate corruption through policies, including policies against corruption, gift giving or receiving. It establishes complaint channels and communicates information to all stakeholders in the business chain regarding human rights. The policies are reviewed regularly, at least once a year.
3 Respect for human rights	The Company treats all stakeholders, including employees, communities, and the surrounding society, with respect for human values and does not violate basic rights. It encourages participation in expressing opinions to reflect issues and collaboratively find solutions.	The Company sets policies promoting mutual respect for human rights, practicing mutual respect and equality. Communication, knowledge-sharing, and education are provided to all stakeholders in the value chain regarding human rights. The Company establishes a mechanism for reporting human rights violations related to the Company and regularly reviews these policies, at least once a year.
4 Fair Treatment of Employees	The Company will treat its employees equally and fairly by providing benefits, ensuring workplace safety, and promoting health in the workplace. This includes fostering learning and the professional development of personnel to elevate their professional competence. The Company will support the development of work systems and encourage employee participation in societal benefits, both directly and indirectly.	The Company has established a human resources management policy within the organization, which controls against forced labor and the binding of labor. This includes prohibiting coercion, intimidation, threats, abduction or deception in recruiting individuals for work. Additionally, the Company will not engage in or support the use of child labor, control working hours appropriately, and consider compensation and employee benefits in a fair manner based on the nature of the work, job performance and the Company’s capabilities, all in accordance with the law.

5 Responsibility towards consumers	The Company will develop services that do not pose a danger to consumers and have minimal impact on the environment. It will maintain quality to meet or exceed consumer expectations under fair conditions and provide accurate information about products and services, avoiding exaggeration. Additionally, the Company will safeguard customer confidentiality, ensuring that customer information is not used for personal or unauthorized benefits.	The Company ensures the confidentiality of customer information and prohibits its unauthorized use. This is accomplished by implementing a Non-Disclosure Agreement (NDA) with customers or specifying the confidential data storage terms in the purchase agreement.
6 Taking care of the environment	The Company will implement processes for analyzing environmental risks and impacts on all business operations, including utilizing resources efficiently and adopting energy-saving practices based on international principles.	There is a continuous campaign to raise awareness among employees, both in terms of water and electricity resource usage. There are operations related to data collection and assessment of the organization's carbon footprint to achieve goals and practices for managing the reduction of the organization's greenhouse gas emissions.
7 Community or social development and involvement	The Company promotes the use of business processes for the benefit of community and societal development. It aims to enhance the quality of life, contribute to the economy and strengthen neighboring communities and Thai society.	There is support for employees to participate in activities that benefit the community or society. Budgets are allocated to support such activities, focusing on environmental conservation, assisting socially disadvantaged individuals and schools in the local community. Additionally, efforts are made to build a network for activities that contribute to other societal needs. Examples of such activities include tree planting, soil erosion prevention, maintaining temples, supporting schools, providing midday meals for underprivileged children, charity runs and blood donations.
8 Development and dissemination of innovations	The Company will support the creation and promote the co-creation involvement of stakeholders in developing innovations that generate a sustainable balance between value and values for communities, society, and the environment, accompanying the long-term growth of the business.	The promotion of electronic innovation capabilities is extended to various educational institutions through activities such as special lectures on design and innovation by the Company's design engineers, organizing engineering competitions, offering internships for students during both summer breaks and cooperative education programs. Additionally, there is participation in providing guidance for fourth-year projects (undergraduate) and research topics (master's/doctorate).

The full version of Corporate Social Responsibility Policy can be studied at Company's website under the topic of Sustainability > Sustainable Development Goals > Corporate Social Responsibility Policy <https://investor.sic.co.th/en/sustainability/sustainable-development-goals> or please scan the QR code.



3.4.2 Social Performance Results

Respect for Human Rights and Ethical Labor Practices

Silicon Craft Technology Public Company Limited is committed to good morals in business operations with adherence to social responsibility and all stakeholders. It also recognizes the value and equality of humans, in line with the support and respect to human rights as specified by the law and regulations of national and international standards on human rights. This includes the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, Code of Conduct of Business Partners in the electronic industry community, and human resource management policy in the organization, including the local laws of Thailand.

Currently, the Company has developed and implemented a Human Rights Policy to firmly uphold social responsibility and the well-being of all stakeholder groups. This policy reflects the Company's commitment to human dignity, equality, and aligns with international standards, meeting customer requirements. The policy, effective since March 17, 2023, applies to all aspects of the Company's operations, encompassing employees, customers and business partners. It complies with both Thai and international laws and regulations related to human rights. The Company emphasizes fair and equal labor practices, without discrimination based on gender, age, education, ethnicity, culture or religion. The Company prioritizes the welfare of its employees, ensuring fair employment practices, equal compensation, promotion opportunities and training and development for all, regardless of differences. The policy extends to supporting marginalized groups, such as persons with disabilities and the elderly, providing them with employment opportunities, creating careers, and ensuring stable incomes. For instance, in 2023, the Company provided financial support to two persons with disabilities to assist them in pursuing their careers. Additionally, the Company has a policy not to employ individuals below the age of 18, in line with the Labor Protection Act of 1998.

Additionally, the Company will use its Human Rights Practices as a basis to develop and implement of Due Diligence Process. In 2023, The Company is in the process of considering and assessing the risks and impacts on human rights in terms of working hours and harassment in all aspects while having Welfare Committee as the representatives of employees attending for review and provide feedback to all issues. The process is also including to define affected groups or individuals in order to gather information and plan to formulate solutions and actions to prevent any human rights violations in all aspects.

Up to this point, the Company has not encountered any instances of human rights violations arising from its operations. The Company is committed to taking all necessary measures to prevent any violations of human rights within its operations.

The guidelines and practices for Human Rights Policy are as follows.

1. The Company shall respect human rights and encourage mutual respect to each other with equity and no discrimination of race, skin color, age, gender, sexual orientation, gender identity or gender expression, ethnics or national origin, disability, pregnancy, religion, or any others.
2. The Company shall operate its business with realization on direct and indirect effects to human rights of all stakeholders. It shall also perform duties with prudence to prevent the risk of human rights violation in business operations and oversee the respect of human rights.
3. The Company shall support and promote any activities to protect human rights, without negligence and ignorance when witnessing the human rights violation.
4. The Company shall control the forced and bonded labor (including debt bondage) whether voluntarily or involuntarily, including not forcing people in employment or work by intimidation, coercion, threatening, kidnapping or deceit.

5. The Company shall establish and promote humane conduct with no violence or inhumanity, including gender-based violence, sexual harassment, sexual abuse, severe punishment, mental or physical intimidation and coercion, bullying, public humiliation, or verbal harassment, or even threatening to do so.
6. The Company shall develop channels for reporting human rights violation and provide fairness and protection to those who give reports. The complainants or those who cooperate in reporting human rights violations shall be protected.
7. The Company shall investigate and follow up on the results of managing and solving human rights violations, in line with providing support and cooperation in mitigating the impacts caused by the Company as appropriate in case of human rights violations.
8. The Company shall continue to develop and implement the Human Rights Due Diligence Process to identify and assess the risks and impacts of human rights violation, define affected groups or individuals, plan and determine corrective and preventive measures, take corrective actions and prevent human rights violations, and follow up. There shall be a process for appropriate and effective mitigation in case of human rights violations.
9. The Company shall encourage its business partners to conduct business with transparency and fairness in accordance with the laws, principles, practices, and human rights standards.
10. The Company shall communicate, disseminate, educate, and provide any other support to all stakeholders throughout the business value chain on the respect of human rights to allow all sectors to operate their business with ethics and in accordance with human rights principles in this policy.
11. The Company shall create and maintain its organizational culture that adheres to the respect for human rights, while encouraging its directors, executives, and employees to comply with international human rights guidelines.
12. The Company shall review the human rights policy at least once a year to ensure its consistency and suitability with current business situations.

The full version of Human Rights Policy can be studied at Company's website under the topic of Corporate Governance > CG Report and Download: <https://investor.sic.co.th/en/corporate-governance/cg-report-and-download> or please scan QR Code.



The Company has established policies and practices towards employees that are non-discriminatory and provide equal opportunities. These policies cover six key areas:

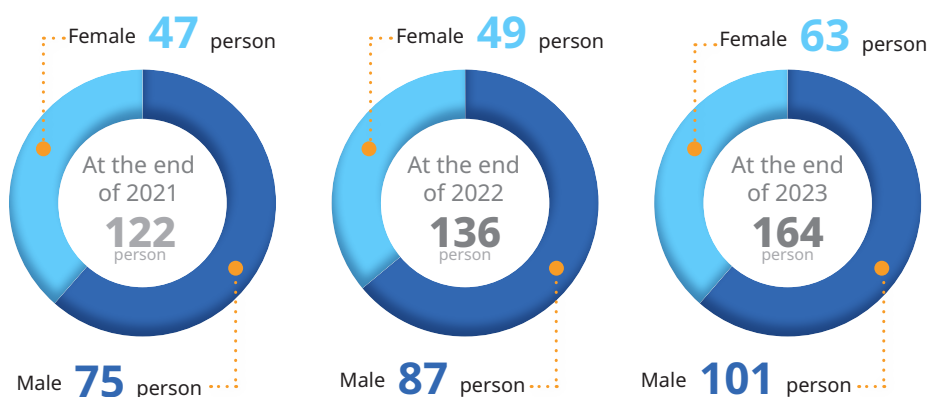


1. Employment/ Termination

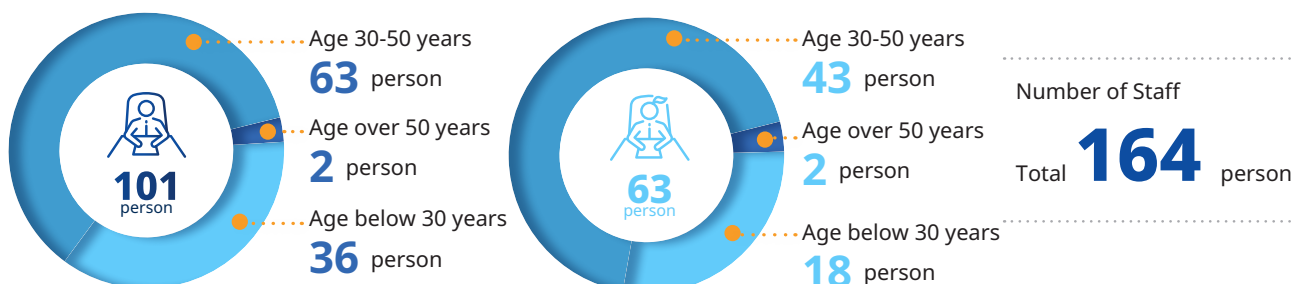
The Company has established a Human Resources Management Policy that focuses on equality and respect for the human rights of individuals with vested interests, aligning with the Company's Human Rights Policy. The details of these practices are as follows:

- The Company prohibits forced labor and all forms of coercion, including debt bondage, whether voluntary or involuntary. It ensures that individuals are not compelled to work through intimidation, coercion, threats, abduction or deception.
- The Company refrains from engaging or supporting the use of child labor, whether directly or indirectly. There is a specified minimum age for employment, which shall not be less than 18 years, except for legally sanctioned apprenticeship programs.
- The Company is mindful of the potential impacts of working hours and ensures that regular working hours and overtime do not exceed 60 hours per week, unless in emergencies or exceptional circumstances. Overtime work should be voluntary and not exceed legal limits.
- Compensation and benefits for employees are determined and administered fairly, considering job nature, performance and the Company's capabilities. These practices comply with legal requirements.
- The Company promotes a humane working environment, free from violence, discrimination, or any form of harassment. This includes preventing gender-based violence, sexual harassment, penalization, coercion, mental or physical abuse, bullying or any violation of dignity.
- The Company actively supports and enforces non-discriminatory and non-harassment policies related to age, sex, race, color, disability, pregnancy, religion, political affiliation, genetic information, or marital status.
- The Company encourages open communication between employees or employee representatives and management concerning working conditions and practices. It ensures that there is no fear of retaliation, punishment, coercion, or intimidation for expressing concerns, ideas, or grievances.

The Company hires employees without gender-based discrimination, and the workforce is proportionally represented based on gender, as follows:



In the year 2023, the Company had a total number of male and female employees categorized by age as follows:



The information regarding the number of employees categorized by departments according to the organizational structure has been reported in “Section 7.5 Employee Information.”

Disabled Persons Empowerment Act

In adherence to the Disabled Persons Empowerment Act of 2007, aimed at promoting and enhancing the quality of life for persons with disabilities, the Company has implemented a policy to promote the employment of persons with disabilities. The objective is to promote their development and protect their right to work. The Company recognizes the importance of providing opportunities for persons with disabilities to showcase their abilities in the workplace, enabling them to generate income and become self-reliant. In 2023, the Company allocated funds to support the employment of persons with disabilities, contributing a total of 119,720 Baht to assist one individual in pursuing their occupation.

2. Compensation and Benefits for Employees

The Company has a policy to establish fair and appropriate compensation for employees, taking into consideration factors such as job nature, responsibilities, employee performance evaluations, market wage rates, and various performance metrics from the Company’s operations. These policies are aligned with legal requirements.

Employee Motivation and Retention

The Company recognizes that employees are integral to the sustainable growth of the organization. Therefore, plans are in place to develop and measure employee engagement regularly. This involves assessing employee feedback on aspects like participation levels, job satisfaction, and overall work experience within the Company. The Company consistently strives to survey employee opinions and key issues, promoting employee engagement through the provision of benefits, training, organizational inclusion activities, and efforts to enhance motivation and work efficiency.

As of the latest measurement conducted by the Company in the year 2023, the employee engagement rate was 77.8 percent. This represents an increase from the 2022 measurement, where the engagement rate was 75 percent.

In the past year 2023, the Company experienced a voluntary turnover rate of 8.7 percent, which decreased from the previous year’s rate of 20 percent. This aligns with the Company’s plans and policies that provide various benefits to employees in both the short and long term. These benefits aim to support and assist employees in various aspects, in accordance with legal requirements and beyond, to motivate and retain efficient employees. Some of these benefits include social security, provident fund, group life insurance, group health insurance, family welfare, maternity assistance, child education fund and assistance for funeral expenses. Additionally, the Company implements the Talent Development Program, which focuses on developing high-potential employees crucial for sustainable organizational growth. Other initiatives include annual health check-ups, annual trips, and, during the third board meeting of 2023 on May 12, 2023, the approval of the Employee Joint Investment Program (EJIP) as the fourth consecutive investment program to retain and motivate employees by involving them in the ownership of the business.

Information on employee compensation, provident fund, and Employee Joint Investment Program (EJIP) for the year 2023 has been reported in “Section 7.5 Employee Information.”

In addition, in the year 2023, the Company organized activities for employees under four main frameworks to motivate and promote employees in various aspects. The guidelines and examples of these activities are as follows:

	Physical	To promote good health among employees, such as SIC Club or various sports clubs within the Company, including badminton, dancing, and running, as well as organizing massage activities for the well-being of employees.
	Mental	To help alleviate employees' stress, such as SIC Care Club activities, scheduling meetings where employees can come to discuss general issues or problems with the Human Resources department and organizing workshops on emotional resilience for employees.
	Financial	To promote a good financial management mindset among employees, such as organizing lectures on financial planning by knowledgeable and capable employees within the organization.
	Social	To allow all employees to have time to meet, chat, and participate in various company activities together, such as organizing Songkran water-pouring ceremonies, Thai dessert gatherings, SIC Night Market, New Year parties, outings, team-building activities, Christmas wish activities promoting employees to write greeting cards and hang them on the office Christmas tree, and board game events.

3. Employee Knowledge and Skill Development

Personnel Development Policy

The Company has a policy to promote continuous training and development for all employees. Support is provided for employee training and the development of necessary skills, including support for job-related education expenses on an annual basis. The Human Resources department conducts surveys to understand the training needs and requirements of employees across different units. This information is gathered, analyzed, and used to plan the annual training program, which contributes to improving work efficiency and enhancing the knowledge and abilities of employees. The Company emphasizes employee development starting from the orientation for new employees, ensuring awareness of business operations policies, business ethics guidelines, company information, technology and ongoing development for sustainability. During regular work, employees receive on-the-job training from their supervisors, participate in seminars related to their field, both internally and externally, to stay updated with global technological changes. The training courses aim to enhance employees' skills in alignment with the organization's strategic direction and to prepare them for career growth. In addition, internal departments disseminate knowledge on sustainability and risk management regularly via email to all employees, fostering awareness of best practices across the organization.

In the year 2023, the Company organized training courses for employees, covering both job-related knowledge and emotional skills. The average training hours per employee increased from the previous year, reaching 23 hours/person/year, compared to the previous 20 hours/person/year. The Company allocated a training and development budget of 2,467,502.00 Baht in the fiscal year 2023.

Comparative Data of Average Employee Training Hours in 2021-2023



In the year 2023, the Company conducted various training courses, including:

1. The Leadership Program (In-house Training) is organized with a total of 5 courses, including: 1) Management Essential 2) Outward Mindset 3) Fundamentals of Strategic Thinking and Planning 4) Coaching Essentials@ Workshop 5) SLII Powering Inspired Leader. The program aims to develop employees in the Talent group, team leaders, and managers. The goal is to provide knowledge and understanding of leadership skills, effective team management, decision-making abilities and the capability to develop and communicate a clear vision. This is intended to help the organization achieve sustainable objectives.
2. Internal training is conducted to provide knowledge in various aspects of Risk Management, facilitated by expert speakers who are employees of the Company. The topics include: 1) Risk Management for Projects 2) Risk Management for Beginners 3) Risk Management for Beginners. The training aims to provide fundamental knowledge to employees within the Company, enabling them to apply it to their work effectively, thus minimizing errors that may impact the organization.
3. The Company Internal technical training programs are organized to enhance the efficiency of employees in various engineering aspects. The courses include: 1) Basic Circuit Testing 2) International Material Data System (IMDS) Training 3) Basic IC Layout Design 4) Innovation Workshop. These training sessions are designed to support employees in their work, ensuring they are well-prepared before delivering services to customers.
4. The Company sends executives and employees to attend courses and seminars organized by Thai Listed Companies Association, The Stock Exchange of Thailand, educational institutes and regulatory institute to enhance the knowledge and skills necessary for performing works. The courses include: 1) The Corporate Responsibility to Respect Human Rights 2) Trends, Opportunities and Challenges in ESG 3) Cyber Risk 2023 4) COSO-ERM 2017 Corporate Risk Management 5) Building Corporate Wellness Lifestyle Modification for Better Health 6) Climate Fresk workshop by SET ESG Experts Pool 7) SET ESG Professionals Forum 2023 by SET 8) Oxford Leading Sustainable Corporations Programme by Said Business School, University of Oxford 9) IR Sharing - How to Write an Effective MD&A

4. Employee well-being and safety at work

Employee well-being and safety at work are prioritized by the Company. Policies are in place to ensure a safe working environment, including improvements for safety and convenience, especially during the COVID-19 pandemic. These policies encompass hybrid work arrangements, office ozone spraying plans and the procurement of health chairs for employees across departments.

In addition, in 2023, the Company conducted fire safety and evacuation training on August 18, 2023. The training aimed to raise awareness of safety issues and provide knowledge to prevent hazards to life and property. The Company organized realistic simulations, activating fire alarm signals to simulate emergencies. This allowed occupants to evacuate the building and gather at designated assembly points in the parking lot. The Company also focuses on promoting a good quality of life for employees, offering facilities such as fitness rooms, football and badminton clubs, health-related knowledge sessions, and massage activities for employee well-being.

Guidelines for Practices Following the COVID-19 Pandemic Situation:

In 2023, after the World Health Organization declared the end of the COVID-19 pandemic, and with the continuous reduction in COVID-19 infection rates, the Company adjusted and relaxed its policies to align with the current lifestyle and work practices. Employees are now given the option to choose whether to remove their face masks while working in the office voluntarily, except for those who exhibit symptoms such as fever, cough, sore throat or have been diagnosed with influenza. The Company maintains a flexible working policy, allowing employees to work from home for two days per week.

While the Company has adjusted its employee conduct policies post-COVID-19, it remains vigilant against the potential resurgence of the virus. The Company has prepared COVID-19 testing kits for employees with symptoms consistent with COVID-19 for self-assessment. In case of a confirmed COVID-19 infection, the Company provides medical treatment through its group health insurance, allowing employees to seek treatment at any medical facility beyond social security rights.

In 2023, there were no accidents, work stoppages, or sickness rates directly attributed to employees' work.

5. Employee Benefit Negotiation and Equity:

The Company places great emphasis on fairness in caring for employees at all levels of the organization, ensuring equal and unbiased treatment. This commitment is outlined in the Human Resources Service Policy, covering aspects such as recruitment, compensation, and employee benefits. The Company actively promotes ethical practices and has established a Welfare Committee to represent employees in discussions, audits, controls, and oversight of various benefits provided by the Company. This collaborative approach ensures that employee benefits are discussed and administered fairly and equitably.

The Company has established a Welfare Committee, consisting of at least 5 employee representatives, with the following authorities:

1. Participate in negotiations with the Company to organize benefits for employees.
2. Provide advice and offer opinions to the Company regarding the provision of employee benefits.
3. Monitor, control, and oversee the benefits provided by the Company to employees.
4. Propose suggestions and guidelines for beneficial employee welfare initiatives.

Additionally, a Recreation Committee has been established to align with the Labor Protection Act of 1998. This committee supports employee participation in proposing ideas, jointly managing the budget for welfare and providing opportunities for employees to represent their units in organizing recreational activities. This ensures that the activities and context are suitable and bring maximum benefits to the employees.

6. Community Engagement and Enhancing Technology Accessibility:

The Company actively fosters positive relationships with relevant communities, including sharing technological and business knowledge with educational institutions. This collaboration is a crucial foundation for societal growth. The Company engages in continuous projects to develop new technologies in partnership with educational institutions and government agencies, focusing on practical technology implementation. In the past year, the Company has supported Senior Projects in collaboration with leading universities, such as Chulalongkorn University, Kasetsart University, King Mongkut's Institute of Technology Ladkrabang, and King Mongkut's University of Technology Thonburi. The Company provides bi-monthly consultations to students, evaluates progress every three months and supports project expenses with a grant of 20,000 Baht per university group.

In addition, the Company organized important community-related activities in 2023 as follows:

1. Conducted the Digital Design with FPGA Camp (DD Camp) in collaboration with the Thai Embedded Systems Association (TESA). This provided opportunities for students from various universities, including Kasetsart University, Thammasat University, Chulalongkorn University, Khon Kaen University and King Mongkut's Institute of Technology Ladkrabang, to learn and gain experience in designing digital circuits using Field-Programmable Gate Array (FPGA) technology. FPGA is a crucial technology driving the future of the technology industry. Students who participated in the program also developed skills in Digital IC Design, which is a significant aspect of the Company's business. The initiative aimed to open up opportunities and career paths for interested students.



2. The Campus Tour activity under the "SandBox: Semiconductor and Advanced Electronics Workforce Development" project is a collaboration between the Office of the Higher Education Commission, Ministry of Higher Education, Science, Research and Innovation (OHEC) and participating companies. The companies involved in the project are Analog Devices (Thailand) Ltd., Delta Electronics (Thailand) PCL, Infineon Technologies (Thailand) Ltd., PTT Public Company Limited and Silicon Craft Technology Ltd., along with leading universities in various regions. This collaboration aims to enhance cooperation in accelerating the development of a highly competent workforce for the semiconductor and electronics industry, which is a technology of the future. The program includes a specially designed Cooperative Education program (Coop +) to provide opportunities for third and fourth-year students from various universities interested in the semiconductor and electronics industry to apply for special internships. This allows them to gain valuable insights and knowledge about the industry through internships with the five leading companies. The ultimate goal is to contribute key personnel to the semiconductor and electronics industry in the future.
- 3) Provide technical support in collaboration with UK Research and Innovation, worth GBP 50,000, for the Detecting Urinary Tract Infections with Disposable Paper-Based Electrical Gas Sensors Project to Imperial College London.
- 4) Grant the co-funding with the Bill & Melinda Gates Foundation and technical support totaling USD 50,000 in the Near-Field Communication-Enabled Digital In-Field Molecular Diagnostics Project to Imperial College London.
- 5) Give co-funding in collaboration with the National Research Council of Thailand and technical support worth of 2,175,200 baht in the project for integrated circuits development to convert temperature and capacitance values into digital data to Walailak University, Prince of Songkla University, and Maejo University.
- 6) Provide co-funding in collaboration with the National Research Council of Thailand and technical support worth of 2,153,200 baht in the project for the development of 8-bit lower power microcontroller integrated circuits to Chulalongkorn University.
- 7) Deliver microchips for research support in Thailand and overseas as follows: Kasetsart University, Khon Kaen University, Chulalongkorn University, Mahidol University, Imperial College (London), University of Rome Tor Vergata (Italy), Institute of Physical Chemistry (Poland), and South China Normal University (China).

- 8) Provide the number of 8 unused notebook computers which are in ready-to-use condition for Ban Khao Kruat School, Ratchaburi Province, to support and promote educational readiness among the youth.
- 9) Deliver the number of 7 electronic circuit boards to Sirindhorn International Thai-German Graduate School of Engineering, King Mongkut's University of Technology North Bangkok, received by Associate Professor Dr. Suramet Chalermvisutkulk to be used in teaching, electronic research and development, including a support for sustainable development of innovation.

3.5 Environmental Sustainability Management and Performance

Environmental Policy and Practices

The company is committed to minimizing its environmental impact resulting from its operations and strives to transform the organization into a “Low Carbon Company.” This involves establishing a policy to calculate the organization’s carbon footprint, providing insights into the amount of emissions and greenhouse gas absorption. Additionally, the policy aims to measure energy consumption in various forms, such as oil, electricity, and water usage. This information guides the development of management strategies to efficiently reduce greenhouse gas emissions. In this regard, the company’s carbon footprint assessment will adhere to the requirements outlined in the 8th edition (the 6th Revised Edition, July 2022) of the Thailand Greenhouse Gas Management Organization (Public Organization), which has been reviewed and certified by an accredited reviewer from the Thailand Greenhouse Gas Management Organization.

Energy Management

The company consistently emphasizes awareness within the organization to educate employees about the importance of efficient resource and energy usage. This pertains to the utilization of oil, electricity, and water resources. The company communicates this importance through internal email channels, presenting exemplary practices for employees to adopt. The company has received strong cooperation from employees working in offices who contribute to resource efficiency. Examples include turning off lights in unused areas or during breaks, shutting down electrical equipment and offices when not in use, adjusting air conditioning temperatures appropriately, and reporting equipment malfunctions. The facilities department has scheduled annual air conditioner maintenance and regularly checks for water leaks, promptly conducting repairs if needed. These practices not only contribute to a more sustainable environment but also have positive impacts on individuals, the economy, and society. For example, mitigating global warming, reducing acid rain, and addressing air and water pollution.

In 2023, the company has information on the amount of energy used in the company’s operations as follows:

Fuel Consumption



Electricity Consumption



Water Withdrawal



In the year 2023, the company experienced an increase in fuel consumption for both diesel and gasoline vehicles, attributed to increased travel activities to meet with a growing number of customers and partners. Additionally, the company saw an increase in the number of employees and research and development.

Waste Management and Pollution Control

Waste separation is considered a crucial aspect of reducing waste volume because segregating waste enables proper waste management processes. This helps address the issues of urban overflow and reduces pollution in the overall environment. In the year 2023, the company continued its ongoing waste separation project, providing waste bins for the disposal of waste in five categories: 1) general waste; 2) recycling waste; 3) hazardous waste; 4) electronic waste; and 5) infectious waste, which is particularly necessary during the COVID-19 pandemic where ATK kits and masks must be disposed of. The Company coordinated with the municipality to collect all types of waste as usual. Moreover, the name of the type of waste bag is written first to help simplify the waste management process. The Company also communicates monthly via internal email about waste sorting to employees of all sectors to acknowledge, understand, raise awareness, and realize the benefits of waste sorting.

Example of waste sorting in organization

			
3 rd floors	3 rd floors	4 th floors	4 th floors
Pantry <ul style="list-style-type: none"> • General waste • Recycling waste • Hazardous waste • Electronic waste 	Pantry <ul style="list-style-type: none"> • General waste • Recycling waste 	Canteen <ul style="list-style-type: none"> • General waste • Recycling waste • Hazardous waste • Electronic waste 	Office <ul style="list-style-type: none"> • Electronic waste

Climate management

The Company has conducted its carbon footprint assessment according to the requirements of its carbon footprint calculation and report, the 8th edition (the 6th Revised Edition, July 2022) of the Thailand Greenhouse Gas Management Organization (Public Organization) to assess the greenhouse gas emissions arising from the organization's operations and activities and to use it as a tool to calculate the greenhouse gas emissions. In 2023, the organization's greenhouse gas emission data was collected in Scope 1 and Scope 2 and reviewed and certified by the reviewer certified by the Thailand Greenhouse Gas Management Organization, which is the greenhouse gas management certification agency at

Phayao University by Dr. Surat Sedpho and Asst. Prof. Dr. Supreeda Homklin. The organization had a direct greenhouse gas emission (Scope 1) of 20.00 tons of carbon dioxide equivalent, and an indirect greenhouse gas emission (Scope 2) of 119.00 tons of carbon dioxide equivalent, representing 0.99 tons of carbon dioxide, equivalent to a net profit of 1 million baht (carbon intensity). In 2023, the company experienced an increase in greenhouse gas emissions mainly due to an increase in electricity and energy consumption, in line with the increase in the number of company employees.

Greenhouse Gas Emissions (GHG Emissions)
(Unit: Tons of carbon dioxide equivalents)



This data collection will lead to targeting and other practices to further reduce the Company’s greenhouse gas emissions. In addition, the Company has public relations through its in-house email channel so that employees understand the importance of the issue and know the guidelines for reducing greenhouse gas emissions in the organization on a monthly basis.



4. Management Discussion and Analysis

4.1 Analysis of Operation results and Financial Positions

Management Discussion and Analysis for the year 2023

(Million Baht)

Statements of Comprehensive Income	For the Year Ended 31 December 2023	For the Year Ended 31 December 2022	Increase (Decrease)	
			Million Baht	%
Revenue from sales and services	666.4	601.0	65.4	11%
Costs of sales or services	(362.0)	(285.4)	76.5	27%
Gross profits	304.4	315.6	(11.2)	-4%
Other income	2.3	1.5	0.8	58%
Distribution costs	(38.3)	(34.6)	3.8	11%
Administrative expenses	(128.4)	(118.6)	9.8	8%
Other expenses	-	(16.1)	N/A	N/A
Other gains (losses)	6.1	(10.2)	N/A	N/A
Profit (loss) from operating activities	146.1	137.6	8.5	6%
Finance income	0.4	0.5	(0.1)	-14%
Finance costs	(3.7)	(0.5)	3.2	677%
Profit (loss) before tax expense	142.8	137.6	5.2	4%
Tax income (expense)	(2.4)	(2.5)	(0.1)	-4%
Profit (loss) for the year	140.4	135.1	5.3	4%

Profitability Ratios	For the Year Ended 31 December 2023	For the Year Ended 31 December 2022
Gross profit margin	45.7%	52.5%
Net profit margin	21.1%	22.5%

Revenue from sales and services

For the year 2023, the Company's revenue from sales and services accounted for 666.4 million Baht, increasing 65.4 million Baht or 11% from the previous year. Animal identification groups contributed most of an increased amount of the year 2023, which increased 81.7 million Baht or 37%, compared to the year 2022.

(Million Baht)

Revenue breakdown by product application	For the Year Ended 31 December 2023	Revenue proportion	For the Year Ended 31 December 2022	Revenue proportion	Increase (Decrease)	
					Million Baht	%
Revenue from Animal identification group	303.3	46%	221.6	37%	81.7	37%
Revenue from Immobilizer group	136.6	20%	176.6	29%	(40.0)	-23%
Revenue from Industrial IoT group	211.0	32%	189.0	32%	22.0	12%
Revenue from NFC and others group	15.4	2%	13.8	2%	1.6	12%
Profit (loss) for the year	666.4	100%	601.0	100%	65.4	11%

Revenue Structure

For the year 2023, the Company's revenues are derived from 4 product groups: Animal identification group accounted for 303.3 million Baht, representing 46% of total revenue, Immobilizer group accounted for 136.6 million Baht, representing 20% of total revenue, Industrial IoT group accounted for 211.0 million Baht, representing 32% of total revenue, and NFC and others group accounted for 15.4 million Baht, representing 2% of total revenue.

A rise in the Company's revenue in 2023 was mainly supported by an increase in revenue from Animal Identification groups. Compared to the year 2022, revenue from the Animal Identification group rose by 37%, mainly driven by increased revenue from key customers in Europe, due to expansion of the market from the progress in the enforcement of electronic identification tags for sheep and goats in Australia and the trend to use electronic identification tags in other nations, partly from the increasing need for viral disease control and management in livestock business. Revenue from the Industrial IoT group increased by 12% from last year, mainly due to increased revenue from key customers in Asia and revenue from the new product. Revenue from the innovative NFC group increased by 12% compared to the year 2022, mainly from the growth of NFC Authentication products. However, revenue from the Immobilizer group dropped by 23% from last year mainly due to the slowdown in revenue from key customers in US resulting from a high level of inventory.

(Unit: Million USD)

Revenue breakdown by product application	For the Year Ended 31 December 2023	For the Year Ended 31 December 2022	Increase (Decrease)	
			Million Dollars	%
Revenue from Animal identification group	8.51	6.33	2.18	34%
Revenue from Immobilizer group	3.99	4.84	(0.85)	-18%
Revenue from Industrial IoT group	6.35	5.45	0.90	17%
Revenue from NFC and others group	0.43	0.40	0.03	9%
Profit (loss) for the year	19.28	17.02	2.26	13%

However, excluding the impact of currency fluctuations by comparing revenues in US dollars, which is the Company's primary operating currency, for the year 2023, the Company's revenue from sales and services were accounted for 19.28 million USD, increasing 2.26 million USD or 13% from the previous year.

Cost of Goods Sold and Gross Profit

Cost of goods sold (COGS) for the year 2023 accounted for 362 million Baht, increasing 76.5 million Baht or 27% compared to 2022, mainly due to the higher cost of raw materials compared to the previous year, and aligns with an increase in sales and services.

Gross Profit in 2023 was at 304.4 million Baht, decreasing 11.2 million Baht or 4% from the previous year. Gross Profit Margin in 2023 stood at 46%, which decreased from 53% in the year 2022. This was mainly due to higher raw material prices, manufacturing service and product testing charges for goods production, an increase in the employee costs, and changes in product mix.

In the second half of the year 2023, the Company faced two main challenges: global macroeconomic and geopolitics uncertainties as well as rising inventory levels of Company's customers, driven by the acceleration of inventory buildup due to a supply shortage situation during COVID19-pandemic period (2021-2022). Towards such challenges, the Company has actively monitored key customers' situations, and implemented a cost management plan to cope timely with the uncertain situations, such as maintaining a well-balanced level between selling prices and increasing costs, driving more initiatives in COGS reduction program, and accelerating the launch of new products in order to increase the gross profit margin to the Company's planned level.

Other Income

For the year 2023, the Company had other income equal to 2.3 million Baht, increasing 0.8 million Baht or 58% from the previous year, mainly from an increase in realized gain from the foreign exchange rate.

Selling and Administrative Expenses

Selling expenses for the year 2023 accounted for 38.3 million Baht, increasing 3.8 million Baht or 11%, compared to the previous year, in line with an increase in the Company's revenue. This increase is attributed to the increase in employee expenses, increased business travel to engage with customers and suppliers for new business opportunities, and increased participation in worldwide exhibitions compared to the previous year.

Administrative expenses for the year 2023 accounted for 128.4 million Baht, increasing 9.8 million Baht or 8% compared to the year 2022, due mainly to an increase in the number of Company's employees and research expenses aligned with the future company's plan.

Other Expenses

In 2023, the Company did not have an other expenses account as there was no recognition of a realized loss from foreign exchange rates.

Other Gains (Losses)

This is the net unrealized gain (loss) from the foreign exchange forward contracts that do not designate as a qualify for hedge accounting and the net unrealized gain (loss) from adjusting the value of financial assets and liabilities in foreign currency.

For the year 2023, the Company had other gains of 6.1 million Baht, which increased from the loss of 10.2 million Baht in the previous year, due to the reduction in the volume of held foreign exchange forward contracts, aligning with the nature of the Company's business and cash inflows and outflows. Additionally, the gains resulted from adjustments in the value of financial assets and liabilities in foreign currency.

The Company has processed the plans and policies for the exchange rate, by balancing expenses and income in the same currency and the same period. Together with closely monitored the economic situation both domestically and globally to analyze currency trends and fluctuations. This includes closely monitored interest rate from the Bank of Thailand and commercial banks, in order to minimize the long-term impact on the Company as much as possible.

Finance costs

Finance costs for the year 2023 accounted for 3.7 million Baht, increasing 3.2 million Baht or 677% compared to the year 2022, due to an increase in short-term loans from financial institutions to orders for production materials which are in line with the Company's plan.

Tax income (expense)

Tax expense in for the year 2023 were at 2.4 million Baht, decreasing 0.1 million Baht or 4% compared to the previous year, as the majority of revenue from sales and services in this period was primarily granted rights and benefits from the Board of Investment (BOI).

Net Profit

The Company had a 2023 net profit of 140.4 million Baht, growing 5.3 million Baht or 4% compared to the previous year, from increasing revenue from sales and services as well as effective risk management of fluctuations in foreign exchange rates. However, the Company had a net profit margin of 21% in 2023, nearly the same as 22% in 2022.

Statement of Financial Position

Total assets of the Company at the end of year 2023 were 1,160.1 million Baht, increasing 508.8 million Baht from 651.3 million Baht at the end of 2022. Current assets increased around 462.7 million Baht, mainly due to an increase in inventory aligned with a sales order from key customers in Animal ID group, and to support production during the transition to more advanced node technology, in line with our long-term strategic plans for the Company. Non-current assets increased around 45.7 million Baht, from an increase in other intangible assets, which is the Company's development projects to support future growth.

The Company had total liabilities at the end of the year 2023 equal to 505.2 million Baht, increasing 368.7 million Baht from the end of 2022, which was 136.5 million Baht. The rise was primarily due to an increase in short-term loans from financial institutions, and an increase in trade payables in accordance with the orders for production materials which are in line with the Company's plan.

The Company's shareholders' equity at the end of the year 2023 was at 654.9 million Baht, rising 134.0 million Baht from the end of 2022 which was 514.9 million Baht. The rise was due mainly to an increase in the unappropriated retained earnings at the end of the year 2023 of around 87.9 million Baht from the end of 2022, which is based on the results of operations in the past period, and an increase in paid-up share capital of approximately 40 million Baht which is in line with the stock dividend payment according to the 2023 Annual General Meeting of shareholders.

4.2 Factors or events that may significantly affect the financial position or operations in the future

During the past year, the Company has faced uncertainties regarding the economic situation and geopolitical tensions around the world, which directly affect the Company's operations at present and in the future. The Company has closely evaluated such situations, in line with the work planning with customers and partners to deal with any uncertain situations as well as the adjustment of those plans based on the changing situations toward the continual business operations.

For the global semiconductor industry, there has been a slowdown in sales from last year, mainly in China and the Asian region, in line with the changing demand of end customers, especially products in the memory group due to a decrease in demand. However, the overall image of the semiconductor industry has begun to recover in the second half of 2023. It is expected that there will be more recovery in 2024 sector by sector, along with policies to support more investment in new research and development from the government sector worldwide.

For the operations in 2023, the Company has increased its inventories to support the production during the change to more advanced production technology. This is in line with the Company's long-term plans to prevent any risks from supply chain due to limited technology. As a result, the Company's inventories have increased over the past year to the highest level in 2023. The inventories will gradually decrease according to the product delivery plan in cooperation with customers. It is expected that the remaining products will decrease to a normal level within approximately 3–4 years, in line with the assessment of product demand in the market and the plan for newer products.

The Company adheres to its competitiveness and continuous growth in the future, in line with the additional investment in research and development projects for new products in the market. In 2023, the Company had a total of 25 product research and development projects, with the launch of 2 additional new products in the industrial IoT group and the NFC group according to the plan. It is expected that 2–3 additional new products will be developed and released to the market in 2024.

The Company needs to rely on the expertise of its engineers in product research and innovation, especially in the microchip-design processes, of which the country considerably remains limited in finding personnel with such knowledge. Thus, this will be achieved through the Company's extensive knowledge, both within and outside the country, to ensure the continuity of useful and reliable knowledge. For example, the Company provides training and support to universities for their activities and participation inside and outside the country regarding knowledge in the area of integrated circuit design (IC design) and potential needs of customers (Retention Program). In 2023, the Company will launch the EJIB control system project as its fourth continuous project to retain qualified personnel by creating motivation to become a business owner.

Moreover, the Company is committed to sustainable development by considering significant sustainability issues in business operations according to economic, social, and environmental dimensions. The Company also assesses any sustainability risks related to its operations, such as climate change and human rights, to ensure its continual business operations with sustainability in the long term. In 2023, the Company established additional short-term environmental goals, including reducing overall electricity consumption by 5% per year for a period of 3 years and reducing greenhouse gas emissions in Scope 1 and 2 by 15% within the year 2026, toward the goals of carbon neutrality and net zero greenhouse gas emissions.

5. General Information and Other Important Information of the Company

5.1 General Information and Other Important Information

Information of the Company

Company Name	Silicon Craft Technology Public Company Limited
Registered Number	0107562000114
Head Office Location	40 Thetsabanrungsunnua Road, Ladyao, Chatuchak, Bangkok 10900
Telephone No.	0 2589 9991
Facsimile No.	0 2589 8881
Type of Business	Research and development of Integrated Circuit Design (IC) or Microchip, as a fabless factoryless company under “SIC” trademark
Website	www.sic.co.th
Registered capital	360,000,000 Baht
Registered and paid-up capital	239,999,942 Baht
Type and Total Number of Shares	Common Shares 479,999,884 shares at par value of 0.50 Baht per share

Securities Registrar Thailand Securities Depository Company Limited

Head office location	1 st Floor, Tower B, The Stock Exchange of Thailand Building, No. 93 Ratchadaphisek Road, Dindaeng Sub-district, Dindaeng District, Bangkok 10110
Telephone No.	0 2009 9000
Facsimile No.	0 2009 9991

Auditor D I A International Audit Company Limited

Head office location	No. 316/32 Soi Sukhumvit 22, Sukhumvit Road, Klongtoey Sub-district, Klongtoey District, Bangkok 10110
Telephone No.	0 2259 5300
Facsimile No.	0 2260 1553

Other information

-Nil-

5.2 Legal Depute

As of December 31, 2023, the Company does not have any legal dispute under prosecution process which may have negative impact to the Company or may cause the Company to indemnify damages at the amount higher than 5% of total shareholders' equity.

02 Corporate Governance



**SYNERGIZING INNOVATIONS &
SUSTAINABLE FUTURE**

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policy and Practices

Silicon Craft Technology Public Company Limited (“the Company”) intends to continuously conduct business under the policy of good governance and business ethics. The Company believes that conducting business that is fair, transparent, auditable, socially beneficial, environmentally conscious, and accountable to all stakeholders will help promote the Company’s business efficiency in long run, competitiveness, adaptability under various changes, good turnovers, and sustainable values and growth, as well as gaining the confidence and trust of the shareholders, investors, and all stakeholders. This practice is in line with the principles of good governance of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”).

The Board of Directors has defined the Company’s corporate governance policy in writing. It is considered and reviewed regularly to be applied according to the business context on an annual basis. It is also communicated to all departments of the Company to acknowledge and comply with the guidelines incessantly. The key overview of the Company’s corporate governance policy can be divided into the following eight practical principles.



The full version of Corporate Governance Policy and Practices can be studied at Company’s website under the topic of Corporate Governance > Corporate Governance Policy: <https://investor.sic.co.th/en/corporate-governance/corporate-governance-policy> or please scan QR Code.

6.2 Policies and Practices for the Board of Directors

The Board of Directors, as the supreme leader of the organization and appointed by the shareholders and representing the shareholders, plays an important role in supervising the operation of the Company, allocating resources, supervising the performance of the sub-committees, and formulating business policies and strategies, etc. To ensure the long-term good performance of the business and gain the confidence of all shareholders, investors and stakeholders, the Board of Directors shall therefore perform its duties with responsibility, carefulness, and integrity, as well as supervise the Company's operation in accordance with the laws, regulations, resolutions of the meetings of the Board of Directors and the Shareholders and the relevant policies of the Company.

Therefore, to support and strengthen the performance of the Board of Directors, the Company has established and reviewed policies and the charter of the Board of Directors, which specify the qualifications, composition, scope, authorities, duties and responsibilities of the Board of Directors and its sub-committees as well as reviewed Company's vision, mission and business strategy on an annual basis to be consistent with the Company's corporate governance policy and business strategy. The policies and practices related to the roles, duties and responsibilities of the Board of Directors cover the following matters:

6.2.1 Nomination and Appointment of the Company's Directors

The Company has a recruitment process for persons to be appointed as directors. The Nomination, Remuneration, and Corporate Governance Committee shall be appointed to support the nomination and appointment of qualified directors through a transparent process, taking into account the benefits of diversity of the Board of Directors in various aspects. The Company also provides an opportunity for minority shareholders to nominate qualified persons to be appointed as directors in a bid to acquire directors who meet the qualifications specified in the Board of Directors Charter. The board consists of directors who do not possess any prohibited characteristics as defined by law and who have relevant beneficial knowledge and experience to business operations. In addition, they are able to use independent discretion from the management and do not operate a business of the same nature or in competition with the Company. They have to devote sufficient time to the Company with morals, ethics, and a transparent working history while providing expertise from various fields for operations, advice, and comments on different matters.

The Nomination, Remuneration and Corporate Governance Committee will nominate a list of the selected persons with their profiles and details sufficiently to be useful for the deliberation of the Board of Directors such as Board Skill Matrix arrangement for checking the Board of Directors composition in the present and also for executive planning to be connected with company's business strategy before presenting the list to the shareholders' meeting for approval of the appointment of directors.

Qualifications of the Directors

1. Have qualifications and have no prohibited attributes by the Securities and Exchange Act or by the rules of the SEC as well as having no characteristics that demonstrate the lack of suitability to be entrusted with the management of a publicly held enterprise as determined by the SEC.
2. Have knowledge, competence, and experience that is useful for the conduct of business; have good intentions and ethics in the conduct of business.
3. Be able to exercise honest and independent discretion from the management team and any other interest groups.
4. Be able to dedicate sufficient time to the Company and be attentive to fulfilling their duties and responsibilities.
5. Must not operate business in the same condition and compete with the Company's business, or be partners in a general partnership or unlimited liability partners in a limited partnership, or be directors of a private company or other companies operating in the same condition and competing with the Company's business, whether for their own benefit or for the benefit of others, unless notified to the shareholders' meeting before the resolution of appointment.

Composition of the Board of Directors

1. The Board of Directors consists of not less than five directors, and not less than half of the total number of directors shall be resident in the Kingdom, and not less than three-quarters of the total number of directors must have Thai nationality. The appointment of the Board of Directors must be approved by the shareholders' meeting.
2. The Board of Directors consists of independent directors of at least one-third of the total number of directors, but there must not be less than three individuals, provided that the independent directors have full qualifications according to the announcement of the Capital Market Supervisory Board and relevant announcements by the SET.
3. The directors shall have a term of office of 3 years at a time. At every annual general meeting, one-third of the directors shall be removed from office. If the number of directors to be retired cannot be divided into the whole numbers, the number shall be as close as possible to the proportion of one-third. The directors who have already left office may be re-elected. The directors who shall retire in the first and the second years after the Company's registration shall be drawn through lots. For following years, the directors who are in the position the longest shall retire. The directors who retire under that term may be re-elected.

In addition to the end of a term of office, the directors shall retire upon:

- 1) Resignation
- 2) The shareholders' meeting has a resolution to leave the position (with a minimum of three-quarters of the number of shareholders present and entitled to vote)
- 3) Lack of qualifications and having prohibited attributes required by law
- 4) Death

In case the position of director becomes vacant for any reason other than the end of an office term, the directors shall select a person who is qualified and does not have prohibited qualifications under Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and/or relevant laws to become a substitute director at the next meeting of the Board of Directors. Unless the remaining term of the director is less than 2 months, the person becoming the substitute director shall remain as a director for as long as the remaining term of the directors he/she represents and shall obtain a resolution of the Board of Directors by not less than three-quarters of the votes of the remaining directors.

6.2.2 Remuneration for the Board of Directors, Sub-committees, and Executives

The Company has set monthly remuneration for the Board of Directors and a meeting allowance for them on a case-by-case basis. To determine the remuneration of sub-committees, namely the Audit Committee, the Risk Management Committee, the Nomination, Remuneration and Corporate Governance Committee, and the Executive Committee, the Company has established the meeting allowance on a per-time basis. For the executives, they will receive a fixed remuneration on a monthly basis and variable compensation according to the Company's performance.

Besides, the Company has a policy to determine remuneration for the directors, sub-committees, and executives to be at an appropriate level both financially and non-financially, taking into account the Company's performance, scope of responsibilities, and working performance at a comparable rate to similar businesses so as to motivate the Board of Directors, sub-committees, and executives, leading to the Company's achievement and operations according to the goals. The remuneration must be consistent with the Company's strategy and goals. The Nomination, Remuneration, and Corporate Governance Committee will consider each form of compensation to be appropriate by setting fair and reasonable remuneration criteria for the confidence of shareholders, with a transparent process and disclosure in the Form 56-1 One Report.

For the remuneration of the Board of Directors and sub-committees, it will be reviewed by the Nomination, Remuneration and Corporate Governance Committee before proposing to the meeting of the Board of Directors then to the Annual General Meeting of Shareholder for official approval on an annual basis.

6.2.3 Independence of the Board of Directors from the Management Team

The Board of Directors will appoint the appropriate person to be the Chairman of the Board of Directors. In case the person who is the Chairman of the Board of Directors is not an independent director, the Board of Directors will assign one of the independent directors to participate in the deliberations on the agenda of the Board of Directors' meetings to promote balance between the Board of Directors and the management team and be in accordance with the principles of good corporate governance for listed companies.

6.2.4 Development of the Directors

The Company always promotes and facilitates the Board of Directors to develop their knowledge and ability through training or seminars in courses that are useful for the performance of the Board of Directors' duties, such as courses from the Thai Institute of Directors Association (Thai IOD), Capital Market Academy (CMA), development trainings and seminar from The SEC and the SET in order for the directors to continuously improve their performance to build confidence in investors, shareholders, and stakeholders so that the Board of Directors has the knowledge, competence and expertise to act as the representatives of shareholders and comply with the Company's good corporate governance in strengthening effective directors.

6.2.5 Evaluation on the performance of the duties of the Board of Directors

The Board of Directors shall complete a self-assessment form for the Board of Directors at least once a year. The Board of Directors' performance appraisal is divided into three sets as follows:

- Self-Assessment for the Board of Directors as a whole (Assessment on the entire Board of Directors)
- Self-Assessment for Sub-committees (Assessment on the entire sub-committees)
- Individual self-assessment for the Board of Directors and sub-committees (Self-assessment)

In addition, the Board of Directors will conduct an assessment on the performance of the Chief Executive Officer (CEO). The results of the various assessments will be used by the Nomination, Remuneration and Corporate Governance Committee to determine the suitability of the composition and performance of the Board of Directors and its sub-committees, including monitoring the Chief Executive Officer's performance to plan and improve the operations in line with the business strategy and to plan the continuous development of the necessary knowledge of directors and senior executives.

6.2.6 Meetings of the Board of Directors

The Board of Directors requires at least quarterly meetings of the Board of Directors, and meetings are held between non-executive directors without the management team attending. The Company provides the Company Secretary to support the operation of the Board of Directors, including coordinating for the directors to comply with the resolutions of the Board of Directors, as well as arranging for meetings of the Board of Directors and shareholders' meetings. The Board of Directors will work with the Company Secretary to set meeting dates and agendas in advance throughout the

year. The Company Secretary will notify all directors of the meeting dates and regular agendas for the whole year in advance at the end of the year prior to the next year's meeting. This is so that the directors can allocate the time and attend meetings.

For each meeting, the Company Secretary is responsible for sending the meeting invitation letters and agendas, as well as the meeting documents to the Board of Directors for consideration at least 7 days in advance of the meeting to allow all directors to have sufficient time for consideration of the information before attending the meeting. The meeting agenda will be clearly stated whether to acknowledge, consider, or approve, including the follow-up on operating performance on a regular basis.

The quorum of the Board of Directors' meeting shall not be less than half of the total number on the Board of Directors. The Board of Directors can invite sub-committees, executives, external and internal auditors of the Company to attend the meeting as necessary and appropriate. Moreover, the total of directors that joining the meeting for voting shall not be less than two out of three of the total number on the Board of Directors. Voting will use the majority voting system as a resolution. In the event that the number of votes is equal, the Chairman of the Board of Directors can cast one additional vote to decide. In the case of considering matters involving one of the directors, the directors who have an interest in that matter must abstain from joining the meeting on that agenda and voting on the matter.

In 2023, the Risk Management Committee reported progress on the status of risk factors to the Company's business operations and the Company's risk management plan to the Board of Directors' meeting on a quarterly basis as well as The Nomination, Remuneration and Corporate Governance Committee along with management team regular report on the organization's sustainability performance in various dimensions both economic dimensions, social dimensions, and environmental dimensions to the meetings of the Board of Directors.

In 2023, the Company held a total of seven meetings of the Board of Directors. The attendance proportion of the entire Board of Directors was 100%. Also, the Company held one non-executive director meeting without the attendance of the management on December 15, 2023 to discuss on the progress of the succession plan of the organization's top executives and reported the results of the meeting to the Chief Executive Officer for acknowledgment (details of attendance of the Board of Directors' meetings appear in Section 8.1.2).

6.3 Shareholder and Stakeholder Policies and Practices

6.3.1 Shareholders' Rights and Equal Treatment of Shareholders

The Board of Directors gives precedence to the Company's shareholders by taking various actions to ensure that the shareholders are treated equally and can fully exercise their fundamental rights as shareholders, such as:

- 1) The right to buy, sell, or transfer shares;
- 2) The right to a share of the Company's profits;
- 3) The right to receive sufficient relevant information and news through the Company's website or the Stock Exchange's website or by any other means;
- 4) The right to attend meetings to exercise the voting rights at the shareholders' meeting independently to appoint or remove directors, determine the remuneration of directors, appoint auditors, pay dividends, increase capital and issue new shares, as well as the right to question the Board of Directors about the report of the Board of Directors and any other matter presented to the meeting for consideration and approval. Moreover, the Company shall ensure to facilitate and encourage shareholders, including institutional investors, to exercise their rights to attend and vote at the shareholders' meetings equally.
- 5) The right to propose the agenda in advance and to nominate persons for election to the Board of Directors and participation in decisions on important matters of the Company.

All shareholders are stipulated to have the right to vote according to the number of shares held, and each share has the right to one vote.

Moreover, the Board of Directors also recognizes and values the rights of the shareholders by not doing anything that violates or deprives the shareholders' rights to enable the shareholders to participate in the decision making on important matters of the Company. The Company will take care to ensure that the shareholders' meeting is neat, transparent, effective and allows the shareholders to exercise their rights and take care to disclose the resolutions of the shareholders' meeting and that the preparation of the minutes of the shareholders' meeting is correct and complete. Other than the basic rights mentioned above, the Company has also set guidelines for various matters to promote the equitable treatment of shareholders and facilitate the exercising of shareholders' rights in holding the shareholders' meeting as follows:

Preparation before the meeting

- The Company arranges the Annual General Meeting of Shareholders within 4 months from the end of the Company's fiscal year in compliance with the Company's Articles of Association, as well as the laws and regulations of the SET, including good corporate governance principles of the SEC. The Company has a policy not to hold meetings on weekends and public holidays, while determining the form and venue of the meeting that shareholders can easily travel to for their attendance. In 2023, the Company held the Annual General Meeting of Shareholders on April 27, 2023 which very much concerned and cared for the health of all shareholders attending the meeting, including those who were involved in organizing the meeting. The Board of Directors considered and agreed to held the 2023 Annual General Meeting of Shareholders through the electronic meeting (E-AGM) in accordance with the Emergency Decree on Electronic Meetings B.E. 2563 (2020), as well as related laws and regulations. The meeting was broadcast live from the Townhall meeting room on the 3rd floor at the Company's headquarters. The Company notified all shareholders in advance, together with the meeting invitation letter.
- The Company provides an opportunity for shareholders to ask questions, propose agendas, and nominates persons to be elected as directors in advance of the general meeting of shareholders from 1 October 2022 to 31 December 2022. The Company also clearly publishes relevant regulations through the Company's website. Additionally, the

shareholders are notified about those regulations through the news system of the SET. Moreover, at the end of the period that shareholders can propose questions, agendas, and nomination of persons to be elected as directors in advance, the Company will also inform the results to all stakeholders through the Company's website and the news system of the SET. Additionally, there were no shareholders proposed the questions, agenda items and nominate candidates for appointment as directors for the 2023 Annual General Meeting of Shareholders in advance.

- The Company discloses the resolution of the Board of Directors on setting the date for the Annual General Meeting of Shareholders, meeting format, date to determine the list of shareholders (Record date) for the rights to attend the meeting, and meeting agenda through the Company's website and news system of the SET, as well as dissemination of meeting invitation letter with complete details and supporting documents, including the minutes of the previous meeting, Form 56-1 One Report, information on identity verification and meeting attendance, voting process, proxy and proxy forms, etc., both in Thai and English, which can be found on the Company's website at least 30 days in advance of the meeting.
- The Company sends the meeting invitation letter to shareholders in advance by mail at least 21 days before the meeting, together with complete supporting documents for the meeting agenda, including objectives and reasons, opinions of the Board of Directors on each agenda. This is so that the shareholders have enough time and information to consider the information. Also, the Company advertises the notice of the meeting in a newspaper for 3 consecutive days and not less than 3 days before the meeting date. Moreover, no meeting agendas or any other details are added without notifying shareholders in advance.

Operations on the day of the shareholders' meeting

- The Company facilitates shareholders to fully exercise their rights to attend meetings and vote, while refraining from any actions to limit the opportunity of shareholders to attend the meeting, such as providing stamps for proxy forms. At the 2023 Annual General Meeting of Shareholders, the Company allowed shareholders to register in advance prior to the meeting time and continued until the end of meeting. The Company also promotes the use of technology in the shareholders' meeting, such as registration of shareholders, score counts and display of the results to make the meeting process more efficient, faster, and more accurate.
- The Company Secretary introduced the directors who attended the meeting, auditors, and legal advisors who supervise and verify the vote counts in the meeting to be transparent, while reporting to the meeting on the number of shareholders who attended the meeting in person and by proxy. Also, the results were informed on shareholders' rights to submit questions, agenda, and names of persons to be elected as directors at the Annual General Meeting of Shareholders in advance to the meeting. Then, the Chairman of the meeting gave welcome remarks to shareholders who attended the meeting, and subsequently opened the meeting to start agendas as shown in the invitation letter. The Company Secretary explained that during the meeting, the Company will collect, use, and disclose personal information, including still images, audio, and video recordings of all meeting attendees, for the purpose of documenting and preparing meeting reports, managing the meeting, and discussing meeting practices such as methods, criteria, and meeting protocols. the Company Secretary clarified the meeting practices, including rules, vote counts, and methods for asking questions or expressing opinions in various agendas as follows:

Methods and Criteria

- 1) When voting at the meeting, a shareholder's vote will be equal to the number of shares they hold and are authorized to vote, with 1 share equal to 1 vote.
- 2) Each shareholder has the right to vote either for, against, or abstain from voting, and cannot divide their vote unless it is a Custodian's vote.
- 3) For agenda regarding the appointment of a director to replace a retiring director, the method of election will be by individual voting to comply with good corporate governance principles.

Meeting Practices

- 1) The meeting will consider the agenda items in the order specified in the invitation letter. Information for each item will be presented and shareholders will be given an opportunity to ask questions before a vote is taken. The meeting will announce the voting results for each item in the order they were considered.
- 2) To cast a vote, shareholders should select the agenda item they wish to vote on and then click on the “vote” button. The system will display three voting options: “agree”, “disagree”, and “abstain”. For shareholders or proxies, the system will display the list of names. Votes will be counted on a per-user basis. If a shareholder wishes to cancel their vote, they can click on the “cancel vote” button. Shareholders who do not cast a vote within the specified time frame will be considered to have agreed with the agenda item, and their vote can be modified until the voting period for that item is closed. The voting period for each item is one minute. The voting results for each item will be announced after the voting period is closed.
- 3) If a shareholder is acting as a proxy for multiple shareholders, they should select the “user account” menu and then click on the “switch account” button to access the accounts of the other shareholders. The system will not remove the votes from the meeting record.
- 4) In the event that a shareholder wishes to withdraw from the meeting before the close of any agenda item, their vote will not be counted for that agenda item, nor will their vote be counted for any remaining agenda items. However, withdrawing from a meeting during any agenda item will not result in the loss of voting rights for the shareholder or proxy holder to rejoin the meeting and cast votes in the next agenda item via the system.
- 5) Shareholders who have submitted a proxy form to allow others to attend the meeting and vote on their behalf, the Company has recorded the votes in accordance with the shareholders’ wishes, whether they vote for, against, or abstain. These votes have been recorded and registered for voting purposes in accordance with the agenda.
- 6) During the meeting, before voting on each agenda item, the Company will provide an opportunity for attendees to ask questions or make comments on the relevant agenda item, as appropriate. To ask a question, attendees can select the agenda item they wish to ask about and click the “Ask Question” button. There are two ways to ask a question:
 - Ask a question by typing a message in the chat box, and then clicking the “Send Question” button. The Company will answer the question during the meeting, if time permits. However, if there are too many questions submitted, the Company reserves the right to select questions based on relevance.
 - Ask a question via video and audio (VDO conference) by clicking the “Ask Question via Video and Audio” button and then clicking “Agree” to confirm the reservation. Once authorized by the moderator, attendees can open their cameras and microphone. Attendees are asked to state their name and whether they are a shareholder or proxy holder before asking their question, so that the Company can record the information accurately in the meeting report.

The Company reserves the right to cut off the image and sound of shareholders who ask impolite questions or make disrespectful comments towards others, violate any laws, infringe on the rights of others, disrupt the meeting, or cause heated arguments among other meeting attendees.

- 7) If shareholders have a large number of questions that require audio and visual aids during the meeting, in order to save time, shareholders should submit their questions in writing via message. The staff will then answer the questions during or at the end of the meeting or post them on the Company’s website for future reference.
- 8) In case shareholders encounter any problems with accessing the meeting system or the voting system, please refer to and follow the instructions provided along with the meeting invitation or select the “Help” menu in the system. You can contact Inventech Call Center staff for assistance at 02-931-9151 or via Line Official @inventechconnect

If there is a system failure during the meeting, shareholders will receive an email to rejoin the meeting through the backup system.

- The Company arranged for voting by separating the counting of votes according to the subsequent agenda, while providing the opportunity for shareholders to vote in the election of directors individually according to the agenda. In addition, during the meeting of each agenda, the Chairman of the meeting allowed shareholders to ask questions or express their opinions before voting.

Preparation after the shareholders' meeting day

- At the 2023 Annual General Meeting of Shareholders, the Company informed the resolutions of shareholders' meeting through the news system of the SET on the meeting date and disseminated the results on the Company's website, with the summary on meeting attendees and the results of voting (approved/disapproved/abstained/voided ballots) for each agenda.
- The Company prepares the minutes of shareholders' meeting with complete subject matters in both Thai and English within 14 days from the date of the meeting by disseminating through news system of the Stock Exchange of Thailand and on the Company's website, including the delivery to the Ministry of Commerce within the specified period.

6.3.2 Protection against the Use of Inside information

The Company adheres to the ethical principles in doing business and to ensure that shareholders, stakeholders, and investors in the Company's securities are promptly and adequately exposed to accurate information. Therefore, the Company has established a policy for the use of inside information and trading of the Company's securities (Blackout Period). The directors, executives, including management level positions in the accounting or financial line at the level of the manager or above or equivalent and the operators who has become aware of inside information that is important or affects the change in the price of securities must suspend the purchase, sale, transfer, or receipt of transferred securities of the Company during one month before disseminating the quarterly financial statements and annual financial statements and within 24 hours after the information disclosure to the public, including the duty to strictly follow the guidelines for the use of inside information of the SET, as well as other related rules.

Furthermore, the Department of Investor Relations of the Company has set a silent period during 14 days before the Company announces its financial statements to the SET. The Department of Investor Relations will not make any appointments, provide information, or answer any inquiries about the financial statements to securities analysts, investors, or shareholders, except for providing information that the Company has already disclosed or responding to facts that affect the Company's share price.

6.3.3 Prevention of Conflicts of Interest

The Company emphasizes good corporate governance and business operations with ethics, honesty, transparency, fairness, and accountability. Therefore, the Company has established a policy to prevent conflicts of interest for directors, executives, and employees to understand and comply with the law and related rules and regulations in the best interests of the Company. The guidelines for directors, executives, and employees are as follows:

1. Refrain from operating a business of the same nature and competition with the Company's business, which may cause damage to the Company, either directly or indirectly, or from becoming a partner, shareholder with decision-making authority, director, or executive in a business of the same nature and competition with the Company's business, unless it can be shown that there is a mechanism to ensure that such action will not affect the Company and is in the best interest of the Company and its shareholders.

2. Avoid making transactions connected with himself or herself and/or related parties that may cause a conflict of interest with the Company and do not act in any manner that is in pursuit of personal interests and contrary to the Company's ethics or code of conduct.
3. Do not perform work for other companies or any other business that is not owned by the Company during working hours, and do not perform any work that is in competition with the work assigned by the Company or related to the business that competes with the Company, even if it is outside of working hours. This includes not using any information about the Company in all cases, whether in the condition of employment or out of employment status.
4. Disclose and submit the information about own interests and related third parties as required and strictly comply with the Company's related third parties policy.
5. Do not use the opportunity or information provided by the Company to benefit himself or herself or others, and strictly comply with the Company's internal information protection policy.
6. Strictly comply with the Company's business ethics and code of conduct and corporate governance policy, as well as the laws, rules, and regulations of the relevant regulatory authorities, including the disclosure of information in accordance with the rules of the Stock Exchange of Thailand and other relevant agencies.
7. Supervise and be responsible for the Company's internal control system, risk management system, and anti-corruption system adequately, appropriately, and effectively to ensure that the Company's operations comply with relevant laws, regulations, and good corporate governance guidelines for listed companies.

The Company has established a connected transaction policy to regulate and prevent conflicts of interest or stake; for example, where the Company has a need to make connected transactions with persons who may have a conflict, the Company will ask the Audit Committee to give its opinion on the necessity and appropriateness of the transaction. In case the Audit Committee does not have expertise in considering the connected transaction that may occur, the Company shall appoint an independent expert or the Company's auditor to give an opinion on the said connected transaction to be used in the decision of the Board of Directors and/or the Audit Committee and/or the shareholders, as the case may be. Those who may have a conflict of interest or have a stake in the transaction shall not have the right to vote on the approval of such related transaction.

The Board of Directors shall comply with the Securities and Exchange Act and regulations, notices, orders, or requirements of the SET, as well as complying with the requirements regarding the making of connected transactions and the acquisition or disposition of significant assets of the Company, so that the decision to make such transactions does not create a conflict of interest and is in the best interest of all shareholders. The Company will disclose such connected transaction in its in the Form 56-1 One Report and the accompanying notes to the audited financial statements by the Company's auditors.

It is required that the Company's directors, major shareholders, and executives prepare an annual report on their conflicts of interest, including the changes to various information that must be notified to the Company every time. In the meantime, the directors and executives, including their spouses or those living together as husband and wife as well as minor children, must be monitored for a duty to notify the Company Secretary Department before purchasing, selling, transferring, or accepting transfer of the Company's securities (in the case of knowing the information in advance), or they need to inform the Company after buying, selling, and transferring the Company's securities within the same day as the date of conducting any transactions related to the Company's securities. It also includes the follow-up for the Company's directors and executives to report any changes in their securities holdings (Form 59) to the SEC Office when there is a change in the Company's securities holdings with transparency and accountability.

6.3.4 Responsibility to Stakeholders

The Board of Directors monitors the management team to operate the business along with creating benefits for all involved stakeholders and having social and environmental responsibility. It promotes actions to increase the value of the Company according to changing environmental factors. It covers the formulation of the business model, a way of thinking and the perspective of designing and developing goods and services, research, improvement of production process and work process, including cooperation with partners. The Company is committed to doing business with integrity, transparency, fairness, which is the core, ready to provide excellent service to customers and visitors, willing to compete in the business fairly, not taking advantage or seeking unlawful benefits, and strictly performing in the governance framework. The Board of Directors recognizes the importance of the role of stakeholders and treats all stakeholders in a transparent, appropriate, equitable and fair manner. Stakeholders include:

- **Employees:** Provide compensation to employees by considering fair and measurable performance under established regulations aimed at promoting and developing employees to be continuously knowledgeable and competent. Besides this, the Company also takes employees' rights into account and gives them the opportunity to make complaints about unfair practices through various channels.
- **Customers:** Build long-term relationships and cooperation with customers based on integrity, reliability, and trust. The Company has a duty to maximize customer satisfaction by taking responsibility and giving importance to their problems and needs first with ethics, and provision of good and efficient service including the implementation of policies and guidelines regarding the protection of customer personal information in accordance with the Act. Personal information protection
- **Creditors:** Build relationships and treat creditors with integrity, reliability, and accountability, and take responsibility and give importance to various conditions made with creditors to the best of their ability.
- **Partners:** Treat partners with integrity and equality to ensure fair business practices, mutual benefits, sustainable development, and long-term partnership with the Company by choosing to do business
- with partners under conditions, such as price, quality, trust, adherence to the right things, as well as with technical, legal, and environmental protection expertise.
- **Communities and the environment:** Ensure that the Company and employees conduct their business responsibly and benefit society and communities and are responsible for treating nearby communities in a friendly and supportive manner.
- **Fair competition:** Keep the Company operating the business openly, transparently and in a way that does not create an unfair competitive advantage.
- **Relevant government authorities:** Ensure that the Company complies with all applicable laws and regulations, including treating the public sector and government agencies with neutrality as set out in the Charter, business code of conduct, anti-corruption policy and other relevant policies

6.3.5 Anti-Corruption and Whistleblowing or Complaints of Misconduct or Corruption

The Board of Directors intends to conduct its business under the principles of good corporate governance and compliance with the law, adheres to transparency and morality and campaigns to dissuade employees at all levels in the organization, including outsiders, from all forms of corruption. The Company has established an anti-corruption policy, the policy on whistleblowing or complaint of wrongdoing or corruption, the policy for giving or receiving gifts and entertainment, and the business ethics manual. The Board of Directors reviews relevant policies annually and communicates them to all departments in the organization to be aware of and strictly follow.

The Company provides a channel for complaints and takes action in the event that there are clues, observations about the operation of the Company, including guidelines on reporting, investigating, violating the code of conduct, and receiving complaints of corruption and misconduct in the anti-corruption policy, and the policy of whistleblowing or complaining of wrongdoing or corruption clearly by asking for details, notifying complaints and clues about fraud and corruption, legal offense, inaccuracy of financial reports, faulty internal control system, or breach of business ethics, rights violation etc. The Company has a mechanism for protecting complainants, whistleblowers, complaint information, Complaints about personal information and evidence documents as confidential.

Stakeholders can comment or give a whistleblowing or complaints of misconduct or corruption through communication channels with the Company as follows:

1) By Post:

Send to the Chairman of the Board of Directors or Chairman of the Audit Committee
Silicon Craft Technology Public Company Limited
40 Thetsabanrangsannua Rd., Ladyao, Chatuchak, Bangkok 10900

2) By Email:

Audit Committee: ac@sic.co.th
Company Secretariat: comsec@sic.co.th

3) On the Company's Website: <http://www.sic.co.th/>

4) By Phone: 0-2589-9991

6.3.6 Personal Data Protection Policy

The Personal Data Protection Act 2019 stipulates the protection of personal data in accordance with international standards. The Company recognizes the importance of the protection of personal data and the restriction of the rights and freedoms of individuals; therefore, the personal data protection policy is established to provide a framework and guidelines for correct legal compliance and to be trusted by all customers, employees and stakeholders. The Company has appointed a personal data protection officer (DPO) to advise and monitor the operation of the personal data processor and related persons.

The scope of application of the policy covers all the Company's operations related to the collection, disclosure, correction, alteration, or any other actions to personal data including the implementation of policies and guidelines regarding the protection of customer personal information in accordance with the Act. Protect personal information. The personal data protection policy is reviewed every 3 years or when there are changes, amendments, changes to related laws or regulations or changes according to the environment.

Collection, use, disclosure, and destruction of personal data

- 1) The Company shall collect, use, and disclose personal data as necessary and appropriate under the objectives for the benefit of carrying out the Company's mission. The Company must ask for consent from the data subject in collecting, using or disclosing personal data and arrange for the data subject to be notified on such matter or at the time of data collection, unless the provision of law on personal data protection or other related laws allow the Company to do otherwise. The request for consent must be made in writing or through an electronic system, except on the condition that the consent cannot be obtained by such means.
- 2) The Company shall not collect personal data from sources other than the data subject directly without the consent of the data subject, unless exempted by law.
- 3) The Company shall not collect personal data on race, ethnicity, political opinions, religious doctrine or philosophy, sexual behavior, criminal records, health data, disabilities, union information, genetic and biological data or any other similar information without the consent of the data subject, unless exempted by law.

- 4) The Company shall record various transactions according to the law for inspection by the data subject and the Office of the Personal Data Protection Commission.
- 5) The Company shall collect, use or disclose personal data in order to provide services in accordance with contractual obligations and relevant laws, rules, regulations, while increasing the efficiency of such services as deemed beneficial to the data subject.
- 6) The Company shall not disclose personal data to third parties without the consent of the data subject, unless it is a disclosure required by law.
- 7) The Company shall delete or destroy personal data or make the data non-identifiable to the data subject after the expiration of the storage period according to the Company's order or the period specified in other relevant laws or when the data subject withdraws consent or opposes the collection, use or disclosure of data as permitted by law.

Security for personal data

- 1) The Company shall provide appropriate security measures for personal data to prevent data loss, unauthorized access, destruction, use, alteration, modification, or disclosure of personal data without permission, and review measures when necessity or technological changes.
- 2) The Company shall supervise the personal data processor to collect, use or disclose personal data with safety, according to relevant laws, rules, and regulations.
- 3) In a bid to disclose personal data to other persons or juristic persons, the Company must prevent those persons from unauthorized or inappropriate use or disclosure of personal data.
- 4) Provide an investigation process to perform deletion or destruction of data after the expiration of the storage period or upon the request or withdrawal of consent by the data subject.
- 5) In case of a breach of personal data which is at risk of affecting the rights and freedom of individuals, the Company shall notify the personal data breach to the Office of the Personal Data Protection Commission within 72 hours from the knowledge of such incident. If the breach is at risk of affecting the rights and freedom of individuals, the data subject of personal data shall be notified without delay.

The rights of data subject of personal data

The data subject of personal data can exercise their rights as specified by law as follows:

- 1) The right to request to access and obtain a copy of personal data or disclosure of the acquisition of data without the consent, which the Company must process within 30 days from the date of receiving such request.
- 2) The right to object the collection, use or disclosure of personal data as permitted by law.
- 3) The right to obtain or request for personal data to be sent or transferred to other persons for the purposes which the Company can manage with automatic tools or devices.
- 4) The right to request deletion of personal data from the system or destruction or suspension or de-identification of the personal data of data subject unless in compliance with relevant laws.
- 5) The right to request the correction of personal data to be accurate, current, complete, and not misleading.
- 6) The right to withdraw previously given consent or to not allow personal data to be collected, used, disclosed, except as required by law.
- 7) The right to request for suspension of personal data use as permitted by law.

All stakeholders can contact the Company's Data Protection officer (DPO) at privacy@sic.co.th.

6.3.7 Innovation Promotion

The Board of Directors values and encourages creation of innovation creating value for the business. It focuses on product research and development to innovate into the products developed by the Company and help customers to gain a competitive advantage. The Company also promotes innovation in higher education institutions, such as lectures to educate students about electronic innovation, organizing engineering competitions, accepting summer interns and cooperatives to learn through project work, participating in project advice at the undergraduate level and research at the master/doctoral level, supporting scholarships and research grants, and having cooperation between research laboratories and the Company.

On November 21, 2023, Mr. Apinetr Unakul, Director of the Company, represented the Company in receiving the “Best Innovative Company Awards 2023” for companies listed on the Market for Alternative Investment (mai) at the SET Awards 2023. This award is given to companies that have outstanding and practical innovations and has internal management that fosters an innovative culture, encouraging employees to take the initiative in creating new innovations. The Company was recognized for its NFC Integrated Sensor Microchip, a wireless microchip that integrates a communication channel and sensor interface on a single chip. This innovative technology operates without batteries and a processing unit (MCU).

6.3.8 Supervision of Subsidiaries and Associates

For investment policy in subsidiaries, associated companies or joint ventures, the Company considers for investment in a business or an industry with maximum support and benefits to its operations, potential growth, capacity and expertise towards a goal to acquire technology, distribution channels or lower risks which may occur in the value chain. Moreover, the Company focuses on the rate of return and its sustainable growth.

In case of an investment in subsidiaries, the Company provides its supervision by sending representatives as directors in those subsidiaries according to the proportion of their shareholding. For subsidiaries with business operations significantly affecting the Company, there must be the authorized approval for various issues by the Executive Committee or the Board of Directors before making any transactions.

Besides, the representatives appointed by the Company must ensure that the subsidiaries have policies for associated transactions, acquisition or disposal of assets or any other important transactions of the Company with accuracy and comprehensiveness. This also includes the application of criteria related to disclosure of information in the same manner as the Company, including the supervision on information storage and accounting records of those subsidiaries, so that the Company can verify and obtain in preparation for consolidated financial statements on time.

In part of associated companies and joint ventures, the Company does not have much involvement and supervision. Only the Company’s representatives are appointed as directors in those companies. Also, the number of representatives to serve as directors depends on the proportion of shareholding. For joint ventures, the appointment of representatives for supervision and management is based on the agreement between the parties.

6.4 Business Ethics and Code of Conduct

Silicon Craft Technology Public Company Limited is committed to giving an importance on fair treatment to all departments and realizes that the cooperation at work with honesty and ethics of all employees with every position and duty, including directors and executives can be a key factor to lead the organization towards success. The Company has therefore prepared “Business Ethics and Code of Conduct Manual” in writing as a standard for all departments, as follows:

Business Ethics



Ethical Guidelines



Complaints, suggestions, and penalties

- Channels for Complaint Reporting and Suggestions
- Process Upon Receiving Complaints

This is to ensure that the Company’s operations are in compliance with standards, good ethics, and efficiency in line with good corporate governance policies, as guidelines for cooperation at work towards the organizational development with sustainability. The Company has communicated the Business Ethics and Code of Conduct Handbook to directors, executives, and employees to regular review their understanding and sign for acknowledgment. Furthermore, The Company has integrated this content to the orientation for new employees to create awareness of the importance of working and performing duties with honesty.

In 2023, directors, executives, and employees reviewed their understanding of the Business Ethics and Code of Conduct Manual, with 82.7% signing as acknowledgement. Moreover, This Business Ethics and Code of Conduct Manual has been recently reviewed and approved by the Board of Directors Meeting no. 4/2023 meeting held on July 21, 2023.



The full version of the Business Ethics and Code of Conduct Manual (Full version) can be studied at Company’s website under the topic of CG report and download: <https://investor.sic.co.th/en/corporate-governance/cg-report-and-download> or please scan QR Code.

6.5 Significant changes and developments regarding policies and practices of governance system in the past year

6.5.1 Significant changes and developments regarding the review of policies and practices of governance system or charter in the past year

The Company has prepared a written Corporate Governance Policy for the Company registered in 2017, approved by the Board of Directors' meeting on April 19, 2019 by defining for the policy and compliance with the said policy to be reviewed at least once a year. In the past year, the Corporate Governance Policy, the Business Ethics Manual, the Charter of the Board of Directors, the Charter, and other relevant policies were reviewed and approved by the Board of Directors at the meeting no. 4/2023 on July 21, 2023.

The Board of Directors review the organization's strategy, vision, and mission every year and also require management team to report plans and progress under the Company's long-term strategy at the Board of Directors' meeting periodically in order to follow up on the implementation of the Company's strategy and improve plans to be consistent with the strategy and business goals in the future. In 2023, The Company has established a Risk Management Steering Committee (RSMC) appointed by the Risk Management Committee which consists of representatives from all departments according to the structure to be accordance with responsible for managing, following up, and communicating the organization's risk management policy and guideline to achieve success. Moreover, The Company supervises the performance of the Board of Directors and sub-committees in accordance with good corporate governance policies. There is a performance evaluation of the Board of Directors and sub-committees in groups and individuals, including the executive officers, while arranging the meetings among non-executive directors without the attendance of the management so as to provide an opportunity for both independent directors and non-executive directors to freely discuss issues related to the Company's management.

The Company emphasizes good corporate governance and business operations with ethics, honesty, transparency, fairness, and accountability. Therefore, the Company has established a Conflict of Interest Policy for directors, executives, and employees to understand and comply with the law and related rules and regulations in the best interests of the Company. The Company committed to good morals in business operations with adherence to social responsibility and all stakeholders. The Company also recognizes the values and equality of humans, in line with the support and respect to human rights as specified by the law and regulations of national and international standards on human rights. With this regard, the Company has also established Human Rights Policy to covers all operations of the Company, employees, customers, and business partners who have duties to respect human rights according to the law and regulations that protect human rights in Thailand and other countries. All relevant stakeholders are also obliged to comply with and respect human rights principles. The Conflict of Interest Prevention Policy and Human Rights Policy had been approved by the Board of Directors at its meeting no. 2/2023 on March 17, 2023.

From the results of operating the business according to the principles of good corporate governance, the Company received the results of the Corporate Governance Report of Thai Listed Companies 2023 (CGR 2023) under the 5-star "Excellent" for 2 consecutive years from the Thai Institute of Directors Association, a project that is conducted annually to promote good corporate governance and develop the role of the board of directors professionally towards long-term sustainability development.

6.5.2 Summary on Non-conformity to Good Governance Principles for Listed Companies in 2017 (CG Code)

The Company has applied the principles of good corporate governance for listed companies in 2017 (CG Code) to continuously review and adapt it to suit the organization. This mostly makes it possible to adapt it to the business context of the Company. However, any practice has not been defined as a policy because such principles may not be in line with the current direction and business context of the Company, the Board of Directors will consider, monitor, and implement it comprehensively to be appropriate to the organization's strategy.

Compliance with CG Code	Reasons or Substitute Measures of the Company
The board of directors should consist of more than 50% of independent directors.	The board of directors in current structure has three independent directors, representing 37.5% of all directors, which is still in the acceptable criteria according to good corporate governance principles. In addition, the Company has established policies and guidelines regarding granting authority to independent directors, such as holding meetings of non-executive directors to consider various matters without the participation of the management team which also included in the Company's Corporate Governance Policy.
The Chairman of the Board of Directors should be an independent director.	The Company has established policies and guidelines regarding the authorization of independent directors, such as organizing a meeting of independent directors to consider various matters to be presented to the Board of Directors' meeting without the participation of the management team, as well as authorizing independent directors to consider the agenda of the Board of Directors' meetings with the Chairman of the Board of Directors in order to balance the power appropriately. In addition, the Company has clearly stipulated guidelines for preventing conflicts of interest.
The board of directors should set a policy for the term of office of independent directors not to exceed 9 years.	The structure of the Company's Board of Directors consists of a total of 3 independent directors. At present, there are no independent directors of the Company who have held the position of independent directors for more than 9 years. However, the Company is aware and recognizes the importance of setting a formal and clear policy on the tenure of independent directors in accordance with the principles of good corporate governance. This will be considered in accordance with the Company's business strategy.
The Board of Directors should set a policy for holding positions in listed companies for all directors not more than 5 companies.	The structure of the Company's Board of Directors consists of 8 Company Directors. At present, no director holds positions in more than 5 listed companies. However, the Company is aware and recognizes the importance of setting a formal and clear policy for holding positions in listed companies by the Board of Directors in accordance with the principles of good corporate governance to ensure that Directors can devote sufficient time to perform their duties in the Company. This will be considered in accordance with the Company's business strategy.

6.5.3 Summary of Compliance with Other Matters according to the Good Governance Principles

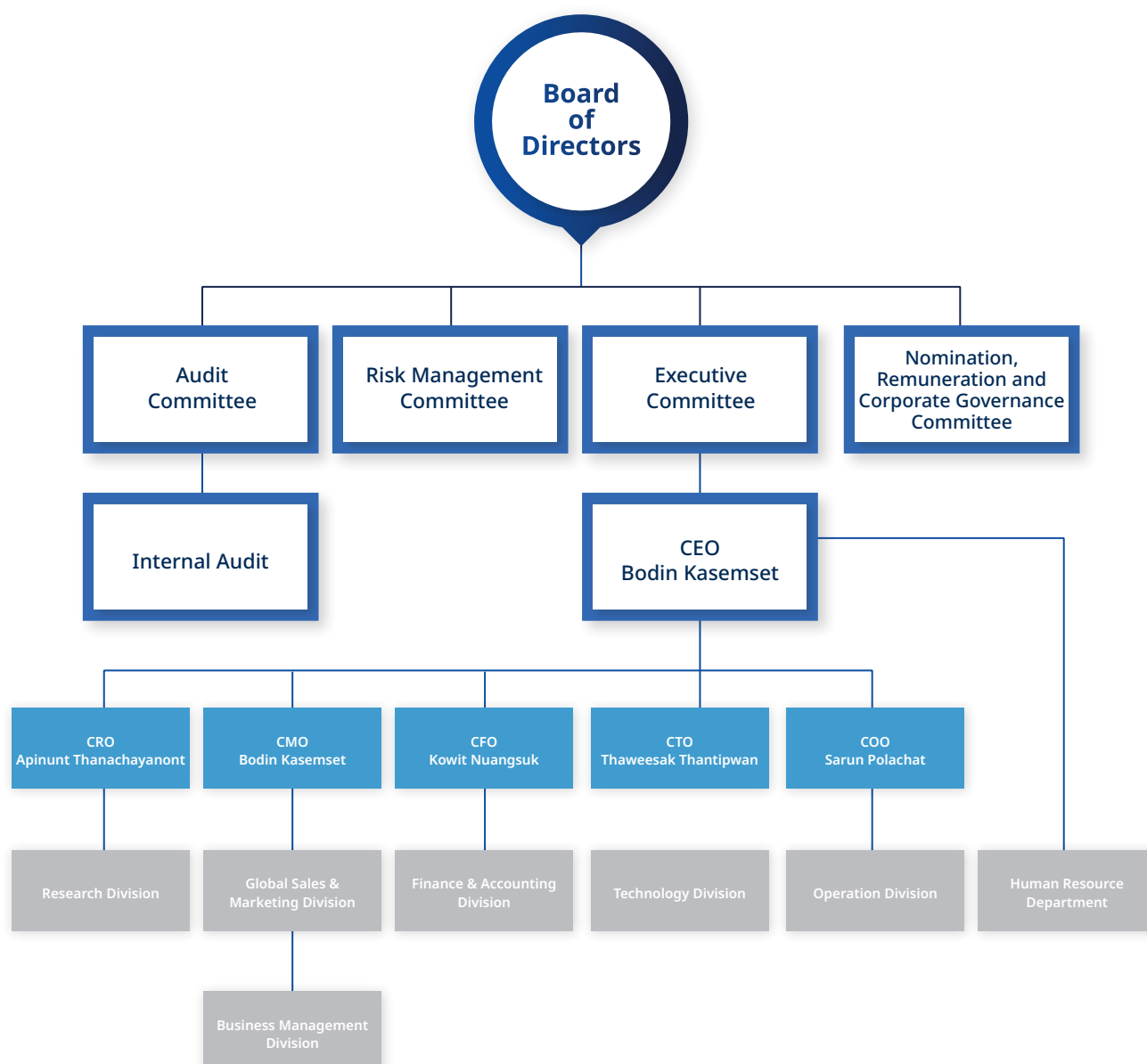
- Over the past year, the Company was assessed by an assessment project of the quality of the shareholders' meeting (AGM Checklist) at a "Very good" level, represent 99%, organized by the Thai Investors Association.
- The Company has been selected by Thaipat institute, a public-interest organization, for "2023 List of ESG100 Companies" with outstanding performance on the Environmental, Social, and Governance (ESG), and include in the universe of "ESG100" for 2023. This assessment reflects our performance and vision to be a strong and sustainable company, as well as confirm to investors who focus on ESG issues and our stakeholders.
- On November 6, 2023, the Company has successfully met the criteria to be included in the list of sustainable stocks for the year 2023 (SET ESG Rating), formerly known as Thailand Sustainability Investment (THSI), for 2 consecutive years. The Company received a rating of "A", reflecting the Company's strong commitment to fostering business growth, innovations, and generating sustainable returns while prioritizing environmental, social, and corporate governance (ESG) factors throughout the business operations and considering benefit for all stakeholders.
- On November 21, 2023, Dr. Bodin Kasemset, Chief Executive Officer, represented the Company in receiving the "Best Company Performance Awards 2023" for companies listed on the Market for Alternative Investment (mai) with a market capitalization of more than 1,500 million baht at the SET Awards 2023. This recognition reflects the Company's ability to consistently deliver outstanding business results, maintain a high level of corporate governance, and adhere to the rules of the Stock Exchange of Thailand regarding information disclosure and the quality of financial statements.
- On November 21, 2023, the Company received the "Outstanding Investor Relations Awards 2023" for companies listed on the Market for Alternative Investment (mai) for 2 consecutive years. This recognition reflects the Company's outstanding performance in investor relations activities, sufficient information disclosure for investments with quality, thoroughness, equality, transparency, and accessibility via various effective communication channels, as well as sustainability policy and emphasizing on the importance of shareholders, investors and all stakeholders.

7. Corporate Governance Structure and Key Data of the Board of Directors, Sub-Committees, Management, Employees and Others

7.1 Corporate Governance Structure

As of December 31, 2023, the Company's management structure comprises of the Board of Directors and the sub-committees as follows: (1) The Audit Committee; (2) The Risk Management Committee; (3) The Executive Committee and (4) The Nomination, Remuneration and Corporate Governance Committee. The Chief Executive Committee (CEO) is the top executive.

Corporate Governance Structure of Silicon Craft Technology Public Company Limited on 31 December 2023



*Remark: The Company has appointed Unique Advisor Company Limited, the expert, to be the auditor of internal control system.

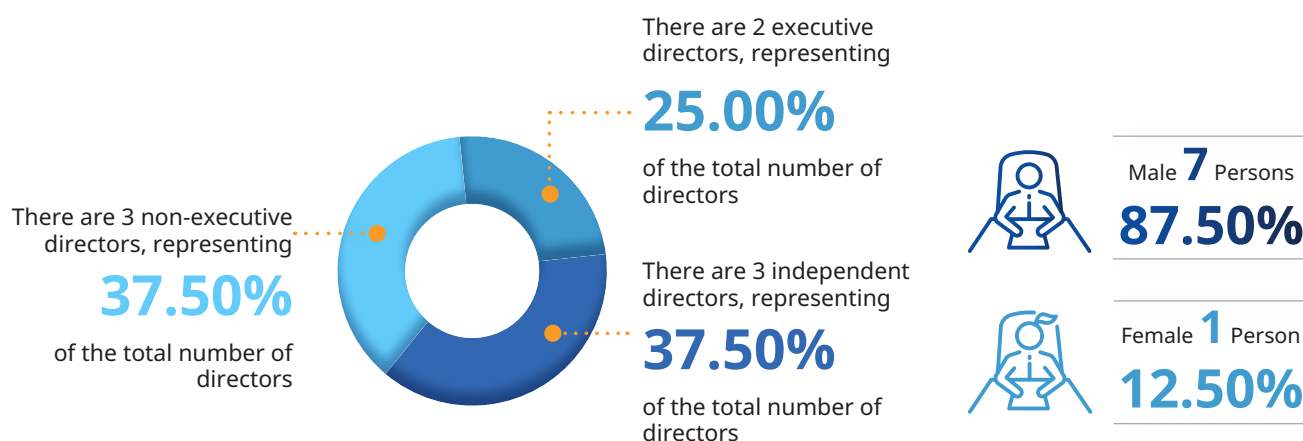
7.2 Information on the Board of Directors

7.2.1 Composition of the Board of Directors

The Board of Directors plays a role in driving the organization and has a duty to set plans and policies for business operations as well as supervising management to be in line with goals and guidelines that bring maximum benefit to shareholders and taking into account the interests of all stakeholders under good corporate governance.

The Board of Directors must therefore perform duties with transparency, responsibility, caution, and honesty including ensure that business operations meet the Company's objectives, the Company regulations, Board Meeting's resolutions, the Shareholder meeting's resolutions as well as related laws, criteria, and regulations.

- As of December 31, 2023, the Board of Directors consisted of eight directors residing in the Kingdom and Thai nationality.



- The structure of the Board of Directors at present is appropriate and balance. For instance, there should be at least one independent director in three of the total number of directors, but not less than three persons, while having at least three members of the Audit Committee who are independent and have qualifications as specified by the SEC, the SET, including relevant announcements, rules, and/or related regulations. The Audit Committee must have at least one director with knowledge and experience to review the reliability of financial statements, including one non-executive director with working experience related to the Company's business.
- The Company appointed a non-executive director as Chairman of the Board of Directors. The Chairman of the Board of Directors and the Chief Executive Officer are not the same person, which is in accordance with the principles of good corporate governance, has a balance between the Board of Directors and the management team, and clear management review.
- The Board of Directors consists of qualified people who are diverse in terms of skills, gender, age, educational background, knowledge, expertise, experience. The Board of Directors has prepared the Board Skill Matrix that is useful for driving business and the direction of success of the organization.

Board Skill Matrix



Specific knowledge, experience or expertise

Technology, Research and Development	7 person
IP Management	6 person
Legal Knowledge	5 person
Supply Chain	3 person
IT Management	5 person



Macromanagement

Accounting and Finance	5 person
Semiconductor Business Knowledge	6 person
Business Acumen	8 person
Organization and Human Resource Management	7 person
Risk Management and Business Continuity Management	7 person
Crisis Management	5 person
International Marketing	5 person
Strategic Planning	8 person
Mergers and Acquisitions	5 person



Corporate Governance

Corporate Governance	7 person
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7.2.2 Board of Directors

As of December 31, 2023, the Board of Directors consists of 8 members, namely:

Name - Surname	Position/ Type	Position in Sub-Committee
1. Mr. Manop Dhamsirianunt	Chairman of the Board of Directors/ Non-Executive Director	-
2. Mrs. Monluedee Sookpantararat	Director/ Independent Director	<ul style="list-style-type: none"> Chairman of the Audit Committee Member of the Risk Management Committee
3. Mr. Wuthipong Suponthana	Director/ Independent Director	<ul style="list-style-type: none"> Chairman of the Risk Management Committee Member of the Audit Committee Member of the Nomination, Remuneration and Corporate Governance Committee
4. Mr. Sarote Phornprapha	Director/ Independent Director	<ul style="list-style-type: none"> Chairman of the Nomination, Remuneration and Corporate Governance Committee Member of the Audit Committee

Name - Surname	Position/ Type	Position in Sub-Committee
5. Mr. Naiyavudhi Wongkomet	Director/ Non-Executive Director	<ul style="list-style-type: none"> Chairman of the Executive Committee Member of the Risk Management Committee Member of the Nomination, Remuneration and Corporate Governance Committee
6. Mr. Apinetr Unakul	Director/ Non-Executive Director	-
7. Mr. Apinunt Thanachayanont	Director/ Executive Director Chief Research Officer	<ul style="list-style-type: none"> Member of the Executive Committee
8. Mr. Bodin Kasemset	Director/ Executive Director - Chief Executive Officer - Chief of Sales & Business Development Officer	<ul style="list-style-type: none"> Member of the Executive Committee Member of the Risk Management Committee
9. Ms. Arunee Poontawe ^[1]	Director	-

Remark: ^[1] Ms. Arunee Poontawe resigned from the Member of the Board of Directors at the Board of Directors' Meeting No. 1/2023 dated February 24, 2023 with effect from March 1, 2023 onwards.

Ms. Katalee Krachangsaeng is the Company Secretary who has been appointed by the Meeting of the Board of Directors No.5/2021 dated August 11, 2022 which has been effective from August 12, 2022. Moreover, Information of the Board and Directors appears in attachment no.1.

The Authorized directors who have authority to sign on behalf of the Company

Mr. Manop Dhamsirianunt, Mr. Naiyavudhi Wongkomet, Mr. Bodin Kasemset. Two directors from these directors sign together and affix the Company's seal.

7.2.3 Role and Duties of the Board of Directors

The Board of Directors, as the supreme leader of the organization appointed by the shareholders and their agents, plays an important role in supervision of the Company's operations, allocation of resources, supervision of the performance of the sub-committees, formulation of policies and business strategies to ensure the long-term good turnover of the business to gain the confidence of shareholders and stakeholders, which is value creation for sustainable business. The Board of Directors must perform its duties with responsibility, carefulness, integrity, and supervise the Company's operations in accordance with relevant laws, regulations, resolutions of the Board of Directors' meeting, and shareholders' meeting, and policies of the Company. The duties and responsibilities of the Board of Directors and the Chairman of the Board of Directors must be as stipulated in the Charter.

Material authorities, Duties, and Responsibilities of The Board of Directors

1. To have power and duties pursuant to the Company's articles of association, as well as to oversee and manage the operations of the Company to ensure compliance with the laws, objectives, articles of association of the Company and the resolutions of shareholders' meetings;
2. To specify the Company's vision, mission, target, strategy and policy;
3. To approve the significant strategies, policies, objectives and targets with regards to business operations, assets management, finance, fund raising, investments and risk management of the Company as well as to follow-up on efficiently compliance with the specified plans;

4. To consider the matters which are required to propose to the shareholders for consideration and approval during the shareholders' meeting. Main agenda during the annual general meeting of shareholders are:
 - To consider the report of the Board on the Company's performance proposed to the meeting;
 - To consider and approve the financial statements;
 - To consider on allocation of the Company's profits;
 - To propose a list of new director to replace the director who shall retire by rotation;
 - To nominate an auditor and fix the auditor's remuneration;
 - To consider any transaction which may have conflict of interest, in the part which is required to request for approval from the shareholders;
 - Other matters.
5. To prepare the report on general information and financial information of the Company in order to report to the shareholders and the stakeholders or the general investors correctly, on timely manner and pursuant to the applicable laws;
6. To acknowledge important audit report of the Audit Committee or the supervisory agency and the internal audit unit as well as the auditor and the consultants of the Company and to specify guidelines on improvement or correction, in case material defects have been found;
7. To specify clear and appropriated operating guidelines in order to make internal control system transparently and effectively;
8. To review adequacy and appropriateness of the Company's internal control system and risk management system;
9. To arrange the succession plan continually;
10. To consider and evaluate performance of the Board of Directors and the sub-committees as well as supervise the Company to ensure that it has efficient process for evaluation performance of the top management;
11. To appoint the Audit Committee and to give comment on power and duties of the Audit Committee;
12. To appoint the representative to oversee the subsidiary, the associated company or the joint venture;
13. To consider and specify management structure, power to appoint the Executive Committee, the President and other sub-committees, as appropriated, as well as to specify scope of power and duties of the Executive Committee, the President and the sub-committees appointed to assist and support operations of the Board;

However, the delegation of authority pursuant to the specified scope of power and duties shall not be in the manner which can entitle the Executive Committee, the President and the subcommittees consider and approve any transactions which may have interests or other conflict of interests against benefits of the Company or the subsidiary (if any), unless it is the approval of transaction which conforms to policy and criteria already considered and approved by the Board of Directors;

14. To consider, define and amend name of the directors authorized to sign and bind the Company;
15. To authorize one or more directors or any person to act on behalf of the Board. However, the abovementioned authorization shall not include the delegation of authority which can entitle such authorized person to approve any undertaking that such person or a person who might have conflict of interest (the definition of "a person who might have conflict of interest" shall be as per defined in the notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company;

However, the following undertakings shall be exercised only after they have obtained an approval from the shareholders' meeting first, provided that, any director or any person who might have any conflicts, interests or conflict of interest regarding any transaction with the Company and/or its subsidiary shall not have the right to vote for such transaction:

- Any matter that the laws has specified that it must have an approval from the shareholders' meeting;
- Any transaction that any director may have some interests and in scope that the laws or regulations of the Stock Exchange of Thailand prescribed that it must have an approval from the shareholders' meeting;

- In addition, the following activities are required to have approval with majority votes from the Board of Directors' meeting presenting at the meeting and from the shareholders' meeting with the votes not less than three fourths of votes of shareholders present at the meeting and have the voting rights:
 - Disposition or transfer of total or some material parts of the Company's businesses to other persons;
 - To enter into, amend or revoke the contract concerning rental of total or some material parts of the Company's businesses; the assignment of other person to manage business of the Company or merger of the other's business for profit sharing purpose;
 - Issuance of new securities to repay to the Company's creditors pursuant to debt to equity conversion project;
 - Registration to decrease the Company's registered capital by reducing the number of shares or devaluation of shares;
 - Increase, decrease, issuance of debentures, merger or dissolution of the Company;
 - Other matters, as per specified by the laws.

In addition, a transaction that the director or the person authorized by the director or the person who might have any conflicts, interests or conflict of interest regarding any transaction with the Company or its subsidiary, shall not have the right to vote on such matter.

In addition, the Board shall have duties to oversee and ensure that the Company shall comply with the laws on securities and exchange, requirements of the stock exchange, such as connected transactions, acquisition and disposition of assets pursuant to criteria of the Stock Exchange of Thailand or as per the notification of the Securities and Exchange Commission, the Capital Market Supervisory Board or the laws relevant to the Company's businesses.

Material authorities, Duties, and Responsibilities of Chairman of the Board of Directors

The Chairman of the Board of Directors has a very important role in supporting the Board of Directors to fully perform their duties in accordance with the Company's strategy. The Chairman of the Board of Directors has to lead the meeting and encourage the directors to have prudent considerations and give their opinions freely, while strengthening good relationships between the Board of Directors and related parties, with duties and responsibilities as follows:

1. To ensure the overall company's strategy and policy guidelines in accordance with the laws, relevant regulations of government agencies and the Company, as well as the resolutions of the shareholders' meeting.
2. Establish a system to monitor and evaluate the Company's performance in order to comply with the policy on a regular basis.
3. Promote compliance with corporate governance and corporate social and environmental responsibilities and promote ethical creation for people at all levels.
4. Encourage all directors to participate in development training to enhance knowledge in areas that are useful for the performance of directors' duties in reputable and respected institutions such as the Thai Institute of Directors Association and the Stock Exchange of Thailand.
5. Act as chairman of the meeting and attend every meeting to ensure the effectiveness of the Board of Directors' meeting, as well as encourage all directors to express their opinions; ensure that the authority of the management of the organization is assigned to the management in an appropriate manner; ensure that all directors receive the correct company information, on time and clear for decisions making that will effectively lead to the success of the Company.
6. Act as chairman of every shareholder's meeting and assign supervisors to shareholders' meeting to ensure compliance with laws and regulations; ensuring that all directors attend the shareholders' meeting and allows shareholders to fully exercise their right to attend the meeting, vote, questioning or requesting additional clarification

7.3 Information on the Sub-Committees

7.3.1 Structure and composition of sub-committees

The Board of Directors elected four Sub-Committees to support the Company's good corporate governance and facilitate the Company's business as follows:

1. The Audit Committee;
2. The Risk Management Committee;
3. The Nomination Remuneration and Corporate Governance Committee; and
4. The Executive Committee.

Structure and composition of sub-committees are as follows.



The Company has prepared a charter for all related sub-committees, with clearly defined information on composition and appointment, scope of duties, and responsibilities. There are important details as follows:

1) The Audit Committee

Material authorities, Duties, and Responsibilities of The Audit Committee

1. To review accuracy and adequacy of the Company's financial reporting by coordinating with the external auditor and the executives who are responsible for preparing of quarterly and yearly financial reports. The Audit Committee may recommend the auditor to review or audit any transaction which it deems necessary and materially during the Company's auditing process;
2. To review the Company's internal control system and internal audit jointly with the external auditor and the internal auditor to ensure that they are suitable and efficient, to determine independence of the internal audit unit and/or the outsourced internal auditor, including to approve the appointment, transfer and dismissal of the chief of the internal audit unit and/or the outsourced internal auditor;
3. To review the Company's compliance with the laws on securities and exchange, regulations of the stock exchange and the laws pertaining to the Company's businesses;

4. To select and propose an independent person to be the Company's auditor and to fix his/her remuneration based on creditability, adequacy of resources and amount of auditing work of such auditing firm, including the experiences of the personnel assigned to perform the Company's audit works, as well as to attend the meeting with the auditor without any participation of the Company's Management at least once a year;
5. To consider the connected transactions or transactions that may lead to conflicts of interest to ensure their compliance with the laws, notifications and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to make sure that such transactions are reasonable and for the best interests of the Company.
6. To consider transactions on acquisition or disposition of the Company's assets of which transaction size is required to obtain approval from the Audit Committee as per specified in the laws, notifications, regulations of the Stock Exchange of Thailand and criteria of the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board.
7. To prepare the Audit Committee's report and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and at least it must contain the following information:
 - Recommendation on accuracy, completeness and creditability of the Company's financial report;
 - Recommendation on adequacy of the Company's internal control system;
 - Recommendation on compliance with the laws on securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the Company's businesses;
 - Recommendation on suitability of the auditor;
 - Recommendation on transaction which may have conflict of interest;
 - Number of the Audit Committee's meetings arranged and attendance of such meetings by each committee member;
 - Overall recommendations or observations that have arisen while the Audit Committee performed its duties in accordance with the Charter;
 - Other matters which should be made available to the shareholders and general investors within scope of duty and responsibilities assigned by the Company's Board of Directors.
8. The Audit Committee shall conduct self-evaluation on its performance and report such evaluation results together with problems or obstacles found in performing the works which may make them unable to achieve objectives as per specified to the Board for acknowledgement every year;
9. To approve the internal audit plan, as well as to consider on acknowledgement of performance report of the Internal Audit Unit and/or the outsourced internal auditor;
10. To consider, review and improve the Audit Committee Charter and propose to the Board for consideration and approval;
11. In carrying out duties, if the Audit Committee has found or is suspicious about any of the following transactions or activities which may have material impacts to the financial position or performance of the Company, the Audit Committee must report the Board of Directors to take corrective action within a period of time it deems appropriated. Such transaction include:

Recommendation on accuracy, completeness and creditability of the Company's financial report;

 - Transaction with the conflicts of interests;
 - Fraud or unusual transaction or significant deficiency in the Company's internal control system;
 - Violation or breach of laws on securities and exchange, notifications and regulations of the Stock Exchange of Thailand and the laws related to the Company's business.
12. To conduct an investigation of the matter notified by the Company's auditor. If the Company's auditor discovered any suspicious circumstance concerned with the director, manager or any person responsible for the Company's operations, which can be regarded as the fraudulent act as per specified in the Securities and Exchange Act and the auditor has reported such issue to the Audit Committee, the Audit Committee must conduct an investigation and shall report the result of the preliminary investigation to the Office of Securities and Exchange Commission and the auditor within 30 days from the date notified by the auditor.
13. To perform any other tasks as assigned by the Board of Directors and approved by the Audit Committee.

In performing the operations pursuant to the scope of authority and duty, the Audit Committee shall have power to invite or order the concerned management, the department head or the employee of the Company to provide recommendation, participate in the meeting or submit document which is deemed relevant and necessary. Moreover, in performing duties under scope of authority and duty of this regulation, the Audit Committee may consult with the external independent consultant or the expert in various professions, if it deems necessary and appropriated, at the Company's expenses.

Nomination and appointment of The Audit Committee

1. The Board of Directors shall appoint the Audit Committee which consists of at least 3 persons and all of them must be the Independent Directors
2. The independent directors who have been appointed as the Audit Committee shall possess qualifications as per stipulated by the regulations of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand and at least one member of the Audit Committee shall have adequate knowledge, understandings or experiences on accounting and/or finance.
3. Term of office of each member is 3 years each. The Audit Committee may be re-appointed pursuant to the agenda approved by the Board of Directors but the term of office shall not be renewed automatically.
4. The Audit Committee shall jointly elect one of the members to be the Chairman of the Audit Committee.
5. The Audit Committee shall appoint the secretary to assist the works pertaining to summoning of meetings, preparation of the meeting agenda, submission of the meeting document and record the minutes of meeting.
6. Apart from vacating office upon expiry of the term, the Audit Committee may vacate from holding office upon occurrence of the following circumstances:
 - 1) Resignation;
 - 2) Expiration of the term or termination from the being the Company's Director;
 - 3) The Board of Directors passed a resolution to remove from office;
 - 4) Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 - 5) Death.

Qualifications of The Audit Committee

1. Be an Independent Director and have qualification as prescribed by the Office of the SEC and the SET (please see more details in topic "Qualifications of the Independent Director);
2. Must not be a director who is appointed from the Board of Directors to make decision with regards to the business operations of the Company, its parent company, its subsidiary, its associated company, a subsidiary in the same level, a major shareholder or a controlling person of the Company;
3. Must not be a director of the parent company, its subsidiary, or a subsidiary in the same level, only of the listed company;
4. To have duty in the same manner specified in the notifications, regulations and/or rules of the Stock Exchange of Thailand on qualifications and scope of work of the Audit Committee;
5. To have adequate knowledge, understandings and experiences on accounting or finance that can audit credibility of the financial statement as well as perform other duties as the Audit Committee.

2) The Risk Management Committee

Material authorities, Duties, and Responsibilities of The Risk Management Committee

1. To specify risk management policy and risk appetite to propose to the Board;
2. To specify overall policies and guidelines of the Company's risk management which shall cover financial risks, investment risks and other risks which might impact the Company's reputation, and etc. to propose to the Board for approval;
3. To specify the Company's risk management plan, framework and processes to make them correspond to risk management policy, then monitor on implementation, as well as review efficiency of risk management framework;
4. To review risk management report and operation to make sure that risk management is continually conducted and risk appetite can be adequately and suitably managed;

5. To develop and review the Company's risk management system to make it efficiently and effectively on continued basis by constantly evaluating and monitoring risk management process pursuant to the specified policy.
6. To appoint the Risk Management Steering Committee (RMSC), as appropriate, as well as to support the Risk Management Steering Committee on personnel, budget and other necessary resources which are consistently with its scope of responsibility;
7. To constantly coordinate with the Audit Committee by exchanging knowledge and information on risk and internal control which has or may have impact to the Company;
8. To make decision and provide recommendation concerning important issues occurred in the risk management process;
9. To present performance report of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration every quarter;
10. To perform other duties as per assigned by the Board.

Nomination and appointment of the Risk Management Committee

1. The Board of Directors shall appoint the Risk Management Committee and also appoint Chairman of the Risk Management Committee. The Risk Management Committee will consist of;
 - 1) At least one of Independent Director
 - 2) At least one of Executive Director
 - 3) One of executives shall be appointed as secretary of the Risk Management Committee
2. The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically.
3. Apart from vacating office upon expiry of the term, The Risk Management Committee may vacate from holding office upon occurrence of the following circumstances:
 - 1) Resignation;
 - 2) Expiration of the term or termination from the being the Company's Director;
 - 3) The Board of Directors passed a resolution to remove from office;
 - 4) Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 - 5) Death.

3) The Nomination, Remuneration and Corporate Governance Committee

Material authorities, Duties, and Responsibilities of The Nomination, Remuneration and Corporate Governance Committee

On Nomination

1. To specify criteria and policy on nomination of the directors and the sub-committees by considering from appropriateness of the number, structure and component of the Board; specify 115 qualifications of the director to propose to the Board and/or to propose to the shareholders' meeting for approval, as the case may be;
2. To consider, recruit and propose suitable persons to be the Company's director or replace the director whose term shall be expired and/or when such position is vacant and/or when it is required to appoint additional director;
3. To consider a list of the proposed candidates then select the person whose qualifications conform to the specified criteria;
4. To approach the person whose qualifications, conform to the criteria specified to make sure that such person is willing to accept the position of the Company's director, if he/she appointed by the shareholders;
5. To perform other tasks assigned by the Board of Directors pertaining to nomination;
6. To nominate and evaluate performance of the Chief Executive Officer to propose to the Board of Directors' meeting for consideration and approval.

On Remuneration

1. To prepare criteria and policy on determination of remuneration of the Company's Board of Directors and the sub-committees to propose for approval from the Board and/or the shareholder's meeting, as the case may be;
2. To specify necessary and suitable remuneration, both pecuniary benefits and non-pecuniary benefits, of the Board of Directors, individually in each year based on scope of authority, duties and responsibilities (Accountability

- and Responsibility), performance and from comparing with other companies engaging in similar businesses as well as benefits expected to be obtained from the director to propose to the Board of Directors for consideration and further propose for approval from the shareholder's meeting;
3. To be responsible for the Board and to have duty to clarify and answer any queries on remuneration of the Board during the shareholders' meeting;
 4. To consider evaluation criteria of performance of the Chief Executive Officer.
 5. To report policy, principle/reason on determination of remuneration of the directors and the management pursuant to regulations of the stock exchange, by disclosing in the annual registration statement (Form 56-1) and the annual report of the Company;
 6. To determine annual remuneration of the directors and the Chief Executive Officer, pursuant to the payment criteria considered then propose to the Board of Directors for consideration on approval of remuneration of the Chief Executive Officer. For remuneration of the directors, the Board shall propose to the shareholders' meeting for approval;
 7. To consider on appropriateness and to give consent in case of offering of newly issued securities as incentives to the Company's directors and employees, by adhering to fairness to the shareholders in order to motivate the directors and the employees to perform duties on enhancement of value to the shareholders in the long term and to be able to truly retain the qualified employees;
 8. To perform other tasks relevant to the determination of remuneration as per assigned by the Board; The management and the department heads shall report or present relevant information and document to the Nomination and Remuneration Committee to support its operations in order to achieve the assigned duties;
 9. To consider bonus framework, salary increase and key index performance of the organization to propose to the Board for consideration.

On Corporate Governance

1. Consider to set guidelines and policy regarding business ethics, as well as anti-corruption policy, in accordance with the principles of good corporate governance to the Board of Directors and management to establish an organization's code of conduct which has standardized and appropriate
2. Supervise, consult, evaluate and review policies and adhere to good corporate governance principles and business ethics, including social and environmental responsibility, as well as sustainability development, to develop and enhance the Company's corporate governance to international standards.
3. Suggest on guidelines about social and environmental responsibility, as well as supervising, consulting, supervising, and monitoring the progress of the organization's sustainable development actions and evaluating the effectiveness of the operation.
4. Review the suitability of the Charter of the Nomination Remuneration and Corporate Governance committee and present to the Board of Directors for approval if the charter has been updated.
5. Perform any other duties as assigned by the Board of Directors.

Nomination and appointment of the Nomination, Remuneration and Corporate Governance Committee

1. Nomination Remuneration and Corporate Governance committee is appointed by the Board of Directors and consists of at least 3 directors and/or executives, with more than half of the total directors having to be independent directors.
2. The Nomination, Remuneration and Corporate Governance Committee shall jointly elect one of the members to be the Chairman of the Nomination, Remuneration and Corporate Governance Committee.
3. The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically.
4. Apart from vacating office upon expiry of the term, the Nomination, Remuneration and Corporate Governance may vacate from holding office upon occurrence of the following circumstances:
 - 1) Resignation;
 - 2) Expiration of the term or termination from the being the Company's Director;
 - 3) The Board of Directors passed a resolution to remove from office;

- 4) Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
- 5) Death.
5. The Board of Directors has the power to appoint a member of Nomination Remuneration and Corporate Governance committee for carrying out the objectives or to replace the directors in the committee who retired from the office. The person who is appointed to the Nomination Remuneration and Corporate Governance committee, substitute for resignation or resolved to vacate, will only be in office as long as the remaining term.

4) The Executive Committee

Material authorities, Duties, and Responsibilities of The Executive Committee

1. To have power to make decision on important operations of the Company by specifying scope, type or size of business, objectives, guideline and policy of the Company within the scope of power assigned including to supervise overall operations, productivity, relationship with the customers as well as to be responsible for the Board;
2. To oversee and manage the Company's business operations pursuant to the policy specified by the Board of Directors and to report operating results to the Board;
3. To formulate strategy and business operation plan, annual budget including management structure so that the works can be undertaken pursuant to the policy and target specified by the Board, as well as to propose to the Board for consideration;
4. To specify approval authority of each person appropriately, segregate duties which may be prone to corruption then propose to the Board for approval then supervise to ensure that the approved principles and regulations have been adhered to;
5. To have power to manage salary structure, to specify scope of duty on work, appointment, transfer, wages cutting or reduction, removal, dismissal, disciplinary penalty, awarding and merit of the employees;
6. To consider on approval of financial transactions with the bank or the financial institutes to support normal course of business operations, such as opening or closing of bank account, loan, borrowing, credit line financing, pledge, mortgage, guarantee and etc., including purchase, sale and register for ownership in any land for normal course of business operation pursuant to the approval power approved by the Board of Directors;
7. To consider on investment, work expansion as well as acquisition and disposition of the Company's fixed assets to propose to the Board;
8. To have power to act and represent the organization with the third party in the activities related to and beneficial to the organization;
9. To consider about the Company's fund raising activity to propose to the Board;
10. To approve on appointment of consultants in various fields necessary for business operations;
11. To manage general business of the Company;
12. To consider and approve operation plans of each department and consider and approve the requested application of any department which exceeds power of such department;
13. To jointly work with the Risk Management Committee on formulation of risk management policy and risk appetite to propose to the Board;
14. To jointly work with the Risk Management Committee to specify overall risk management policy and guidelines of the Company covering various material types of risks, i.e. financial risk, investment risks and risks which may impact to the business's reputation, and etc. to propose for the Board's approval;
15. To jointly work with the Risk Management Committee to specify the Company's risk management plan, framework and process to make them consistent with the risk management policy and follow-up on its implementation as well as review efficiency of the risk management framework;
16. To jointly work with the Risk Management Committee to review management report and to operate to make sure that risk management is continually conducted and risk appetite can be adequately and suitably managed;
17. To jointly work with the Risk Management Committee to develop and review the Company's risk management system to make them efficiency and effectiveness continually by constantly evaluating its results and to monitor risk management processes to ensure that they are consistently with the specified policy;

18. To jointly work with the Risk Management Committee on appointment Risk Management Steering Committee (RMSC) as well as to support on personnel, budget and other necessary resources which are consistently with its scope of responsibility;
19. To jointly work with the Risk Management Committee on coordination with the Audit Committee constantly by exchange knowledge and information on risk and internal control which has or may have impact to the Company;
20. To jointly work with the Risk Management Committee on making decision and provision of recommendation with regards to material problem occurred in the risk management processes;
21. jointly work with the Risk Management Committee to present the performance report of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration every quarter;
22. To perform any other tasks assigned by the Board of Directors.

However, the delegation of authority and responsibility of the Executive Committee shall not entitle the authorized person to have authority to approve any undertaking that such person or a person who might have conflict of interest (the definition of “Person who might have conflict of interest” shall have meaning as per specified in the Notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company. Approval of such transaction is required to be proposed to the Board of Directors’ meeting and/or the shareholders’ meeting for consideration and approval, pursuant to the Articles of Association of the Company or the relevant laws, except it is the approval of the transaction which is normal course of business operation pursuant to the policy and criteria already considered and approved by the Company.

Nomination and appointment of the Executive Committee

1. The Board of Directors shall appoint the Executive Committee with reasonable amount preference. The Executive Committee shall consist both the Company’s executives or external members. The Board of Directors shall jointly elect one of the members to be the Chairman of The Executive Committee.
2. Chief Executive Officer shall be the member of the Executive Committee automatically.
3. The Executive Committee shall appoint secretary of the Executive Committee
4. The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically.
5. Apart from vacating office upon expiry of the term, the Executive Committee may vacate from holding office upon occurrence of the following circumstances:
 - 1) Resignation;
 - 2) Expiration of the term or termination from the being the Company’s Director;
 - 3) The Board of Directors passed a resolution to remove from office;
 - 4) Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 - 5) Death.

7.3.2 List of Sub-Committee

1) The Audit Committee

As of December 31, 2023, the Company’s Audit Committee consisted of 3 members, namely:

Name - Surname	Position/ Type
1. Mrs. Monluedee Sookpantararat	Chairman of the Audit Committee/ Independent Director
2. Mr. Wuthipong Suponthana	Member of the Audit Committee/ Independent Director
3. Mr. Sarote Phornprapha	Member of the Audit Committee/ Independent Director

In this regards, Mrs. Monluedee Sookpantararat, has knowledge and understanding on accounting and experiences to review the Company’s financial statements and Ms. Usanee Intachit is the Secretary of the Audit Committee.

2) The Risk Management Committee

As of December 31, 2023, the Company's Risk Management Committee consisted of 4 members, namely:

Name - Surname	Position/ Type
1. Mr. Wuthipong Suponthana	Chairman of the Risk Management Committee/ Independent Director
2. Mrs. Monluedee Sookpantarat	Member of the Risk Management Committee/ Independent Director
3. Mr. Naiyavudhi Wongkomet	Member of the Risk Management Committee/ Non-Executive Director
4. Mr. Bodin Kasemset	Member of the Risk Management Committee/ Executive Director

In this regards, Mr. Karn Opasjumruskit is the Secretary of the Risk Management Committee.

3) The Nomination, Remuneration and Corporate Governance Committee

As of December 31, 2023, the Company's the Nomination, Remuneration and Corporate Governance Committee consisted of 3 members, namely:

Name - Surname	Position/ Type
1. Mr. Sarote Phornprapha	Chairman of the Nomination, Remuneration and Corporate Governance Committee / Independent Director
2. Mr. Wuthipong Suponthana	Member of the Nomination, Remuneration and Corporate Governance Committee / Independent Director
3. Mr. Naiyavudhi Wongkomet	Member of the Nomination, Remuneration and Corporate Governance Committee / Non-Executive Director

In this regards, Ms. Thamon Vichienson is the Secretary of the Nomination, Remuneration and Corporate Governance Committee.

4) The Executive Committee

As of December 31, 2023, the Company's Executive Committee consisted of 6 members, namely:

Name - Surname	Position/ Type
1. Mr. Naiyavudhi Wongkomet	Chairman of the Executive Committee/ Non-Executive Director
2. Mr. Bodin Kasemset	Member of the Executive Committee/ Executive Director
3. Mr. Kowit Nuangsuk	Member of the Executive Committee/ Executives
4. Mr. Sarun Polachart	Member of the Executive Committee/ Executives
5. Mr. Thaweesak Thantipwan	Member of the Executive Committee/ Executives
6. Mr. Apinunt Thanachayanont	Member of the Executive Committee/ Executive Director

In this regards, Ms. Katallee Krachangsaeng is the Secretary of the Executive Committee.

7.4 Information of Executives

7.4.1 Names and Positions of Executives

The Company maintains appropriate and transparent criteria and procedures for selecting personnel to take responsibility in the Company's important management positions. This is to ensure that the Company retains qualified executives with skills, good work experience and ethics, compatible with organizational culture and professional abilities. Recruiting and appointing at the level of the top executives/Chief Executive Officer will be considered and determined by the Nomination, Remuneration, and Corporate Governance Committee and approved by the Board of Directors accordingly.

As of December 31, 2023, the Company's has 5 executives, namely:

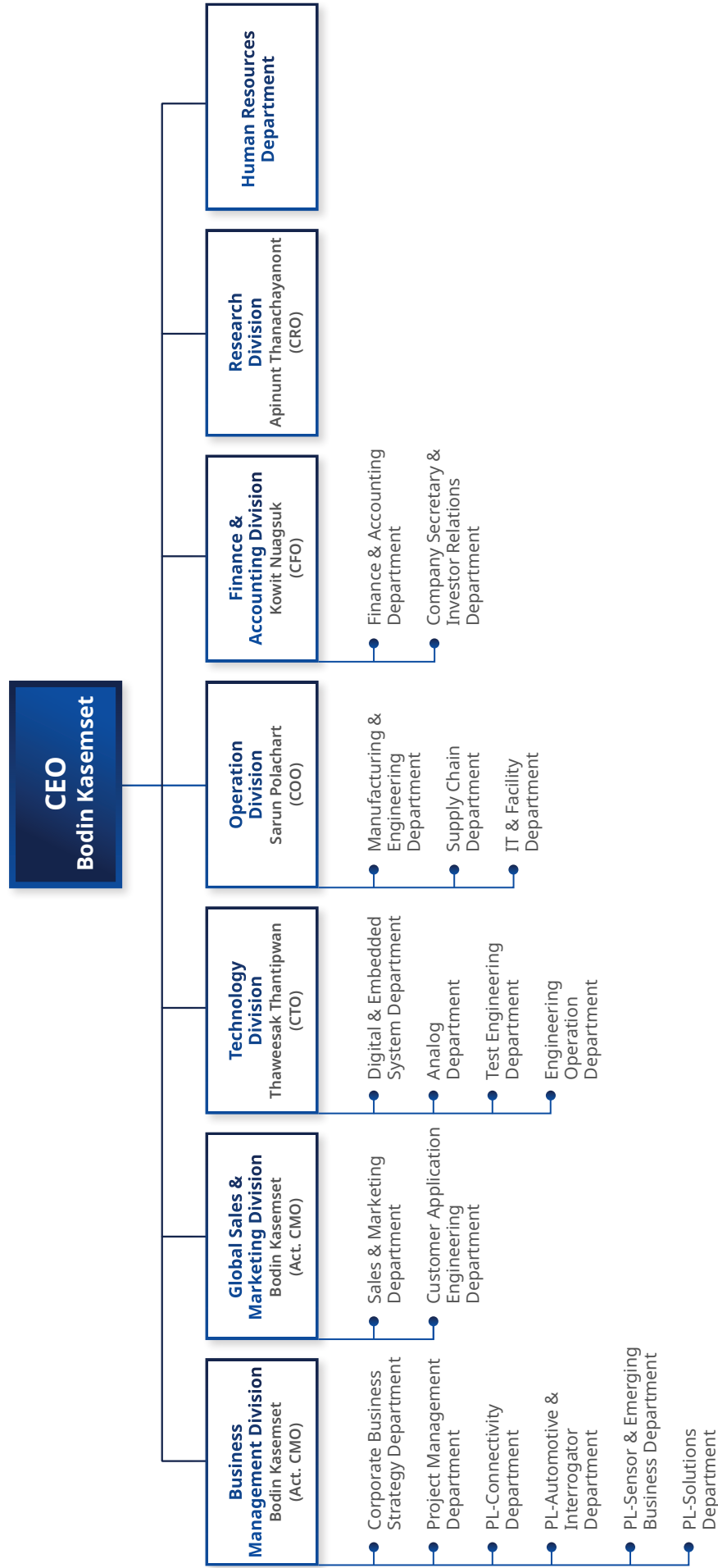
Name – Surname ^[1]	Position
1. Mr. Bodin Kasemset	Chief Executive Officer / Chief of Sales & Business Development Officer
2. Mr. Kowit Nuangsuk	Chief Financial Officer
3. Mr. Sarun Polachart	Chief Operating Officer
4. Mr. Thaweesak Thantipwan	Chief Technology Officer
5. Mr. Apinunt Thanachayanont	Chief Research Officer

Remark: ^[1] According to the Notification of the Securities and Exchange Commission No. KorJor. 17/2551 RE: Determination of Definitions in Notifications Regarding Issuance and Offer for Sale of Securities (including amendments), an executive means a manager or the first four executive positions after the manager, persons holding positions equivalent to every fourth executive position, and persons holding executive positions in accounting or finance who are at the level of department manager or equivalent. The information of the Company's executives appears in Attachment 1.

7.4.2 Organization Structure

Company's organization structure of Silicon Craft Technology Public Company Limited

As of December 31



Material authorities, Duties, and Responsibilities of Chief Executive Officer

1. To comply with the applicable laws including the laws on securities and exchange, notification of the Securities and Exchange Commission, notification of the Capital Market Supervisory Committee, notification of the SET, other related notifications, rules, and/or regulations and resolutions of the shareholders' meeting and the Board of Directors' meeting;
2. To oversee, manage, operate and perform day-to-day works pursuant to normal business operations for the Company's interest to ensure compliance with the policy, vision, target, business operation plan and budget specified by the Board of Directors' meeting;
3. To manage the Company's business operations pursuant to main missions specified by the Board to ensure that they are consistent with the business operation plan and budget of the Company including relevant business operation strategy specified by the Board;
4. To supervise overall operations on finance, marketing, personnel management and other operations, so that they conform to the Company's policy and business operation plan specified by the Board;
5. To have power to employ, appoint, transfer, dismiss, terminate employment, specify wages and remuneration of the Company's employees and power to appoint the sub-attorney-in-fact to perform duties instead;
6. To specify gratuity, reward, increase salary, remuneration, special bonus apart from normal bonus of the Company's employees from vice chief executive officer downwards,
7. To negotiate and enter into contract and/or other transaction relevant to normal business operations of the Company, provided that credit line of each transaction shall be as per specified in the delegation of authority approved by the Board;
8. To issue orders, rules, announcement and records of the Company, so that operations of the Company shall be as per policy and for the Company's interests, as well as to maintain discipline within the organization;
9. To have power to specify trading terms/condition for benefits of the Company;
10. To consider on investment in new business or dissolution of business to propose to the Executive Committee or the Board;
11. To consider on investment in new business or dissolution of business to propose to the Executive Committee or the Board;
12. To perform other tasks assigned by the Board and to have power necessary to perform such duty;
13. To have authority to sub-authorize power and/or assign other person to perform any specific work. However, authorize of such power and/or assignment shall be within the scope of delegation of power, pursuant to the notice on delegation of power and/or pursuant to the rules, regulations or orders specified by the Board.

In addition, delegation of authority and responsibility of the Chief Executive Officer shall not entitle the Chief Executive Officer or the person authorized by the Chief Executive Officer to have authority to approve any undertaking that he/she or a person who might have conflict of interest (the definition of "Person who might have conflict of interest" shall have meaning as per specified in the Notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company, except it is the approval of the transaction pursuant to policy and criteria already considered and approved by meetings of the shareholders or the Board of Directors.

7.4.3 Remuneration Policy for the Executive Committee, Chief Executive Officer and Executives

The Company has a policy to set the remuneration of the Executive Committee, Chief Executive Officer and Executives to be in an appropriate level, both financially and non-financially by setting criteria to determine fair and reasonable remuneration in consistent with the Company's performance to the Executive Committee, Chief Executive Officer, including executives. The Remuneration for the Executive Committee, Chief Executive Officer and Executives must be consistent with the Company's strategy and goals, as disclosed in the Form 56-1 One Report.

For the Executive Committee, which is one of the Company's sub-committees. The Board of Directors has assigned the Nomination, Remuneration, and Corporate Governance Committee to be responsible for carefully considering and screening the remuneration of the Company's Board of Directors and sub-committees by considering the duties, responsibilities, performance, and expected outcome, with a rate comparable to businesses in the same industry for motivation to the Board of Directors and sub-committees in leading the Company to operate according to its goals as well as taking into account the highest benefits for the Company and shareholders. Moreover, the remuneration for the Board of Directors and sub-committees will be presented to the Board of Directors' meeting for resolution and proposed to the shareholders' meeting for approval every year. The Company has set a fixed monthly remuneration for directors and meeting allowances on a per-time basis. The remuneration of sub-committees is also determined in the form of meeting allowances on a per-time basis.

As for the remuneration of the Executive Committee approved by the shareholders' meeting in 2023 on April 27, 2023, it can be concluded that the executive directors who receive regular salary will not receive remuneration as directors of the Company as well as all sub-committees. While directors holding two or more positions will receive monthly remuneration only for the one with the higher position.

In considering the remuneration of the Chief Executive Officer, the top executive, The Board of Directors has assigned the Nomination, Remuneration, and Corporate Governance Committee to consider and approve the criteria for evaluating the performance of the Chief Executive Officer in order to determine remuneration rate according to the scope of authority, duties and responsibilities, performance, and a rate that is comparable to businesses in the same industry and taking into account the maximum benefit to the Company and shareholders.

The Company ensures fair, clearly and appropriate remuneration for executives both in the short such as salary and bonus as well as welfares and long term such as provident fund or programs that The Board of Directors will consider and approve each time, such as Employee Joint Investment Program (EJIP). The Board of Directors assigned Chief Executive Officer as the top executive to have authorities of specify wages and remuneration of the Company's employees as well as specify gratuity, reward, increase salary, remuneration, special bonus apart from normal bonus of the Company's employees from vice chief executive officer downwards regarding indicated in the Charter of the Chief Executive Officer. The Company will consider the consistency with roles and responsibilities, successful results of the executives' performances, Company performance and the average of the same industry Including salary structure policy and salary increase rates for the Company's executives and employees.

7.4.4 Remuneration of Executive Committee and Executives

1) Monetary Remuneration

Year	Details	Number (Person)	Amount (Million Baht)
2022	Salary and bonus (Representing 15.76% compared to the total remuneration of business)	7	23.43
2023	Salary and bonus (Representing 14.17% compared to the total remuneration of business)	5	23.205

2) Other Remuneration

Year	Details	Number (Person)	Amount (Million Baht)
2022	Provident fund, social security fund and other welfares	7	2.036
2023	Provident fund, social security fund and other welfares	5	2.498

7.4.5 Performance assessment of the Chief Executive Officer

The Board of Directors of the Company are responsible for evaluate the Chief Executive Officer for the past year performance at least once a year in order to comply with the principles of good corporate governance and ensure an effectiveness and efficiency framework for monitoring the performance of the Chief Executive Officer's duties. The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to consider and determine the criteria of performance assessment for the Chief Executive Officer as referred to the good corporate governance by SEC and SET. The performance evaluation criteria for the Chief Executive Officer consist of 10 topics as follows:

1. Leadership	6. Relationship with the external persons
2. Strategy Determination and Sustainability Management	7. Relationship with personnels
3. Strategy Execution	8. Succession plan
4. Financial Planning and Practice	9. Knowledge of products and services
5. Relationship with the Board of Directors	10. Personal Characteristics

The Nomination, Remuneration and Corporate Governance Committee will be submitted the performance assessment of the Chief Executive Officer to the Board of Director for evaluation and suggestion of strengths and operational development for Chief Executive Officer every January - February of each year. This is served for bringing this assessment to consider with the achievement key performance indicators (KPI) of Chief Executive Officer with an average scores ratings as follows.

to evaluate the results of such assessments along with the achievement index. The evaluation criteria are as follows:

Rating	Rating	Score
Excellent	A	4.01 - 5.00
Very Good	B	3.01 - 4.00
Meet Expectations	C	2.01 - 3.00
Meet Some Expectations	D	1.01 - 2.00
Improvement Required	E	0.00 - 1.00

The Nomination, Remuneration and Corporate Governance Committee will consider and determine appropriate remuneration to the Chief Executive Officer by considering this performance assessment in line with the Company's operating results.

7.4.6 Succession plan for the top executive position

The Company recognizes the importance of conducting continuous and efficient business operations, thus establishing a policy for succession plan with the objectives as follows.

1. To always assess the readiness for the organization to have manpower with qualifications and competencies.
2. To proactively plan recruitment and selection in advance by planning the recruitment and development from personnel in the organization with potential for the supervisory level or higher or personnel from outside.
3. To plan the replacement and succession for retirement and competent personnel management or job positions which targeted by the market/competitors.
4. To reduce the rate of loss of personnel with knowledge and experience.
5. To motivate and retain competent and potential employees for the replacement and succession positions, with the opportunity to develop and move up to a higher position.

The Company maintains appropriate and transparent criteria and procedures for selecting personnel to take responsibility in the Company's important management positions. This is to ensure that the Company retains qualified executives with skills, experience, and professional abilities through the Nomination, Remuneration and Corporate Governance Committee and/or a committee appointed for recruitment/selection and planning for job succession in the position of Chief Executive Officer (CEO) as the highest level of management. The Nomination, Remuneration and Corporate Governance Committee will consider by selecting a person with knowledge, competence, and complete qualifications, including experience suitable for the position, which will benefit the Company's operations to be presented to the Board of Directors for further approval.

The Board of Directors realizes the importance of understanding the structure and relationships of major shareholders which may affect the management of business and the power to control the Company's operations to avoid any obstacles to the performance of the Board of Directors, while ensuring appropriate disclosure of information which may affect business control.

When the position of Chief Executive Officer is vacant or the one in position is unable to perform duties under employment contract, the Company will have a system for executives at a similar level or secondary level to act in the position until having the recruitment and selection of qualified persons in compliance with the criteria set by the Company. This may be personnel in the Company who is in the succession plan or an outsider who must have a visionary knowledge and experience suitable for the organizational culture. The Nomination, Remuneration and Corporate Governance Committee will process the recruitment and present to the Board of Directors for appointment approval of a suitable person to replace the position.

The Company's succession plan will cover CEO and executive level positions, with the process as follows:

1. Analysis of the Company's business situations, such as strategy, policy, investment and expansion plan with the assessment of manpower readiness in line with the Company's strategies in the short and long term.
2. Specify the hierarchy of employees and departments which require a succession plan, while setting the time for such expected succession to occur.
3. Determine competencies, including knowledge, skills, personality, and desirable attitudes of employees in such positions.
4. Establish a master development plan for the development of each competency as outlined in Item 3.
5. Create a recruitment plan with employee training and development in advance for the readiness of manpower by developing or recruiting staffs in preparation for replacement before retirement or early retirement.
 - 5.1 Nominate potential employees as successors.
 - 5.2 Apply the personnel testing and assessment tool to analyze the potential of individual employees.
 - 5.3 Establish the individual development plan.

- 5.4 Implement the development plan and periodically evaluate the nominated employees to ensure their improvement for the expected results. If not, consider changing to new potential employees.
6. When a replacement is required, the successor will be identified from the evaluation and analysis of the employee's potentiality and performance, with advance notification for succession and successor replacement.

The Board of Directors regularly follows up on the progress of operations regarding the succession plan for the top executive position. In the past year 2023, the Board of Directors assigned the management to report on the progress of the succession plan for the top executive, executives, and potential employees at various levels of the department including the organization's personnel development plan for this succession to the Board of Directors' meeting a total of 2 times, namely the Board Meeting No. 2/2023 on March 2, 2023 and the Board Meeting No. 6/2023 on November 10, 2023. In addition, the non-executive committee meeting held discussions and shared useful opinions on the progress of the succession plan of the top executives. The Company's Secretary summarized the results of the meeting for the Chief Executive Officer to acknowledge in accordance with the principles of good corporate governance.

7.5 Information of Personnel

The Company believes that all employees play an important role in supporting operations to achieve the set goals and objectives. The Company is committed to selecting, developing, promoting, and motivating employees to use their knowledge and abilities, together with regular working skill development. The Company realizes the suitability of having an adequate number of employees in each line according to the business plan. The Company has a project for its personnel to introduce people to work with the organization to increase its recruitment channels and inspire internal personnel to help with the recruitment. This can lead to having applicants with reliable information and good reference persons. However, the significant change in the number of employees during the past 3 years is in compliance with the context of the Company's organizational restructuring. In 2023, the change rate was at a normal level with no significance.

7.5.1 Headcount

The number of employees and staffs (excluding 5 executives) as of December 31, 2023 was at the total of 159 people and divided by the organizational structure at the end of 2021 - 2023 as follows:

Function	Number (Person)		
	2021	2022	2023
Global Sales & Marketing	31	19	21
Business Development	-	15	16
Finance & Accounting	10	11	11
Operation	25	24	26
Technology	51	57	71
Research	-	2	4
Human Resources	3	4	5
Daily Staff	2	4	5
Total	120	136	159

Remark: Based on the current organizational structure as of October 3, 2022 onwards.

Significant labor dispute during the past 3 years

-Nil-

7.5.2 Employees' remuneration

The Company has a policy to set remuneration appropriately and fairly, including criteria to increase salary based on the nature of the work, responsibilities, performance evaluation, and level of wages in the labor market, including the Company's operational results. In 2023, the details of remuneration for employees (excluding 5 executives and daily staff) were as follows:

Details	2021		2022		2023	
	Number (Person)	Amount (Million Baht)	Number (Person)	Amount (Million Baht)	Number (Person)	Amount (Million Baht)
Salary, bonus, traveling expenses, per diem, contribution to social security fund, contribution to provident fund and other welfares	120	89.60	132	123.458	154	137.064

The proportion of remuneration (%) for the male and the female employees in 2023 is 61.69% : 38.31%

Provident fund

The Company set up a provident fund for its full-time employees on August 27, 2010 to guarantee the employees' future and incentivize them to work for the Company in the long term.

The Company has a policy to support the Provident Fund Committee of the Company to select a fund manager who responsibly follows the principles of investment governance, taking into account environmental, social and governance factors (ESG) because it is an investment guideline that leads to the best benefit of fund members, who are employees of the Company, in the long run.

Provident fund (Year)	2021	2022	2023
Number of employees participating in the provident fund (people)	86	96	123
Proportion of employees participating in the provident fund/ total employees (%)	72%	70%	77.36%
Provident Fund Contribution by the Company (Million Baht)	3.3	3.5	4.1

The contributions and benefits as subsidy and allowance from the Company to executives and employees are between 3-7 percent. When any members ends their membership, the Fund shall pay the said contributions and benefits in accordance with the following criteria:

Employee's years of service	The rate of contributions and benefits paid by the Fund upon membership termination (percentage of contributions and benefits received)
Less than 2 years	0
From 2 years and over but less than 3 years	25
From 3 years and over but less than 5 years	40
From 5 years and over but less than 7 years	60
From 7 years and over but less than 9 years	80
From 9 years and over	100

Employee Joint Investment Program (EJIP)

Refer to the resolutions of the Board of Directors' Meeting No.4/2021 held on May 13, 2021 for Employee Joint Investment Program (" EJIP ") Group 1 and the Board of Directors' Meeting No.5/2021 held on August 11, 2021 for The EJIP Group 2, the details are as follows.

Employee Joint Investment Program (EJIP) for Group 1

1 The period of EJIP	September 1, 2021 – September 6, 2024
2 Eligible employees under EJIP	Employees with high potential and responsibility, dedicated to working and being in a key position in the organization, including having good performance from the assessment results in 2020.
3 EJIP arrangement	The ratio between the Company's contributions and the employee's investment is 99% to 1 of the investment. The project will be operated through Phillip Securities (Thailand) Public Company Limited to provide investment management for the Company by investing in SICT shares on the date specified by the Company every month and the Company will cut off the investment through the employee's payroll, starting from September 2021 to August 2024.
4 Conditions for holding the securities	The participants have the right to sell their shares directly on the stock exchange once the program reaches the maturity of 1 and 2 years and can sell all shares in the account. The Company will cease such payments to employees when the employee is retired from being an employee during the period that the project has not ended.

Employee Joint Investment Program (EJIP) for Group 2

1	The period of EJIP	September 1, 2021 – September 6, 2024
2	Eligible employees under EJIP	Employees in the supervisor group with high potential and responsibility, dedicated to working and are in a position that is important in the organization (Key Position)
3	EJIP arrangement	The ratio between the Company's contributions and the employee's investment is 72% to 28 of the investment. The project will be operated through Phillip Securities (Thailand) Public Company Limited to provide investment management for the Company by investing in SICT shares on the date specified by the Company every month and the Company will cut off the investment through the employee's payroll, starting from September 2021 to August 2023.
4	Conditions for holding the securities	The participants have the right to sell their shares directly on the stock exchange at the end of the program in September 2023, can sell all shares in their accounts. The Company will cease such payments to employees when the employee is retired from being an employee during the period that the project has not ended.

In 2022, refer to the resolution of the Board of Directors' Meeting No.4 /2022 held on August 10, 2022 for The EJIP Group 3, the details are as follows.

Employee Joint Investment Program (EJIP) for Group 3

1	The period of EJIP	September 1, 2022 – September 6, 2025
2	Eligible employees under EJIP	Employees in with high responsibilities, dedicated, determined and being in key positions with having good performances in the year of 2021.
3	EJIP arrangement	The proportion between the Company's contributions and the employees' investments is 99% to 1% of the said project investment. It will be done through Phillip Securities (Thailand) Public Company Limited to provide investment management for the Company by investing in SICT shares within the date the Company designated every month. The Company will deduct the investment through the employee's payroll from September 2022 to August 2025.
4	Conditions for holding the securities	Program participants have the right to sell shares directly in the stock market when the project has been passed to the first and the second year of this program by being able to sell all the shares held in the account. The Company will cease payment to employees in the event that the employee has ceased from being an employee while the program has not yet expired.

In 2023, refer to the resolution of the Board of Directors' Meeting No.3/2023 held on May 12, 2023 for The EJIP Group 4, the details are as follows.

Employee Joint Investment Program (EJIP) for Group 4

1	The period of EJIP	September 1, 2023 till September 6, 2026
2	Eligible employees under EJIP	Employees in with high responsibilities, dedicated, determined and being in key positions with having good performances in the year of 2022
3	EJIP arrangement	The proportion between the Company's contributions and the employees' investments is 99% to 1% of the said project investment. It will be done through Phillip Securities (Thailand) Public Company Limited to provide investment management for the Company by investing in SICT shares within the date the Company designated every month. The Company will deduct the investment through the employee's payroll from September 2023 to August 2026.
4	Conditions for holding the securities	Program participants have the right to sell shares directly in the stock market when the project has been passed to the first and the second year of this program by being able to sell all the shares held in the account. The Company will cease payment to employees in the event that the employee has ceased from being an employee while the program has not yet expired.

7.6 Other Key Information

7.6.1 Information of Company Secretary, Person appointed to be directly responsible for control and supervision of accounting matter, Head of Internal Audit and Head of the Compliance of the Company

Company Secretary

Section 89/15 of Public Limited Companies Act B.E. 2535 specified that the Board of Directors shall appoint the Company Secretary to take responsibility on behalf of the Company or the Board of Directors. The Meeting of the Board of Directors No. 5/2021 dated August 11, 2021, has resolution to appoint Ms. Katalee Krachangsaeng to be the Company Secretary which has been effective on August 12, 2021. Details on biodata of the Company Secretary is specified in Attachment 1. Roles and responsibilities of the Company Secretary are as follows:

1. To provide preliminary advice to the directors on laws and regulations that the Board of Directors should be acknowledged, then monitor on compliance to ensure that they are correctly and constantly complied, as well as to report on any change in significant laws and regulations to the Board of Directors.
2. To arrange the shareholders' meeting and the Board of Directors' meeting as per specified by the law, the Company's regulations and practices.
3. To prepare and keep the following document:
 - Register of directors
 - Notice calling the Board of Directors' meeting, minute of meeting of the Board of Directors and the Form 56-1 One Report of the Company;
 - Notice calling the shareholders' meeting and minute of shareholders' meeting.
4. To supervise on disclosure of information and information technology report for the part responsible by the unit regulating the Company pursuant to regulations and requirement of the official agencies;
5. To keep a report on interest filed by the director or the executive and submit a copy of interest report to the Chairman of the Board of Director and the Chairman of the Audit Committee for acknowledgement within 7 days from the date the Company receives such report.

6. To arrange for the complete and accurate storage system of relevant document or evidences that they can be readily available for inspection.
7. To contact and communicate with general shareholders so they can acknowledge the shareholders' right and the Company's news.

Person appointed to be directly responsible for control and supervision of accounting matter

Ms. Thitima Saensuksakulchol, Financial Controller, is a person appointed to be directly responsible for efficient control and supervision of accounting matter of the Company pursuant to the Company's rules, regulations and criteria since July 13, 2022 onwards. Information and details of the person appointed to be directly responsible for control and supervision of accounting matter are appeared in Attachment 1.

Head of Internal Audit and Head of the Compliance of the Company

The Company has a policy to outsource the internal auditor who is also related with the compliance of the Company. During the meeting of the Board of Director Meeting of the Company No. 7/2023 on December 15, 2023, the meeting considered and resolved to appoint of Unique Advisor Co. Ltd., the current Internal Auditor in 2023, to be the Company's Internal Auditor in 2024 in accordance with the consideration and determined by the Audit Committee of the Company.

Unique Advisor Company Limited has assigned Mr. Kosol Yamleemul, the managing director, to be the main responsible person as the Head of Internal Audit and Head of the Compliance of the Company which also review and evaluate the Company's internal control system and make recommendations on the appropriate internal control system and compliances.

The Audit Committee has considered qualifications of the Head of Internal Audit and Head of the Compliance and agreed that he has adequate knowledge, capability and experiences to perform duty as the internal auditor because it has experiences in internal audit for more than 17 years. Its main operators already passed the training courses that related to the internal audit functions such as Adopting Data Science & Automation in Internal Audit, Personal Data Protection Act for IA, IIAT Annual Seminar, Working Papers for Anti-Corruption in Organization Training Program, Theories and Practice, COSO 2013 Program, IT Audit course from Federation of Accounting Professions etc. Moreover, the internal auditors do not have any relationship with the Company, so they can independently and impartially audit and present the recommendation to the Company. Information and details of Head of Internal Audit and Head of the Compliance of the Company are appeared in Attachment 2.

In addition, consideration on appointment, removal or transfer of the Company's internal auditor is required to pass selection process and approval from the Audit Committee first. After that the Audit Committee shall propose the qualified auditor to the meeting of the Board of Directors for further consideration and approval as well as on negation on relevant expenses.

7.6.2 Head of Department of Investor Relations and Contact Information

The Company has assigned the Investor Relations Department for communicating and publicizing information and news useful to shareholders, investors, analysts, and related parties in an appropriate, equal, and timely manner, along with helping to supervise the dissemination of the Company's information according to the criteria set forth by the SEC, SET, and related entities in the Form 56-1 One Report and/or the Company's website, etc., as well as helping to disseminate important information affecting the price of the Company's securities, which affects the decision-making process of investors and its stakeholders correctly, adequately, and usefully for the investor's decision making.

With this regard, The Company has assigned Ms. Katalee Krachangsaeng, Company Secretary and also the Company Secretary and Investor Relations Manager as the Head of Department of Investor Relations of the Company.

Investors can contact the Department of Investor Relations of the Company at

Department of Investor Relations

Silicon Craft Technology Public Company Limited

40 Thetsabanrangsannua Rd., Ladyao, Chatuchak, Bangkok 10900

Telephone: 02 589 9991 / Fax: 02 589 8881

E-mail: ir@sic.co.th

In 2023, there were various investor relations activities to disclose the Company's information to investors can be summarized as follows:

Activity	Number of Participants/ Number of Times
Meeting investors and analysts (person)	275
Meeting with analysts (time)	4
Attendance with investors and roadshows (time)	19
Attendance to Opportunity Day organized by the SET (time)	4
Company's activities and others (time)	7

7.6.3 Information of Auditor's remuneration

For the fiscal period ending December 31, 2023, the Company has paid auditing fee to DIA International Audit Co., Ltd., the Company's auditor, amounting to 1,800,000 Baht as shown in the following details.

1. Audit fee

Details	Amount (Baht)
Quarterly and annual auditing fees	1,700,000

2. Non-Audit fee

Details	Amount (Baht)
Auditing fee on compliance with the condition of the BOI Privilege Certificate at 50,000 Baht/each (Total 2 items)	100,000

The Company has paid other service fees for auditing the compliance with investment conditions. According to the regulations of the Board of Investment, it is required that projects with certain conditions of promotion must submit an application for corporate income tax exemption rights and privileges, as well as reports on operational results audited by a licensed auditor.

Objectives of the investigation

1. Real investment in machinery for each promotion certificate as approved for investment promotion
2. Volume of production and distribution of products/services in accordance with the conditions of each promotion certificate

The auditor on behalf of D I A International Audit Co., Ltd. has no relationship or transaction that causes a conflict of interest with the Company, executives, major shareholders. or those related to such persons. Therefore, it is independent and impartial in auditing and expressing opinions on the financial statements and auditing the Company's compliance with the conditions of Board of Investment (BOI) promotion projects, with the approval of the Audit Committee.

8. Corporate Governance Milestones

8.1 Summary of Performance of the Board of Directors over the Past Year

The Board of Directors has reviewed the Company's corporate governance policy, manual of business ethics and code of conduct, including the Charter of the Company's Board of Directors, sub-committees and other related issues, to be in compliance with the principles of good corporate governance of the SEC. Also, there is a communication to employees of all levels towards the efficient management and good organizational ethics with transparency and verifiability, leading to the confidence among investors, shareholders and all groups of stakeholders in supporting the Company's sustainable growth.

The Board of Directors consists of those with the capacity, expertise and experience to perform their duties for the Company's maximum benefits. The Company's Board of Directors must have qualifications and none of the prohibited characteristics as specified by the laws. They have their duties and responsibilities in determining and reviewing the structure of the Board of Directors. Moreover, the Board of Directors has appointed sub-committees to support the Board of Directors in management and administration within the scope as specified in each committee's charter with efficiency and effectiveness.

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

1. Independent Directors recruitment

Qualifications of the Independent Director

The Nomination, Remuneration and Corporate Governance Committee has the process to nominate the independent director by considering from qualifications and prohibited qualifications of the directors pursuant to the Public Limited Companies Act, laws on securities and exchange, notifications of the Office of the Securities and Exchange Commission, the Market Capital Supervisory Board, the Stock Exchange of Thailand, as well as the relevant notifications, regulations and/or rules. The Board shall consider and select the independent directors from the experts who have working experiences and other appropriated aspects. The Company has policy to appoint the independent directors at least one-thirds of total number of directors and the number shall be at least 3 persons with qualifications as follows.

1. Holding shares not exceeding 1.00 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliated company, principal shareholder or controlling person of the Company. Shares held by the related persons of such independent director shall also be included;
2. Not being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliated company, same-level subsidiary, major shareholder or controlling person of the Company unless the foregoing status has ended not less than 2 years prior to the date being appointed as the independent director. However, such prohibited characteristics exclude the case where such Independent Director used to be the government official or the advisor of the government entity who is the major shareholder or the controlling person of the Company;
3. Not being a person related by blood or registration under laws, i.e. father, mother, spouse, sibling, and child, including spouse of the children of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling persons of the Company or its subsidiary;

4. Not having a business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than 2 years prior to the date being appointed as the independent director. Such business relationship includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Applicant or its counterparty being subject to indebtedness payable to the other party in the amount of three (3) percent or more of the net tangible assets of the Applicant or twenty (20) million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Securities and Exchange Commission concerning rules on connected transactions, mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one (1) year prior to the date on which the business relationship with the same person commences.
5. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, and not being a significant shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company unless the foregoing relationship has ended not less than two (2) years from the date being appointed as the independent director.
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Applicant, its parent company, subsidiary, affiliated company, major shareholders or controlling person of the Company, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date being appointed as the independent director.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholders.
8. Not operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a significant partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1.00 per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or its subsidiary.
9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

2. Nomination and appointment of persons to serve as directors of the Company

The Company has a policy and process for nomination and appointment of individuals to serve as the Company's directors in a transparent manner. The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to consider, screen and nominate qualified individuals for the Board of Directors' meeting to present at the shareholders' meeting towards the appointment of the Company's directors.

In the process of nomination of directors, the Company realizes the importance of shareholders and promotes a good corporate governance on the shareholders and stakeholders' rights by treating all shareholders with fairness. The Company therefore provides an opportunity for shareholders to nominate qualified persons for appointment as directors in advance of the shareholders' meeting. The Nomination, Remuneration and Corporate Governance Committee have considered the composition of the Company's Board of Directors and information from the Board Skill Matrix for nomination of

individuals as directors with appropriate qualifications, such as skills, knowledge, competence, experience and capacity towards maximum benefits and direction of operating plans in compliance with the Company's business strategy and afterwards propose to the Board of Directors' meeting and the shareholders' meeting for the appointment Nomination and appointment of individuals as the Company's directors.

The Nomination of individuals as the Company's directors shall be performed by the Nomination, Remuneration and Corporate Governance Committee through the nomination process in compliance with the Company's business strategy based on the qualification criteria in Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and the Announcement of the Securities and Exchange Commission and/or related laws. Moreover, the Nomination, Remuneration and Corporate Governance Committee shall consider the nomination of directors according to key compositions as follows:

- 1) Knowledge and expertise as required on the Board of Directors - The Company has established the Board Skill Matrix for necessary skills in the composition of the Board of Directors in accordance with the Company's current business strategy plan and based on the diversity of directors, appropriateness of number, structure, and composition of the Board of Directors.
- 2) Specific characteristics required of each director, such as background and expertise in various fields with efficient benefits to the Company's operations in providing advice and opinions on various issues matters from the perspectives of those who have direct experiences and broad visions of morals and ethics, transparent work history and free expression of opinions.

The Nomination, Remuneration and Corporate Governance Committee has a process for nomination and appointment of directors in the following steps:

- 1) Establish the planning guidelines for recruiting, selecting and nominating qualified persons to serve as the Company's new directors of new companies, directors with expired term of office and/or vacant positions and/or additional appointments within a specified time frame.
- 2) Recruit and prepare a list of qualified individuals for being nominated as new directors, directors with expired term of office and/or vacant positions and/or additional appointments through various channels. This includes the nomination by shareholders of individuals with qualifications corresponding to the specified qualification criteria and/or list of names from various reliable sources, etc. to propose at the meeting of the Nomination, Remuneration and Corporate Governance Committee for consideration of the names of nominated individuals and selection of those with qualifications according to the specified qualification criteria.
- 3) Present a list of nominated individuals to serve as Company directors at the Board of Directors' meeting. In case the director position is vacant for reasons other than the expired term, the committee shall select individuals with qualifications and no prohibited characteristics according to Section 68 of the Public Act B.E. 2535 (1992) and/or related laws in replacement at the next meeting of the Board of Directors, except that the remaining term of director is less than 2 months. The Board of Directors' resolution must consist of votes of not less than three-quarters of the number of remaining directors. The individual as a replacement director shall hold the director position only for the remaining term of such replaced director.

The Board of Directors consists of no less than 5 directors. Not less than half of the total number of directors must reside in the Kingdom. Also, no less than three-fourths of the total number of directors must be of Thai nationality. Moreover, the total number of the Company's Board of Directors must consist of at least one-third of the total number of independent directors of the Company. However, there must be no less than 3 individuals from the appointment of the Board of Directors must be approved by the shareholders' meeting in compliance with the criteria and process as follows:

- 1) One shareholder has one vote per share.
- 2) Shareholders vote to elect directors individually.
- 3) Individuals with the highest number of votes in descending order are elected as directors equal to the number of directors that should be or shall be elected at that time. In case that the those elected in descending order have the same number of votes exceeding the number of directors that should be or shall be elected at that time. The Chairman shall have the final vote.

At every annual general meeting, one third of the directors shall retire from office. If the number of retired directors cannot be divided exactly into numbers, then the numbers closest to one thirds shall be retired. Directors who retire from office may be re-elected to take up the position. Directors who must retire from office in the first and second years after registration of the Company shall draw lots to determine those who shall retire. In the later years, directors with the longest office shall leave the position. Those whose terms have expired may be re-elected to hold positions.

In the 2023 Annual General Meeting of Shareholders held on April 27, 2023, there were three directors who retired by rotation as follows:

Name - Surname	Position
1. Mr. Manop Dhamsirianunt	Chairman of the Board of Directors/ Non-Executive Directors
2. Mr. Apinunt Thanachayanont	Director/ Executive Director/ Member of the Executive Committee/ Chief Research Officer
3. Mr. Bodin Kasemset	Director/ Executive Director/ Member of the Risk Management Committee/ Member of the Executive Committee/ Chief Executive Officer

Directors nominated this time have been considered according to the process established by the Company and qualifications in compliance with the Public Limited Companies Act B.E. 2535 (1992) and the Announcement of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including any other related announcements. The three directors as aforementioned are skillful, knowledgeable and capable with good experience in the Company's business which shall benefit for determining the direction and operating plans of the Company. By the resolution of the agenda for approval of the election of directors to replace those with expired terms in 2023, all of the three directors could be approved at the shareholders' meeting to return to their positions for another term as proposed.

3. Orientation for new directors

The Company recognizes the importance of new directors to perform their duties as crucial for the direction of various management policies towards corporate sustainability. Therefore, there are guidelines for an orientation of new directors to know their roles and responsibilities according to business goals, as well as understand the Company's nature of business and operations. In the meantime, it provides important and necessary information for the performance of duties among directors, such as the Charter of the Board of Directors, Articles of Association and the Company's policies, manual of business ethics and code of conduct at work, relevant laws, regulations of the SET and the SEC, Form 56-1 One Report, meeting information of the Board of Directors, etc.

This includes meeting arrangement among the new directors with the Chairman of the Board of Directors, Board of Directors, and sub-committees to get information about the Company's business operations and build good relationships between directors.

The Company has guidelines for orientation of new directors, in line with good corporate governance guidelines on the orientation of new directors of the SET as follows:

1. Information when inviting for appointment as a director
 - 1.1 The Company's history and nature of business
 - 1.1.1 The Company's history
 - 1.1.2 Nature of business
 - 1.2 Structure of the Company, major shareholders and directors, organization, and governance
 - 1.2.1 Structure of the Company
 - 1.2.2 Structure of major shareholders and directors
 - 1.2.3 Organizational structure and governance
 - 1.3 Remuneration and benefits of directors
 - 1.4 Financial position and performance of at least the past 3 years
 - 1.5 Roles and duties of the Board of Directors in accordance with relevant laws
 - 1.5.1 Legal duties
 - 1.5.2 Corporate governance duties
2. Information for orientation when appointed as a director from the shareholders' meeting
 - 2.1 Information or legal reporting documents
 - 2.2 Memorandum and the Company's regulations
 - 2.3 Scope of duties and responsibilities of the Board of Directors and sub-committees
 - 2.4 Minutes of meeting of the Board of Directors and meeting schedule
 - 2.5 Good Corporate Governance Policy and Manual of Business Ethics and Code of Conduct at Work
 - 2.5.1 Supervision on the use of internal information
 - 2.5.2 Risk policy
 - 2.5.3 Internal control system
 - 2.5.4 Related transactions
 - 2.5.5 Whistleblowing
 - 2.6 Legal disputes (if any)
 - 2.7 Report of the supervisory organizations for the Company's improvement and compliance (if any)
3. Meeting with the Chairman of the Board of Directors and Chief Executive Officer before the first meeting of the Board of Directors
4. Disclosure of information in the Form 56-1 One Report

4. Director Development

The Company has supported and encouraged directors to develop knowledges which are practical and useful for working continually through trainings and seminars. There are six directors who joined the director training courses such as Director Certification Program (DCP) and eight directors who joined the Director Accreditation Program (DAP) which have been arranged by Thai IOD, totaling eight directors (100%)

In 2023, all directors had participated director training courses arranged by Thai Institute of Directors (Thai IOD) and significant institutes are as follows.

Name - Surname	Training courses
1. Mr. Manop Dhamsirianunt	<ul style="list-style-type: none"> Director Certification Program (DCP 348/2023) arranged by Thai IOD
2. Mrs. Monluedee Sookpantararat	<ul style="list-style-type: none"> How to Develop a Risk Management Plan (HRP 35/2023) arranged by Thai IOD Seminar of Mazars Annual forum 2023: The ESG impact on value creation and sustainability, Mazars (Thailand) Co, Ltd. : Mazars the 2023 Audit Committee Discussion on the topic “Corruption in Financial Statement Decoration, Economic Updates, ESG Direction and Carbon Dioxide”, EY Office Co., Ltd. KPMG Business Leaders’ Summit 2023: Driving the Future, Economic Update & Forward Looking, M&A Landscape and Paradigm Shift, The Future of ESG, Driving Business Growth with Data And AI, KPMG Phoomchai Co., Ltd. Auditing The National Director Conference 2023 under the topic “Delivering “Net Zero” Together”, Thai Institute of Directors Association (IOD) The seminar “Director Forum I Engaging Board in ESG: The Path to Effective Sustainability”, Thai Institute of Directors Association (IOD) Company Visit: Fostering Innovative Culture at Sea”, Thai Institute of Directors Association (IOD) IOD National Director Conference 2023 - Wisdom for Future: Harmonizing The Diverse Boards Live streaming event seminar Topic “The Importance of Audit Committee and Confidence in the Thai Capital Market” The Independent Director Forum 2023 on “Preventing Corruption in the Organization = Whose Role?” The seminar “Detection of Accounting Irregularities in Fast Growing Business : The Role of Audit Committee” organized by IOD, SET The seminar “Roles and Duties of Directors and Executives of Listed Companies” organized by the SEC.
3. Mr. Wuthipong Suponthana	<ul style="list-style-type: none"> Corporate Governance for Executives (CGE 20/2023) arranged by Thai IOD The seminar “Director Forum I Engaging Board in ESG: The Path to Effective Sustainability”, Thai Institute of Directors Association (IOD) on July 13, 2023
4. Mr. Sarote Phornprapha	<ul style="list-style-type: none"> The Board’s Role in Mergers and Acquisitions (BMA 6/2023) arranged by Thai IOD
5. Mr. Naiyavudhi Wongkomet	<ul style="list-style-type: none"> The Board’s Role in Mergers and Acquisitions (BMA 4/2023) arranged by Thai IOD The One Month One Company activity of maiA No. 6/2023 on 27 October 2023 Visited Bluebik Group Public Company Limited : BBIK (Topic : Leveraging ERP in the Age of Digital Transformation) mai FANZI CLUB 2023 arranged by mai on 23-24 November 2023
6. Mr. Apinetr Unakul	<ul style="list-style-type: none"> Corporate Governance for Executives (CGE 20/2023) arranged by Thai IOD
7. Mr. Apinunt Thanachayanont	<ul style="list-style-type: none"> Director Certification Program (DCP 347/2023) arranged by Thai IOD Strategic Board Master Class (SBM 13/2023) arranged by Thai IOD
8. Mr. Bodin Kasemset	<ul style="list-style-type: none"> The Net-Zero Standard by United Nation Global Compact Academy (The Net-Zero Standard - Overview Rise 360 (articulate.com))

5. Skill Matrix of the Board of Directors

	Macromanagement Part									Specific knowledge, experience or expertise Part					Corporate Governance Part
	Accounting and Finance	Semiconductor Business Knowledge	Business Acumen	Organization and Human Resource Management	Risk Management and Business Continuity Management	Crisis Management	International Management	Strategic Planning	Mergers and Acquisitions	Technology, Research and Development	IP Management	Legal Knowledge	Supply Chain	IT Management	Corporate Governance
Mr. Manop Dhamrariant	X	X	X	X	X	X	X	X	X	X	X	X	X		X
Mrs. Monluedee Sookpantar	X		X	X	X	X		X				X		X	X
Mr. Wuthipong Suponthana	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Mr. Sarote Phomprapha			X	X	X	X	X	X	X	X	X				X
Mr. Naiyavudhi Wongkomet	X	X	X	X	X		X	X	X	X	X	X			X
Mr. Apinetr Unakul		X	X					X		X				X	
Mr. Apinunt Thanachayanont		X	X	X	X			X		X	X			X	X
Mr. Bodin Kasemset	X	X	X	X	X	X	X	X	X	X	X		X	X	X

6. Performance assessment of the Board of Directors and sub-committees, as well as the Chief Executive Officer in the past year

The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee for the performance evaluation of the Board of Directors and sub-committees, in line with self-assessment of their performance at least once a year as a framework for the development of directors' performance efficiency and support of joint consideration of performance and problems on various issues in the past year. This also helps to increase efficiency and better understanding of joint performance of the Board of Directors and sub-committees. The results of performance evaluation could be used for the consideration of the appropriateness on the Board of Directors' composition.

The secretary of the Nomination, Remuneration and Corporate Governance Committee, as well as the Human Resources Departments, shall jointly arrange for the preparation of the performance evaluation form and distribution of the said performance evaluation form to the Board of Directors and each sub-committee for all evaluations, before the summarization of results and reports to the Board of Directors' meeting.

The assessment includes:

- Self-assessment form of committee as a group
- Self-assessment form of sub-committee as a group
- Self-assessment forms of the Board of Directors and sub-committees as an individual
-

In 2023, there were assessment topics and summary reports on performance evaluation of the Board of Directors and sub-committees as follows:

- **Assessment Series 1:** Self-Assessment of the Board of Directors by group to assess the overall performance of the Board.

Topic of Assessment	Average	Percentage
Structure and qualifications of the Board	3.59	90%
Role, duties and responsibilities of the Board	3.59	90%
Board's meeting	3.57	89%
Performance of duties of Directors	3.55	89%
Relationship with the management team	3.67	92%
Self-development of Directors and Executive Development	3.40	84%
Total	3.56	89%

- **Assessment Series 2:** Self-assessment form of sub-committee as a group is for directors who perform their duties as directors in the sub-committee only. This is to assess the performance of sub-committees assigned by the Board of Directors.

Topic of Assessment	Average	Percentage
Structure and qualifications of the committees are appropriate for the efficiency of the Board of Directors' work.	3.69	92%
Meetings of sub-committees in order for the committees to perform their duties in meetings effectively.	3.79	95%
Roles, duties and responsibilities of the sub-committees have given importance to taking sufficient time to consider, review and implement the following matters:	3.81	95%
• The Audit Committee	3.64	91%
• The Nomination, Remuneration and Corporate Governance Committee	3.95	99%
• The Risk Management Committee	3.67	92%
Total	3.76	94%

- **Assessment Series 3:** Self-Assessment of the Board of Directors and Sub-Committees by individual to assess the performance of duties of individual directors and committees

Topic of Assessment	Average	Percentage
Structure and qualifications of director/committee member	3.59	90%
Meetings of the Board of Directors/sub-committees	3.73	90%
Role, duties and responsibilities of the Board/Committee	3.71	93%
Total	3.68	92%

8.1.2 Meeting Attendance and Remuneration Payment of Individual Board of Directors

- The Information of meeting attendances of the meetings of Board of Directors, Sub-Committees, Non-Executive Directors and Annual General Meeting for the year 2023 are summarized as follows:

Name - Surname	Position	Meetings of Board of Directors, Sub-Committees, Non-Executive Directors and Annual General Meeting for the year 2023						
		Board of Directors	Audit Committee	Risk Management Committee	Executive Committee	Nomination, Remuneration and Corporate Governance Committee	Non-Executive Directors	Annual General Meeting
		7 Times	7 Times	4 Times	13 Times	4 Times	1 Time	1 Time
1. Mr. Manop Dhamsirianunt	Chairman of the Board of Directors/ Non-Executive Committee	7/7	-	-	-	-	1/1	1/1
2. Mrs. Monluede Sookpantarat	Director/ Independent Director/ Chairman of the Audit Committee / Member of the Risk Management Committee	7/7	7/7	3/4	-	-	1/1	1/1
3. Mr. Wuthipong Suponthana	Director/ Independent Director/ Member of the Audit Committee / Chairman of the Risk Management Committee/ Member of the Nomination, Remuneration and Corporate Governance Committee	7/7	7/7	4/4	-	4/4	1/1	1/1
4. Mr. Sarote Phomprapha	Director/ Independent Director/ Member of the Audit Committee/ Chairman of the Nomination, Remuneration and Corporate Governance Committee	7/7	7/7	-	-	4/4	1/1	1/1

Name - Surname	Position	Meetings of Board of Directors, Sub-Committees, Non-Executive Directors and Annual General Meeting for the year 2023					
		Board of Directors	Audit Committee	Risk Management Committee	Executive Committee	Nomination, Remuneration and Corporate Governance Committee	Non-Executive Directors
		7 Times	7 Times	4 Times	13 Times	4 Times	1 Time
5. Mr. Naiyavudhi Wongkomet	Director/ Non-Executive Committee/ Chairman of the Executive Committee/ Member of the Risk Management Committee/ Member of the Nomination, Remuneration and Corporate Governance Committee	7/7	-	4/4	13/13	4/4	1/1
6. Mr. Apinetr Unakul	Director/ Non-Executive Committee	7/7	-	-	-	-	1/1
7. Mr. Apinunt Thanachayanont	Director/ Executive Committee/ Member of the Executive Committee/ Chief Research Officer	7/7	-	-	13/13	-	1/1
8. Mr. Bodin Kasemset	Director/ Executive Committee/ Member of the Executive Committee/ Member of the Risk Management Committee/ Chief Executive Officer	7/7	-	4/4	13/13	-	1/1
9. Mr. Kowit Nuangsuk	Member of the Executive Committee/ Chief Financial Officer	-	-	-	12/13	-	1/1
10. Mr. Thaweesak Thantipwan	Member of the Executive Committee/ Chief Technology Officer	-	-	-	13/13	-	-
11. Mr. Sarun Polachart	Member of the Executive Committee/ Chief Operating Officer	-	-	-	13/13	-	-
12. Ms. Arunee Poontawe ^[1]	Director/ Non-Executive Committee	1/1	-	-	-	-	-

^[1] Ms. Arunee Poontawe resigned from the Member of the Board of Directors at the Board of Directors' Meeting No.1/2023 dated February 24, 2023 with effect from March 1, 2023 onwards.

- Summary of attendance at the 2023 Board of Directors' Meeting divided into 7 times of Hybrid Meetings and 0 times of Electronic Meetings from a total of 7 times as follows.

Name - Surname	Position	The meetings of Board of Directors			
		Total (Time)	Hybrid Meeting		Electronic Meeting
			Physical Meeting	Electronic Meeting	
1. Mr. Manop Dhamsirianunt	Chairman of the Board of Directors/ Non-Executive Committee	7/7	5/7	2/7	0/0
2. Mrs. Monluede Sookpantararat	Director/ Independent Director/ Chairman of the Audit Committee/ Member of the Risk Management Committee	7/7	7/7	0/7	0/0
3. Mr. Wuthipong Suponthana	Director/ Independent Director/ Member of the Audit Committee/ Chairman of the Risk Management Committee/ Member of the Nomination, Remuneration and Corporate Governance Committee	7/7	2/7	5/7	0/0
4. Mr. Sarote Phornprapha	Director/ Independent Director/ Member of the Audit Committee/ Chairman of the Nomination, Remuneration and Corporate Governance Committee	7/7	0/7	7/7	0/0
5. Mr. Naiyavudhi Wongkomet	Director/ Non-Executive Committee/ Chairman of the Executive Committee/ Member of the Risk Management Committee/ Member of the Nomination, Remuneration and Corporate Governance Committee	7/7	4/7	3/7	0/0
6. Mr. Apinetr Unakul	Director/ Non-Executive Committee	7/7	4/7	3/7	0/0
7. Mr. Apinunt Thanachayanont	Director/ Executive Committee/ Member of the Executive Committee/ Chief Research Officer	7/7	7/7	0/7	0/0
8. Mr. Bodin Kasemset	Director/ Executive Committee/ Member of the Executive Committee/ Member of the Risk Management Committee/ Chief Executive Officer	7/7	5/7	2/7	0/0
9. Ms. Arunee Poontawe	Director/ Non-Executive Committee	1/1	1/1	0/0	0/0

In 2023, the proportion of Directors who attended the Board of Directors' meetings throughout the year was 100%.

Policy on remuneration for the Company's directors and subcommittees

The Company has a policy to determine the remuneration of directors and subcommittees at an appropriate level and in compliance with the Company's strategy and goals as disclosed in Form 56-1 One Report. There are specified criteria or methods to determine fair and reasonable remuneration consistent with the Company's operating results.

The Board of Directors has assigned the Nomination, Remuneration and Corporate Governance Committee to consider and screen the remuneration of the Company's Board of Directors and sub-committees based on duties, responsibilities and results of performance at comparable rates to businesses in the same industry group. This aims to motivate the Board of Directors and sub-committees' operations according to the goals, with maximum benefits to the Company and shareholders. The Board of Directors and sub-committees' remuneration will be proposed to the Board of Directors' meeting for approval before presenting at the shareholders' meeting to approve the annual remuneration of the Company's directors and all sub-committees. Also, the Company has fixed monthly remuneration and meeting allowances for the Board of Directors. Moreover, the remuneration for sub-committees is determined as meeting allowances on a per meeting basis.

For the remuneration of the Executive Committee approved by the 2023 shareholders' meeting on April 27, 2023, it was concluded that the executive directors with a regular salary will not receive remuneration as Company directors. Also, all sub-committee members and directors holding two or more positions will obtain monthly remuneration only for the higher position.

Remuneration of Directors

The determination of directors' remuneration for the year 2023 which has been reviewed by the Nomination, Remuneration and Corporate Governance Committee who took into account the appropriateness of remuneration in accordance with the duties and responsibilities assigned as well as comparing with the remuneration rate of directors of other listed companies that are in the same industry or similar in size. The Board of Directors decided that it was at reasonable rate, therefore deemed appropriate to prescribe remuneration to the directors for the year 2023 with the same rates as the year 2022. The Directors' remuneration consists of meeting allowance and monthly remuneration as follows.

1) Monetary Remuneration

The Annual General Meeting of Shareholders 2023, held on April 27, 2023 resolved to approve the remuneration for the Board of Directors and sub-committees for the year 2023, which became effective after the approval at the shareholders' meeting as follows:

Position	Monthly Remuneration	Meeting allowance/ Time	Unit
Chairman of the Board of Directors	40,000	15,000	Baht
Independent Director*	30,000	10,000	Baht
Director** (Major shareholders)	20,000	10,000	Baht
Chairman of the Executive Committee***	20,000	10,000	Baht
Member of the Executive Committee**	-	-	Baht

Remark: * Independent Director who serves as the Chairman of the Audit Committee at each meeting of the Audit Committee will receive a meeting allowance of 20,000 baht/meeting.

** Executive directors who are paid on a regular basis are not eligible for remuneration for the position of the Board of Directors and all sub-committees.

*** Directors holding two or more positions will receive monthly compensation only for their higher positions.

The Remuneration for Board of Directors and sub-committees in 2023 are specified as follows.

(Unit: Baht)

Name - Surname	Remuneration of Directors							Total
	Board of Directors			Audit Committee	Risk Management Committee	Nomination, Remuneration and Corporate Governance Committee	Executive Committee	
	Monthly remuneration	Meeting Allowance	Allowance	Meeting Allowance	Meeting Allowance	Meeting Allowance	Meeting Allowance	
1. Mr. Manop Dhamsirianunt	-	105,000	-	-	-	-	-	105,000
2. Mrs. Monluedee Sookpantarat	360,000	70,000	-	140,000	30,000	-	-	600,000
3. Mr. Wuthipong Suponthana	360,000	70,000	-	70,000	40,000	40,000	-	580,000
4. Mr. Sarote Phornprapha	360,000	70,000	18,900	70,000	-	40,000	-	558,900
5. Mr. Naiyavudhi Wongkomet	-	70,000	-	-	40,000	40,000	130,000	280,000
6. Mr. Apinetr Unakul	-	70,000	-	-	-	-	-	70,000
7. Mr. Apinunt Thanachayanont ^[1]	-	-	-	-	-	-	-	0
8. Mr. Bodin Kasemset ^[1]	-	-	-	-	-	-	-	0
9. Ms. Arunee Poontawe ^[2]	-	-	-	-	-	-	-	0
Total	1,080,000	455,000	18,900	280,000	110,000	120,000	130,000	2,193,900

Remark: [1] Directors in number 7 and 8 were Executive Directors who did not receive both remuneration for Board of Directors and sub-committees since these directors received remuneration as executives.

[2] Ms. Arunee Poontawe resigned from the Member of the Board of Directors at the Board of Directors' Meeting No. 1/2023 dated February 24, 2023 with effect from March 1, 2023 onwards.

The comparison of financial remuneration for directors was summarized between 2021–2023.

(Unit: Baht)

Remuneration	2021		2022		2023	
	Person	THB	Person	THB	Person	THB
Monthly remuneration and Meeting attendance	9	1,400,000	8	1,770,000	6	2,175,000

2. Other Remuneration

- None -

The comparison of other remuneration for directors was summarized between 2021-2023

Remuneration Type	2564	2565	2566
Other remuneration	-None-	-None-	-None-

8.1.3 Supervision of subsidiaries and associated companies

The Board of Directors is responsible for supervising subsidiaries and associated companies to comply with the laws on securities and stock exchange, announcement of the Capital Market Supervisory Board, regulations of the SEC and the Stock Exchange of Thailand, such as related transactions, acquisition or disposal of important assets, or laws related to the Company's businesses, etc. Also, the Board of Directors monitors and supervises all subsidiaries and associated companies to comply with the Company's regulations and corporate governance policies. Additionally, the Company strictly adheres to investment policies and guidelines for supervising subsidiaries, associated companies or joint ventures.

The Company's investment policies and guidelines for supervision of subsidiaries, associated companies or joint ventures have already been reported in "Section 6.3.8 Supervision of subsidiaries and associated companies."

8.1.4 Monitoring Compliance with Corporate Governance Policy and Practices

1. Prevention of Conflicts of Interest

The Company emphasizes good corporate governance and business operations with ethics, honesty, transparency, fairness, and accountability. Therefore, the Company has established a policy to prevent conflicts of interest for directors, executives, and employees to understand and comply with the law and related rules and regulations in the best interests of the Company. Details and guidelines for directors, executives and employees have been reported to the section of "6.3.3 Prevention of Conflicts of Interest".

The full version of Conflict of Interest Prevention Policy can be studied at Company's website under the topic of Corporate Governance > CG Report and download > Conflict of Interest Prevention Policy: <https://investor.sic.co.th/en/corporate-governance/cg-report-and-download> or please scan QR Code.



The Company has also prescribed the prevention of conflicts of interest in the code of conduct and practices at work, of which the Company has communicated to directors, executives, and employees to review and sign for acknowledgement annually and published on the Company's website as follows:

- Executive, employees, family members, and residents of the family must not conduct any businesses/ activities perceived by the general public as conflicts of interest with the Company directly or indirectly.
- Executive and employees must not join with family members or close persons in any businesses/ activities that may cause conflicts of interest with the Company directly or indirectly to avoid any potential impropriety. Relations with family or other individuals which may cause conflicts of interest shall be immediately disclosed as reports to the supervisor in writing. They also do not participate in the consideration of transactions and do not have voting rights to approve such transactions.

In the past year, the Company did not have any actions that violated the Company's conflict of interest.

Besides, regarding Related Party Transactions Policy of the Company, If it is necessary for the Company to enter into related party transactions with individuals who may have a conflict of interest or other interest, the Audit Committee shall be allowed to give opinions on the necessity and suitability of such transactions. In case the Audit Committee does not have expertise in considering the related party transactions that may occur, the Company shall have an independent expert or the Company's auditor give opinions on such related party transactions for decision making by the Board of Directors and/or the Audit Committee and/or shareholders depending on the case. Those who may have a conflict of interest or other interest in transactions shall not have the right to vote for approval of such related party transactions. The Company's policy on related party transactions can be classified by types of transactions as follows:

- Normal business transactions and normal business supporting transactions such as the purchase and sale of goods, and raw materials, must have trading conditions and fair prices which cause no transfer of benefits comparable to the transactions between companies and individuals or between individuals who may have conflicts of interest with the general public or any transactions in the same manner as those of other business operators. The Company has a policy for the Audit Committee to consider and comment on the reasons and necessity of such transactions on a quarterly basis according to the law on securities and stock exchange, as well as regulations, notifications, orders, or requirements of the Stock Exchange of Thailand, including the compliance with the requirements regarding the disclosure of related party transactions.
- Regarding other transactions than normal business transactions and normal business supporting transactions, such as property rental transactions or transactions relating to the purchase and sale of assets or provision of financial assistance, etc., the Company has a policy for the Audit Committee to consider and give opinions on the reasons and necessity for such transactions according to the law on securities and stock exchange, as well as regulations, notifications, orders, or requirements of the Stock Exchange of Thailand, including the compliance with the requirements regarding the disclosure of related party transactions and acquisition or dispositions of the Company's important assets. The Company does not have a policy to lend money to individual persons who may have conflicts of interest to conduct or operate a business on behalf of the Company.

The Board of Directors shall comply with the SEC and regulations, notifications, orders or requirements of the SET, including the compliance with requirements regarding related party transactions and acquisition or disposition of the Company's important assets to avoid a conflict of interest from the decision for such transactions towards the utmost benefit for all shareholders. The Company shall disclose such related party transactions in Form 56-1 One Report and the notes to the financial statements audited by the Company's auditor.

Procedure for storing related party transaction data

1. Directors, executives, and major shareholders fill in the report of interest together with supporting documents and send to the Company Secretary for storing.
2. The Company Secretary prepares:
 - 2.1 Summary of names of related companies and individuals for the Finance and Accounting Division as a database for storing the related party transactions
 - 2.2 Report Form of Executive Director's Conflict of Interest, with the notification to the Chairman of the Board of Directors after each change
3. Directors, executives, and major shareholders are obliged to notify the Company Secretary whenever there is a change in information.
4. The Company Secretary sends the summary of interest reports to directors, executives, and major shareholders to review and update the information annually.
5. Any directors with interests in businesses that may have conflicts of interest with the Company must completely inform this matter at the Board of Directors' meeting and the shareholders' meeting as information for decision making before voting in the appointment of a director.

6. Every quarter, the Finance and Accounting Division is responsible for reviewing and disclosing information about related party transactions to the auditor and presenting information to the Audit Committee's meeting for opinions. The prepared information includes:
 - 6.1 Names of individuals who may have conflicts of interest with the related party transactions
 - 6.2 Characteristics of products/services, such as amount, transaction value, and credit terms, etc.
 - 6.3 Value of comparable transactions in the quarter or last year
 - 6.4 Transaction data in the same manner as other business partners, such as characteristics of products/services, amount, transaction value, and credit term, during a similar period (the same quarter or the same year)
 - 6.5 Reasons and necessities for such transactions
7. The Company Secretary and the Finance and Accounting Division are responsible for reviewing the Company's related party transactions according to the rules, regulations, or practices of the Stock Exchange of Thailand, the SEC, and other related agencies to be in proper compliance with relevant regulations before making transactions.

The full version of Related Party Transactions Policy can be studied at Company's website under the topic of Corporate Governance > CG Report and download > Related Party Transactions Policy: <https://investor.sic.co.th/en/corporate-governance/cg-report-and-download> or please scan QR Code.



2. Use of Inside Information for Benefits

The Company has a policy for the use of inside information and trading of securities of the Company and communicates the policy to the relevant persons and ensure strict compliance. The directors, executives, including management level positions in the accounting or financial line at the level of the manager or above or equivalent and the operators who has become aware of inside information that is important or affects the change in the price of securities must suspend the purchase, sale, transfer, or receipt of transferred securities of the Company during one month before disseminating the quarterly financial statements and annual financial statements and within 24 hours after the information disclosure to the public, including the duty to strictly follow the guidelines for the use of inside information of the Securities and Exchange Act, as well as other related rules.

In addition, the Company has established a monitoring policy for directors and executives, including spouses, those who live together as spouses, and minor children, to report changes in securities holdings (Form 59) to the SEC when there is a change in the Company's securities holdings to demonstrate transparency and accountability.

Guidelines related to the purchase, sale, transfer, acceptance of transfer for the Company's securities of directors and senior executives

1. Directors and senior executives (including spouses or cohabiting persons and minor children) are obligated to notify the Company Secretary before purchasing, selling, transferring, accepting transfer of the securities (in case of knowing the information in advance) or after buying, selling, transferring, accepting the transfer of the securities within the same day of securities trading.
2. Directors and senior executives (including spouse or cohabiting persons and minor children) with the purchase, sale, transfer, acceptance transfer of securities, must submit Form 59 and Form 246-2 to report to the SEC within 3 working days in compliance with the criteria set by the SEC.
3. Directors and senior executives (including spouse or cohabiting persons and minor children) are obligated to report the purchase, sale, transfer, acceptance transfer of securities to the Board of Directors' meeting for acknowledgment.

4. The Company Secretary shall disclose information on changes in the Company's securities holdings by directors and top executives, with the number of shares held at the start and the end of the year, as well as the trading during the year in the Form 56-1 One Report.

In 2023, the directors and executives performed the trading of the Company's securities a total of 26 times in compliance with the policy as specified by the Company correctly and completely.

In the past year, the Company Secretary Section sent a letter to inform the blackout period to relevant persons total 4 times in advance and found that no directors, executives, or related employees traded the securities during the period specified by the Company.

The Company Secretary Section disclosed reports on securities holdings of directors and executives to the Board of Directors' meeting every quarter, including reports on the number of shares held by directors and executives at the beginning of the year, at the end of the year, and trading during the year in the Form 56-1 One report (For more information, please refer to Section 8.4 Securities Portfolios of Directors and executive.)

The Investor Relations of the Company has set a silent period during 14 days before the Company announces its financial statements to the SET The Department of Investor Relations will not make any appointments, provide information, or answer any inquiries about the financial statements to securities analysts, investors, or shareholders, except for providing information that the Company has already disclosed or responding to facts that affect the Company's share price.

The Company has placed great importance on the use of internal information as defined in the manual of business ethics and practices at work on the topic of not using specific information for wrongful benefits. Such information has economic value both now and in the future. It is information on a limited basis and not disclosed to third parties without permission from an authorized person, such as information of customers and employees, sales and marketing information, product and service information, accounting information, business plans, marketing plans, financial plans, and project plans. These cannot be used for securities trading or sent to others for securities trading. Every year, Human Resources Department will notify directors, executives, and employees to review and sign the acceptance and awareness of the manual of business ethics and practices at work, including the posting of policy on the use of internal information and trading of the Company's securities, as well as the manual of business ethics and practices at work on the Company's website to increase communication channels and educate directors, executives and employees on the use of internal information.

The Company realizes the importance of inside information, which has been established in the Manual of Business Ethics and Code of Conduct at Work, on the topic of "Not using specific information for illegal purposes," which contains both present and future economic value to be known in a limited manner and no disclosure to outsiders before permission is granted from an authorized person. This includes customer and employee information, sales and marketing information, product and service information, accounting information, business plans, marketing plans, financial plans, project plans, etc. to be used for securities trading or distribute to others for securities trading benefits. Each year, the Company's human resources department communicates to all directors, executives and employees for reviewing and signing to acknowledge business ethics and best practices at work. Also, the policy on inside information and the Company's securities trading has been published in line with business ethics and work practices on the Company's website to increase communication channels and provide knowledge on the use of inside information to directors, executives and employees with more efficiency.

The full version of Insider Information and Securities Trading Policy can be studied at Company's website under the topic of Corporate Governance > CG Report and download > Insider Information and Securities Trading Policy: <https://investor.sic.co.th/en/corporate-governance/cg-report-and-download> or please scan QR Code.



3. Information Technology Security of the Organization

The Board of Directors of the Company has indicated that risk management and IT control are a must for the sake of effective and efficient IT resources allocation and management as stated in the Business Governance Policy of the Company, as well as determining that the IT security measures must be sufficient and appropriate, considering confidentiality, reliability, and readiness of the information to prevent the misconduct. Moreover, the measure must be regulated to control the Company to align with the law, rules, regulations, and standards related to IT usage. The Company must also provide the Business Continuity Plan (BCP) in case of any emergency or accident.

The Company has assigned IT & Facility Department to overlook the security aspect of information technology and prepared IT Security Policy, with the objectives to use the information technology of the Company appropriately, effectively, and securely, as well as operating the business continually and preventing from any potential threats and issues from using IT system improperly, which covers the scopes as follows.

1. IT System Usage and Access Control

- Access Control consists of controlling the access of information and equipment for processing by considering the stability and security and indicating the criteria of access authorization, rights, types of information, priority, confidentiality of information, levels of access, as well as time and channel of access.
- Business Requirement for Access Control consists of controlling IT access to align with business requirements and security measures, which are also adjusted to be in accordance with changing situations.
- User Access Management consists of training users to realize and understand potential threats and effects from careless usage of IT system, as well as indicating protective measures as appropriate. In addition, the Company must determine steps for user registration after getting authorized to use the IT system and terminating users after finishing the operations for canceling the rights. Proper access right management allows strict user password management and periodic right revision of IT system users.
- User Responsibilities consists of communicating proper guidelines for users in indicating good-quality passwords and changing them regularly; determining proper guidelines so that unauthorized users would not be able to access the Company's equipment when it's not under control; preventing IT assets, such as documents, information recording media, computers, or IT media, from the risk of being accessed by unauthorized users, and monitoring users to abide by the obligations regarding confidentiality level of information.
- Network Access Control consists of indicating specific access rights of users only for authorized services, requiring identity authentication before authorizing any external users to use the Company's IT system. Moreover, using the internet requires users to connect their computers to the security system provided by the Company only, installing the virus-detected program on the connecting equipment and not using the Company's internet for any improper or illegal transactions or conducts.
- Operating System Access Control consists of indicating steps for signing into the system and creating a secure password. Users are required to provide their specific identity information and the connection duration is limited for a higher level of security of the IT system or applications which contain high risk or high importance.
- Application and Information Access Control consists of limiting or controlling access rights of users or personnel who are responsible for supporting access to the information technology and functions of applied programs or applications. Meanwhile, the access rights need to align with the access and IT usage control regulation, by controlling computers and mobile communicating equipment based on appropriate measures. Furthermore, guidelines are indicated regarding operations of external parties and using emails, applied programs, communicating applications, by determining access rights to the organization systems based on the needs and responsibilities of employees, revising their rights regularly, verifying users by their username and passwords, and preventing damages to the Company, copyright infringement, illegal actions, or unethical behaviors. These rights would be used solely for the sake of the Company and not for personal interests.

- Outsourcing for IT System Development consists of monitoring external parties who are involved in using the Company's information to be responsible for aligning with the related IT security regulations similar to employees of the Company. Besides this, for hiring an outsource, there must be a consideration process in terms of IT security risks toward the Company by the information administrator and IT Department. In case information of the Company is needed to be used, the confidentiality level will be considered. If it is confidential information, the external parties must sign the Non-Disclosure Agreement related to confidentiality of information before receiving approval to use that information.

2. IT Backup System

- Select and prepare the appropriate backup system to be in a ready-to-use condition.
- Prepare the emergency plan in case the electronic operations cannot be processed so that the information technology can be used continually. This emergency plan must be adapted appropriately and in accordance with business operations.
- Indicate the roles and responsibilities of personnel in charge of the backup IT system and emergency plan in case the electronic operations cannot be processed.
- Test the availability of IT system, backup system, and emergency plan regularly at least once a year.
- Execute and review the emergency plan regularly at least once a year.

3. Auditing and Assessing IT Risks and Creating Awareness Regarding IT Security

- Conduct the information security audit and assesment at least once a year.
- The IT Department of the Company should arrange some activities in regards of creating awareness about IT security to publicize the policy and guideline to the users and related parties for their acknowledgment and understanding regarding the importance of IT security.

4. Management of Resources, Network, Computer, and IT System

- Asset Management consists of controlling access to the Company's server room, not allowing any equipment or parts into or out of the server room, not allowing any equipment to connect with the system before getting approval from the IT Department, and not copying any copyrighted information without approval. The roles and responsibilities to the assigned assets of the Company are indicated clearly as if they were the own assets of employees. All receipt and return of assets must be recorded and inspected by the assigned personnel. Computers and laptops must not be lent to anyone in any case and employees must not use assets and IT system provided by the Company for other activities which are not assigned by the Company, or that damage the Company. If this occurs, employees shall be responsible for the damages arising from violation as this would be considered a personal mistake.
- Organization Information Management consists of creating awareness about information usage, whether it is internal or external information, by prohibiting any disclosure, adjustment, copy, or destruction of organization information, as well as communicating or transferring information via unapproved or personal channels, including social media, which are not possessed by the Company. Communication or transfer of information must align with the regulations regarding the confidentiality level of information. Additionally, responsibilities are indicated in terms of securing organization information and responsibilities toward the damage of information in case of loss, misuse, or unapproved disclosure.
- IT System Management consists of preventing the development of programs or hardware which damages the IT security system and licensed software, preventing any actions in suspect of unapproved use or knowing others' personal passwords in any case, for the purpose of access some information or using resources. Lastly, the presentation is also controlled to not display illegal information, copyright infringement, and inappropriate or unethical pictures and messages.
- Compliance Aspect consists of controlling users to be aware of and strictly comply with the laws of Thailand, as well as rules and regulations stated by the Company, licensed software, and computer traffic information storage

(Log), in accordance with the Computer-Related Crime Act B.E. 2560 (2017) (Version 2) stating that this information can be stored on storage that is able to maintain completeness, correctness, and honesty for at least 90 days. In addition, regarding compliance with the Personal Data Protection Act B.E. 2562 (2019), the Company promotes and respects personal rights and does not allow any party to violate personal information without approval from the owner of that information.

5. Protection of Threats to Computer Network and IT System

- Virus and Malicious Software Prevention

- An anti-virus program must be installed as indicated by the Company.
- Information, files, software, or anything from external users must always be scanned for virus before using or recording.
- Information and patch must be updated regularly to prevent potential damages.
- Create awareness regarding virus and malicious software and inform the administrator in case of suspicious act.
- Any computers infected with virus must not be connected to the network system and must be informed to the administrator.
- Users must not copy, adjust, or delete the information, messages, documents, or any assets of the Company or others without approval of the owners.
- Prevent the disclosure of virus, malware, or malicious software with potential damage to the Company.

- Network System Protection and Breach Detection

- Install the breach detection and protection system in any locations with potential for attack or breach.
- Tuning of the breach detection and protection system must be processed for the highest protection and least false positive.
- Inspect the operations of the breach detection and protection system and log.
- Any adjustment to the breach detection and protection system must be recorded and reported to the Chief of IT Department of the Company.
- Equipment of the breach detection and protection system must be protected from physical access and installed in secured room.

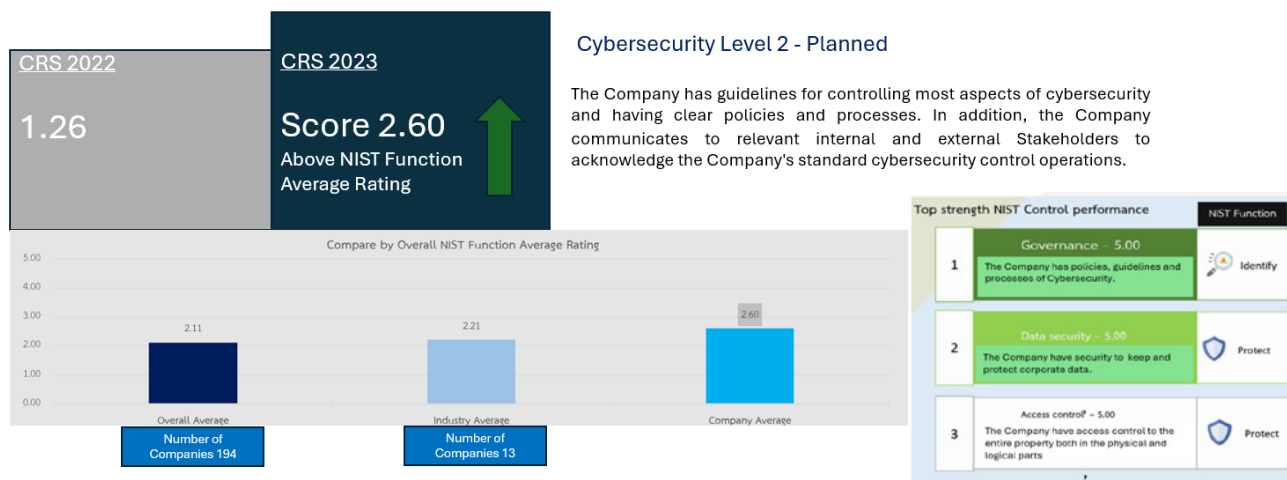
- Dealing with IT Security Situations

- The administrator and related parties must be informed immediately when discovering any situations that might affect IT security.
- In case vulnerabilities of the IT system are found, it must not be disclosed, publicized, discussed, or acted on in any form such that the information can leak to others, and the administrator must be informed immediately.
- There is a dedicated group responsible for IT security to specifically deal with the situations that might affect IT security of the Company.

During 2023, the IT & Facility Department raised IT awareness and security to employees regularly, such as notification emails and guidelines when finding phishing mail, and support channels for internal IT support. Moreover, the Company joined the Cybersecurity Resilience Survey 2023 for listed companies, which had the objective of enhancing the cybersecurity of the Thailand Capital Market to align with the Standards of Information Security Management System (ISO 27001:2022) and the National Institute of Standards and Technology (NIST). The participants of this survey comprised 194 companies. The Company obtained a higher score than the previous year, which was higher than the NIST Function Average of listed companies overall and also higher than the average of listed companies in technology. Besides this, the Company received full 5 points in NIST Control Performance in terms of 1) Governance, 2) Data Security, and 3) Access Control, which stemmed from the development plan to consecutively enhance the cybersecurity of the Company.

Organization summary

Results of the Cybersecurity Level Assessment Questionnaire for Silicon Craft Technology Public Company Limited



4. Anti-Corruption

The Company has the intention to operate the business under the Corporate Governance Code and law, by adhering to operating the business honestly and ethically, as well as advocating to employees in all levels and external parties to oppose all forms of corruption, both directly and indirectly. Therefore, the Company has prepared the Anti-Corruption Policy and Guideline and executed it throughout the organization so that the Board of Directors, executives, and employees would be aware of the importance and insist on implementing it. The details of the Anti-Corruption Policy and Guideline are as follows.

- The directors, executives, and employees must report to the Board and Audit Committee immediately in case of corruption, suspicious corruption, illegal act, or other unusual behavior, which can significantly affect the reputation and financial status of the Company, such as conflict of interest, corruption, and significant abnormalities in internal control.
- The executives and employees must strictly follow the process of procurement, in accordance with the policy and operational process of the Company, in an explicit, impartial, and verifiable manner.
- Any allowance must be on behalf of the company entity only and must be processed in accordance with the regulations of the Company.
- Any behavior suspicious of bribery to or from stakeholders, both directly and indirectly, must be refrained from. In case employees receive presents of unusual value on a specific occasion (as stated in the Business Code of Conduct) from stakeholders of the Company, that employee must report to their directors accordingly.
 - Executives, employees, and relatives or occupants who are living under the same roof must not request or attend socializing activities, sports activities, or reception parties, and not accept gifts, presents, or bribe for their own sake or for others' from anyone they are contacting business with.
 - In an inevitable case, the executives and employees might accept interests or presents for business promotion or tradition if the value of those interests or presents is not over 3,000 baht. If the value is over 3,000 baht, the executives and employees must report to their directors in writing and deliver those interests or presents to the Company.
 - In the case where executives and employees act as the representatives of the Company to attend partners' parties or field trip and receive any interests or presents with the value over 3,000 baht, whether they are from the prize, drawing lots, or souvenirs, they must report to their leaders in writing and deliver those interests or presents to the Company.
- Anyone who violates this rule will be considered committing an offense and must obtain disciplinary punishment as appropriate, namely verbal warning, warning letter, salary decrease, suspension without pay, termination, etc., and legal action as needed.

The full version of Anti-Corruption Policy and Guideline can be studied at Company's website under the topic of Corporate Governance > Anti-Fraud Policy > Anti-Corruption Policy and Guideline: <https://investor.sic.co.th/en/corporate-governance/anti-fraud-policy> or please scan QR Code.



The Board of Directors has reviewed the Anti-Corruption Policy annually, promoted employees to join courses related to corruption, and communicated to all departments in the Company to be aware of this matter and execute anti-corruption strictly. In 2023, the Human Resource Department of the Company included the Anti-Corruption Policy, Policy On Offering Or Receiving Gifts And Entertainment, and Internal Information Protection Policy into the Business Code of Conduct for the orientation of new employees, as well as communicating with all departments to be aware of the importance of anti-corruption in all aspects. For example, the Company has conducted the Business Code of Conduct reviewing employees in all departments by testing their knowledge and understanding and requiring them to sign for acknowledgment annually. Besides this, the Company normally sends the directors and executives to attend the Anti-Corruption the Practical Guide (ACPG) at the Thai Institute of Directors Association.

Furthermore, the Company has realized and highlighted the importance of joining the Collective Action against Corruption (CAC), which the Nomination, Remuneration and Corporate Governance Committee and the Board of Directors has agreed to have guidelines for the Company to study the information of this associate to prepare itself first. Then, in the future, the results may be expanded, communicated, and raised awareness of the importance of the project to relevant parties and partners.

However, the Company has not found any significant issues or faults related to corruption litigation and has not been subjected to any punishment or fine due to operations inconsistent with the law or related regulations.

5. Whistleblowing of Corruption or Malpractice

The Company adheres to operating the business with honesty and transparency under good governance practice, as well as anti-corruption in any form. The Company provides whistleblowing channels for the directors, executives, employees, subsidiaries, joint ventures, and stakeholders to inform on corruption or malpractice if discovered (both obvious or suspicious acts), as well as violations, actions, or suspicious actions that might violate the law, regulations, and business ethics of the Company so that the investigation can be conducted as stated in the Whistleblowing Policy and report to an independent Audit Committee or assigned Investigation Committee. Moreover, the Company has a policy to protect the whistleblower, information, and evidence as confidential.

Stakeholders can comment or give a whistleblowing or complaints of misconduct or corruption through communication channels with the Company as follows:

- 1) By Post:
Send to the Chairman of the Board of Directors or Chairman of the Audit Committee
Silicon Craft Technology Public Company Limited
40 Thetsabanrangsannua Rd., Ladyao, Chatuchak, Bangkok 10900
- 2) By Email:
Audit Committee: ac@sic.co.th
Company Secretariat: comsec@sic.co.th
- 3) On the Company's Website: <http://www.sic.co.th/>
- 4) By Phone: 0-2589-9991

The full version of Whistleblowing or Complaint of Misconduct or Fraud Policy can be studied at Company's website under the topic of Corporate Governance > Anti-Fraud Policy > Whistleblowing or Complaint of Misconduct or Fraud Policy: <https://investor.sic.co.th/en/corporate-governance/anti-fraud-policy> or please scan QR Code.



Scope

According to this policy, whistleblowers or complainants can report suspicions or complaints about important matters which may have significantly negative impacts on the Company as follows:

1. Unlawful acts or non-compliance with the policy on corporate governance, business ethics, and anti-corruption
2. Breaking the Company's rules and regulations
3. Inaccurate financial reports, defective internal control system, and preparation of false financial documents
4. Actions of conflicts of interest

Procedures when receiving complaints

1. Complaint recipients collect facts related to violations or non-compliance of business ethics, requirements, and working practices.
2. Complaint recipients report facts to executives and/or independent directors and/or the Audit Committee as appropriate for an investigation of facts. There will be reports of information or suspicions (whistleblowing) to the Audit Committee every quarter. The Audit Committee is independent and responsible for considerations and orders in accordance with the Company's complaint handling procedures, while reporting to the Board of Directors and implementing measures to protect the rights of informants and storing the information of informants confidentially.
3. Action Measures: Executives and/or independent directors and/or the Audit Committee investigate complaints/suggestions to obtain facts and establish measures to stop violations or non-compliance with business ethics and the code of conduct at work in a timely, appropriate, and fair manner.
4. Reporting: Executives or independent directors or the Audit Committee notify the results of the investigation to the complainant. If the complainant reveals himself/herself in case of an important matter, results are reported to the Chairman of the Board of Directors and/or the Board of Directors for acknowledgment.

Protection of whistleblowers or complainants

To build confidence, whistleblowers or complainants who report suspicions or complaints in good faith shall be protected by the Company through the following measures:

1. Data of whistleblowers, complainants, or those who cooperate in the investigation of facts shall not be disclosed by the Company, such as the name-surname, address, or any other information which can identify the informants. The Company shall conduct an investigation of facts and truthfulness.
2. The Company shall keep relevant information confidential and disclose such when necessary, taking into account the safety of and damage to whistleblowers or complainants, or those who cooperate in the investigation as sources of information, or related persons.
3. If whistleblowers or complainants or those who cooperate in the investigation of facts feel that they may be insecure or that any damages may occur, they can request the Company set appropriate protection measures. The Company may set measures for whistleblowers or complainants or those who cooperate in the investigation of facts though without a request if it is likely to cause damage or insecurity.
4. Those who suffer damages shall be compensated for such damages through appropriate and fair procedures.
5. The Company shall not take any unfair actions against whistleblowers or complainants, such as changing positions, job descriptions, workplaces, suspensions, intimidation, interference in work, termination of employment, or any other acts which are unfair to whistleblowers or complainants or those who cooperate in the investigation of facts.

False whistleblowing or complaints

If the Company finds false whistleblowing or complaints or any statements or information with evidence to prove such to be dishonest acts and intent to cause damages, in the case of being a Company employee, disciplinary actions shall be imposed according to the regulations. If they are third parties whose actions cause damages to the Company, legal action shall be taken against those individuals.

From these whistleblowing channels, the secretary of the Company has reported the summary of whistleblowing to the Board of Directors meeting quarterly. Furthermore, the Company supports directors, executives, and employees in all departments to strictly abide by the Anti-Corruption Policy and Guideline as the Company conducts the processes of investigation, follow-up, and control, in order to evaluate the risks related to internal corruption. The Company also possesses an internal operation control system and clear organizational chart and roles of each department. Other than that, the Company instills a conscious mind of anti-corruption and honesty in employees by communicating the Anti-Corruption Policy and Guideline via our website regularly.

In 2023, the Company received two complaints which The Audit Committee investigated the matter, based on the whistleblowing process, which consisted of the below details.

No.	Topic	Whistleblowing Channel	Operation / Solution
1	Bringing Company assets outside without approval	Employees' director	<ol style="list-style-type: none">1. The Company nominated the Investigation Committee to investigate the truth fairly for all parties, then the Committee reported the results to Audit Committee accordingly.2. The Company collected evidence and witness materials in order to submit to the authorities and pursue justice.3. On the part of the Company, it had been determined that it is the violation to Business Code of Conduct, the Company Obligations and the other relevant laws. The Company sentenced the punishment for that employee as termination from the Company and legal litigation.4. To prevent this situation from happening again, the Company highlighted with the executives and employees in all levels to be aware of their roles and responsibilities as mentioned in the Business Code of Conduct, which stated about honesty and protecting Company's assets, as well as emphasizing and publicizing the IT Security Policy of the Company via several channels. Violation to this Policy would be punished and related processes would be reviewed by each department to find the weaknesses in operational processes and improve them to prevent recurrence of the situation.

No.	Topic	Whistleblowing Channel	Operation / Solution
2	Customer and sales management did not align with the Business Code of Conduct	Employees and Directors of Sales and Marketing	<ol style="list-style-type: none"> 1. The Company nominated the Investigation Committee to investigate the truth fairly for all parties, then the Committee reported the results to Audit Committee accordingly. 2. After considering both evidence and witness, there were no direct significant effects on the business operations of the Company. However, the Company improved and adjusted the working contract to be more concise, clearer and align with the Business Code of Conduct and Policies of the Company. 3. To prevent this situation from happening again, the Company highlighted with the executives and employees in all levels and in all functions to be aware of their roles and responsibilities as mentioned in the Business Code of Conduct, which stated about honesty and avoiding conflict of interest. Violation to this Policy would be punished, which would be mentioned in the conducting the testing system to review their understanding toward Business Code of Conduct every year.

8.2 Reports of the Audit Committee for in 2023

8.2.1 Meeting Attendance

Members of the Audit Committee

The Company's Audit Committee consisted of 3 members, namely:

Name - Surname	Position
1. Mrs. Monluedee Sookpantararat	Chairman of the Audit Committee/ Independent Director
2. Mr. Wuthipong Suponthana	Member of the Audit Committee/ Independent Director
3. Mr. Sarote Phornprapha	Member of the Audit Committee/ Independent Director

In this regards, Mrs. Monluedee Sookpantararat, has knowledge and understanding on accounting and experiences to review the Company's financial statements and Ms. Usanee Intachit is the Secretary of the Audit Committee.

Name - Surname	Number of Attendance/ Total number of Meetings held		
	2021	2022	2023
1. Mrs. Monluedee Sookpantararat	5/5	6/6	7/7
2. Mr. Wuthipong Suponthana	5/5	6/6	7/7
3. Mr. Sarote Phornprapha	5/5	6/6	7/7

Attendance record of the Audit Committee during 2021 - 2023 is summarized as follows.

Attendance record of the Non-Executive Directors/ Independent Director meeting during 2021 - 2023 is summarized as follows.

Name - Surname (Independent Director meeting)	Number (times) / Total number (times)		
	2021	2022	2023
1. Mrs. Monluedee Sookpantararat	1/1	1/1	1/1
2. Mr. Wuthipong Suponthana	1/1	1/1	1/1
3. Mr. Sarote Phornprapha	1/1	1/1	1/1
4. Mr. Manop Dhamsirianunt	-	1/1	1/1
5. Mr. Apinetr Unakul	-	1/1	1/1
6. Mr. Naiyavudhi Wongkomet	-	1/1	1/1
7. Ms. Arunee Poontawe ^[1]	-	1/1	-

^[1] Ms. Arunee Poontawe resigned from the Member of the Board of Directors at the Board of Directors' Meeting No.1/2023 with effect from March 1, 2023 onwards.

8.2.2. Report of the Audit Committee

The Audit Committee of Silicon Craft Technology Public Company Limited is appointed by the Board of Directors. It consists of 3 independent directors who diversely have comprehensive knowledge, expertise, experience, and qualifications as specified in the Charter of Audit Committee, according to the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), with the Manager of Accounting Department as a secretary.

In 2023, there were a total of 7 meetings of the Audit Committee's meeting. As of 31 December 2023, a number of 3 directors held positions in the Audit Committee according to the meeting attendances as follows:

Name - Surname	Position	Number of meeting attendance (time)
1. Mrs. Monluedee Sookpantararat	Chairman of the Audit Committee/ Independent Director	7/7
2. Mr. Wuthipong Suponthana	Member of the Audit Committee/ Independent Director	7/7
3. Mr. Sarote Phornprapha	Member of the Audit Committee/ Independent Director	7/7

In 2023, the Audit Committee performed its duties according to the scope of responsibilities specified in the Charter of Audit Committee with carefulness, caution, and independence. The results of meeting were reported to the Board of Directors every time. In addition, the Audit Committee held a meeting between the external and the internal auditors without the participation of executives or the management to consider the operating results, past performance and significant issues in the 2023 financial statements, including the auditor's opinion on various issues from the audit results of auditors. The details of important considerations in 2023 were as follows:

- The Audit Committee reviewed the quarterly and annual financial statements by considering important financial reports, accounting policies, business projections, inquiries and clarifications from the executives of Finance and Accounting Department and the auditors for the accuracy and completeness of financial statements, significant accounting adjustments, important and adequacy of information disclosure. The Audit Committee had consistent opinions with the auditors that the financial statements were accurate and complete in accordance with the standards of financial reports.
- The Audit Committee considered the internal control results every quarter, including the adequacy and suitability of internal control system regularly by reviewing significant results of the internal auditor's audit and evaluating the adequacy of internal control system according to the guidelines and principles set by the SEC. Also, opinions were provided with follow-up on the progress of the management's corrective actions on various significant issues. In 2023, the Audit Committee had opinions that the Company maintained the adequate and appropriate internal control system, including risk management system. Moreover, the Audit Committee reviewed and supervised the Company's compliance with the laws, regulations, policies, and operations according to the laws of various regulatory agencies. In 2023, the Audit Committee found no indicators to believe that the Company had any deficiencies regarding operations conflict with the laws, regulations, policies, and requirements of relevant regulatory agencies, in line with anti-corruption policy, manual of business ethics, and the Company's corporate governance policy.
- The Audit Committee considered connected transactions or transactions which may have conflicts of interest in accordance with the laws and regulations of the Stock Exchange of Thailand by committing to the principles of reasonability, transparency, and adequate information disclosure. In 2023, the Audit Committee had opinions that the Company had connected transactions on product sales and other service items which were normal and no important connected transactions required for disclosure in accordance with the regulations of the Stock Exchange of Thailand, including no significant issues to affect the achievement of the organization's objectives.

- The Audit Committee Proposed the nomination, appointment of auditors and set the remuneration for the year 2023, which were approved by the Board of Directors and the shareholders' meeting according to their competence and experience in business audits, performance, independence, and appropriate audit fees. The Audit Committee submitted its opinions to the Board of Directors for consideration and approval at the 2021 shareholders' meeting. The shareholders resolved to approve the appointment of auditors from DIA International Audit Company Limited, namely

1. Mrs. Somjintana Pholhirunrat Certified Public Accountant registration number 5599 and/or
2. Mr. Nopparoeek Pissanu Wong Certified Public Accountant registration number 7764 and/or
3. Mr. Chumpot Prairattanakorn Certified Public Accountant registration number 7645 and/or
4. Mr. Kamolmett Chrityakierne Certified Public Accountant registration number 10435

As the Company's auditors for the year 2023, with a remuneration of 1,700,000 baht and other service fees that the Company would actually pay as specified in the minutes of the 2023 annual shareholders' meeting.

- The Audit Committee proposed for the approval of the Board of Directors to appoint Unique Advisor Company Limited as the Company's internal auditor for the year 2023. Also, the said appointment has already been approved for the year 2024. The Audit Committee also considered the independence of internal auditors, performance, scope of operations, annual audit plan, audit report, follow-up on resolutions of significant issues and provision of advice to improve operational efficiency.
- The Audit Committee has considered and screened the auditors for the year 2024 from the existing auditors and the new auditors from Big4, namely PWC, KPMG, EY and Deloitte towards the audit quality. There was a presentation on the score levels which the Audit Committee has jointly evaluated for those aforementioned auditors. The criteria included: 1) inspection quality and added value to the Company, 2) audit methods, and 3) audit fees of each company, for the consideration at the Board of Directors' meeting. The resolution was approved by a majority of the votes for appointing DIA International Auditing Company as the auditor in 2024. The consideration and approval was based on the quality of audit work, various business challenge factors, business risk, and operational workload. It was also deemed appropriate to consider changing to the new auditor from Big4 next year. The Company's Board of Directors shall then present it to the General Meeting of Shareholders for approval of the Company's auditor appointment and audit fees for the year 2024.
- The Audit Committee acknowledged the whistleblowing reports on a quarterly basis. The Audit Committee is independent and responsible for considering and giving orders in accordance with the Company's complaint handling process and report submission to the Board of Directors. The Audit Committee also operates in compliance with the legal section on protection of whistleblowers' rights and confidential information.
- The Audit Committee reviewed the Charter of Audit Committee annually to be consistent with current guidelines and practices of various regulatory agencies and nature of the Company's business at present. In 2023, the Audit Committee received the circular letter, SEC NorRor. (Wor) 23/2023, on the understanding of roles, duties, and good practice guidelines of the Audit Committee. There was also a performance evaluation both as a group and individually to strengthen the work of the Audit Committee for more efficient. This has been reported to the Board of Directors for their acknowledgment.

The Audit Committee has performed its duties with full knowledge, competence, prudence, and independence in accordance with the duties and responsibilities specified in the Charter of Audit Committee for equal benefits to all stakeholders. In 2023, the Audit Committee had opinions that the Company provided reliable and accurate financial reports with adequate information disclosure, in compliance with the general audit and financial report standards as well as the Company's operations under good internal control system and performance according to the related laws, regulations, and rules.

(Mrs. Monluedee Sookpantararat)
Chairman of the Audit Committee

8.3 Reports of other sub-committees in 2023

8.3.1 Meeting Attendance

1) The Risk Management Committee

The Company's Risk Management Committee consisted of 4 members, namely:

Name - Surname	Position
1. Mr. Wuthipong Suponthana	Chairman of the Risk Management Committee
2. Mrs. Monluedee Sookpantararat	Member of the Risk Management Committee
3. Mr. Naiyavudhi Wongkomet	Member of the Risk Management Committee
4. Mr. Bodin Kasemset	Member of the Risk Management Committee

In this regards, Mr. Karn Opasjumruskit is the Secretary of the Risk Management Committee.

Attendance record of the Risk Management Committee during 2021 - 2023 is summarized as follows.

Name - Surname	Number of Attendance/ Total number of Meetings held		
	2021	2022	2023
1. Mr. Wuthipong Suponthana	5/5	4/4	4/4
2. Mrs. Monluedee Sookpantararat	5/4	4/4	3/4
3. Mr. Naiyavudhi Wongkomet	5/5	3/4	4/4
4. Mr. Bodin Kasemset ^[1]	2/2	3/4	4/4
5. Mr. Manop Dhamsirianunt ^[2]	3/3	-	-

^[1] Mr. Bodin Kasemset was appointed as the Risk Management Committee Member at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

^[2] Mr. Manop Dhamsirianant resigned from the position of Risk Management Committee Member at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

2) The Nomination, Remuneration and Corporate Governance Committee

The Company's Nomination, Remuneration and Corporate Governance Committee consisted of 3 members, namely:

Name - Surname	Position
1. Mr. Sarote Phornprapha	Chairman of the Nomination, Remuneration and Corporate Governance Committee
2. Mr. Wuthipong Suponthana	Member of the Nomination, Remuneration and Corporate Governance
3. Mr. Naiyavudhi Wongkomet	Member of the Nomination, Remuneration and Corporate Governance Committee

In this regards, Ms. Thamon Vichienson is the Secretary of the Nomination, Remuneration and Corporate Governance Committee.

Attendance record of the Nomination, Remuneration and Corporate Governance Committee during 2021 - 2023 is summarized as follows.

Name - Surname	Number of Attendance/ Total number of Meetings held		
	2021	2022	2023
1. Mr. Sarote Phornprapha	4/4	4/4	4/4
2. Mr. Wuthipong Suponthana	4/4	4/4	4/4
3. Mr. Naiyavudhi Wongkomet ^[1]	1/1	3/1	4/4
4. Ms. Arunee Poontawe ^[2]	3/3	-	-

^[1] Mr. Naiyavudhi Wongkomet was appointed as the Nomination, Remuneration and Corporate Governance Committee Member at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

^[2] Ms. Arunee Poonthawee resigned from the position of the Nomination, Remuneration and Corporate Governance Committee Member at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

3) The Executive Committee

The Company's Executive Committee consisted of 6 members, namely:

Name - Surname	Position
1. Mr. Naiyavudhi Wongkomet	Chairman of the Executive Committee
2. Mr. Bodin Kasemset	Member of the Executive Committee
3. Mr. Kowit Nuangsuk	Member of the Executive Committee
4. Mr. Sarun Polachart	Member of the Executive Committee
5. Mr. Thaweesak Thantipwan	Member of the Executive Committee
6. Mr. Apinunt Thanachayanont	Member of the Executive Committee

In this regards, Ms. Katalae Krachangsaeng is the Secretary of the Executive Committee.

Attendance record of the Executive Committee during 2021 - 2023 is summarized as follows.

Name - Surname	Number of Attendance/ Total number of Meetings held		
	2021	2022	2023
1. Mr. Naiyavudhi Wongkomet	12/12	14/15	13/13
2. Mr. Bodin Kasemset ^[1]	12/12	15/15	13/13
3. Ms. Kowit Nuangsuk ^[2]	-	-	13/13
4. Mr. Sarun Polachart ^[3]	-	-	13/13
5. Mr. Thaweesak Thantipwan	12/12	15/15	13/13
6. Mr. Apinunt Thanachayanont ^[4]	-	-	13/13
7 Mr. Manop Dhamsirianunt ^[5]	8/8	-	-
8. Ms. Arunee Poontawe ^[6]	12/12	15/15	-

^[1] Mr. Bodin Kasemset was appointed as the Executive Committee Member at the Board of Directors' Meeting No. 4/2020 with effect from August 14, 2020.

^[2] Mr. Kowit Nuangsuk was appointed as the Executive Committee Member at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022.

^[3] Mr. Sarun Polachart was appointed as the Executive Committee Member at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022.

^[4] Mr. Apinunt Thanachayanint was appointed as the Executive Committee Member at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022.

^[5] Mr. Manop Dhamsirianant resigned from the position of Chairman of the Executive Committee at the Board of Directors' Meeting No. 5/2021 with effect from August 12, 2021.

^[6] Ms. Arunee Poontawe resigned from the position of Executive Committee Member at the Board of Directors' Meeting No. 6/2022 with effect from December 17, 2022.

8.3.2 Report of Risk Management Committee

The Risk Management Committee of Silicon Craft Technology Public Company Limited was nominated by the Board of Directors of the Company in order to push the Company in terms of guidelines and procedures regarding effective risk and crisis management in all aspects so that all stakeholders could be positive that business operations of the Company could continue stably to achieve the goals and objectives of the Company within an acceptable level of risk in order to grow sustainably in the long run.

In 2023, the meeting of the Risk Management Committee was held four times. The Risk Management Committee as of 31 December 2023 consisted of four members, with details of the meeting attendance as follows.

Name - Surname	Position	Number of meeting attendance (time)
1. Mr. Wuthipong Suponthana	Chairman of the Risk Management Committee/ Independent Director	4/4
2. Mrs. Monluedee Sookpantararat	Member of the Risk Management Committee/ Independent Director	3/4
3. Mr. Naiyavudhi Wongkomet	Member of the Risk Management Committee/ Non- Executive Director	4/4
4. Mr. Bodin Kasemset	Member of the Risk Management Committee/ Executive Director	4/4

The details of significant considerations in 2023 were as follows.

- The Risk Management Committee regularly governed and followed significant risks in several aspects of the Company, including high, medium, and potential risk factors. These risks included the progress of transition for more efficient wafer manufacturing technology, strategic and technology risk, geopolitics risk, operational risk, marketing risk, financial risk, regulation risk, sustainability risk, and emerging risk.
- The Risk Management Committee nominated the Resource Management Steering Committee (RMSC), which included managers or personnel in related departments of the Company, and held the meeting for revision, discussion, and operations related to risks monthly so that the Company could manage risks vigorously, in alignment with the Risk Management Policy and Guideline as approved by the Board of Directors. The RMSC would report the results to the Risk Management Committee. In addition, the RMSC exchanged information with the Executive Committee, the Audit Committee and the Board of Directors, having the internal audit as a co-auditor and advisor regarding proper risk management.
- The Risk Management Committee analyzed the effects of changing factors, including politics, economy, society, technology, cyber threats, regulations, and risks from the development of the manufacturing industry and technology. The Company had to manage and prepare in several aspects to execute new technology throughout the supply chain. The RMSC and management team cooperated in analyzing, evaluating the risks, continually monitoring the situations, preparing both short-term and long-term plans, and following up the results regularly to reduce potential risks to the Company and create business opportunities for sustainable growth in the long run.

- The Risk Management Committee reviews the Charter of Risk Management Committee and related policies annually to ensure that the policies and Charter still align with the types and business strategies of the Company, present situations, and rules stated by the authorities.
- The Risk Management Committee promoted the culture of risk management to create the understanding, conscious mind, and responsibilities in terms of risks, control, and effects of risks toward the Company, as well as regularly and continually supporting communication to all departments in the Company to be aware of risk management.
- The performance evaluation was conducted both as a team and individually to support the operations of the Risk Management Committee.

The Risk Management Committee performed their roles cautiously under the Charter of Risk Management Committee and scope of duties as assigned by the Board of Directors, with consideration of interests of the Company, shareholders, and all stakeholders.



(Mr. Wuthipong Suponthana)
Chairman of the Risk Management Committee

8.3.3 Report of the Nomination, Remuneration and Corporate Governance Committee

The Nomination, Remuneration and Corporate Governance Committee (hereinafter referred to as the “Committee”) is appointed by the Board of Directors to help promote the Company’s good corporate governance in various areas, including the performance of assigned duties as specified in the Charter of Nomination, Remuneration and Corporate Governance Committee, such as considering criteria and procedures for recruitment of qualified individuals to be appointed for positions of the Company’s directors and top executives, in line with remuneration, to present them to the Board of Directors and the Annual General Meeting of Shareholders for approval.

In 2023, there were 4 meetings of the Nomination, Remuneration and Corporate Governance Committee and a meeting of the Selection Committee. As of 31 December 2023, 3 directors held positions in the Nomination, Remuneration and Corporate Governance Committee according to the meeting attendance as follows:

Name - Surname	Position	Number of meeting attendance (time)
1. Mr. Sarote Phornprapha	Chairman of the Nomination, Remuneration and Corporate Governance Committee/ Independent Director	4/4
2. Mr. Wuthipong Suponthana	Member of the Nomination, Remuneration and Corporate Governance/ Independent Director	4/4
3. Mr. Naiyavudhi Wongkomet	Member of the Nomination, Remuneration and Corporate Governance Committee/ Non-Executive Director	4/4

The details of the important considerations in 2023 were as follows:

- The Committee considered the nomination and appointment of directors to replace those with expired terms of office at the 2023 Annual General Meeting of Shareholders and presented them to the Board of Directors and the shareholders’ meeting for approval. There was the nomination of the former directors, namely xx, because all of those three persons were fully qualified with knowledge, ability, and experience in compliance with the Company’s business operations.
- The Committee considered the remuneration rates of the Company’s directors and sub-committees based on the suitability of their assigned duties and responsibilities. Also, the remuneration rates were compared with those of directors in other listed companies of the same industry and similar size to present to the Board of Directors’ meeting and the 2023 Annual General Meeting of Shareholders for approval. The remuneration of directors on that year was the same rate as in the previous year.
- The Committee reviewed the BOD Skill Matrix for the structure and diversity of directors according to the organization’s current business strategy.
- The Committee managed the performance evaluation of the Board of Directors, Sub-committees and the Chief Executive Officer before reporting the results to the Board of Directors for their acknowledgment.
- The Committee considered the framework for increasing employees’ wages and average bonuses, including various retention programs. In 2023, there was a continuous consideration of the 4th Employee Joint Investment Program (EJIP) to retain potential employees by creating incentives and participation in business ownership.
- The Committee established a yearly training and development plan for the Company’s directors to enhance the skills and knowledge of directors as the organizational leaders with effectiveness by encouraging the Board of

Directors to participate in various training courses for knowledge and ability development in performing their duties. In 2023, there were 7 training courses for the Company's directors at the Thai Institute of Directors, with a total of 6 directors attending the training.

- The Committee supported the Company for international corporate governance. In 2023, the Company received the results of the corporate governance assessment of Thai listed companies for the year 2023 (CGR Checklist) by the Thai Institute of Directors Association (Thai IOD) at the level of 5 stars or Excellent for the consecutive 2 years. Besides, the Company has been selected by Thaipat Institute to be on the list of sustainable companies worthy of investment (ESG Emerging List), including a security in the Universe of the 2023 Annual ESG100 Securities Group based on outstanding operations in the areas of environment, society, and good governance (ESG). This could reflect the Company's adherence to sustainable business operations all along, in line with its potential management and vision as an alternative for investors and shareholders. The Company has also passed the criteria for being selected on the list of sustainable stocks for the year 2023 (SET ESG Rating) or formerly known as Thailand Sustainability Investment (THSI) for the consecutive 2 years second year in a row, with the SET ESG evaluation results for the 2023 Ratings in the "A" level, reflecting its commitment to business growth, innovation, and sustainable returns, which focuses on environmental, social, and corporate governance (ESG) factors in every business process and all stakeholders.
- The Committee considered reviewed the Charter of the Nomination, Remuneration and Corporate Governance Committee, including other related policies to suit current situations and according to the criteria set by regulatory agencies.

The Nomination, Remuneration and Corporate Governance Committee has performed its duties according to the Charter of the Nomination, Remuneration and Corporate Governance Committee, including those assigned by the Board of Directors with prudence, caution, transparency, fairness and independence in compliance with the principles of good corporate governance and development for sustainability for maximum benefits of the Company and all stakeholders as important points.



(Mr. Sarote Phornprapha)
Chairman of the Nomination, Remuneration and
Corporate Governance Committee

8.4 Securities Portfolios of Directors and executive

It is required that the Company's directors, major shareholders, and executives prepare an annual report on their conflicts of interest, including the changes to various information that must be notified to the Company every time. In the meantime, the directors and executives, including their spouses or those living together as husband and wife as well as minor children, must be monitored for a duty to notify the Company's Secretary before purchasing, selling, transferring, or accepting transfer of the Company's securities (in the case of knowing the information in advance), or they are required to inform the Company after buying, selling, and transferring the Company's securities within the same day as the date of conducting any transactions related to the Company's securities. It also includes the follow-up for the Company's directors and executives to report any changes in their securities holdings (Form 59) to the SEC when there is a change in the Company's securities holdings with transparency and accountability.

Additionally, at the meeting of the Board of Directors, the Company's secretary will report on securities holdings, changes in the Company's securities holdings on a quarterly basis.

As of December 31, 2022, the Company had a total of 400,000,000 shares and as of December 31, 2023, the Company had a total of 479,999,884 shares. The summary information on changes in securities holdings of directors and executives for the year 2023 is as follows

Name -Surname	Number of Shares					
	As of Dec 31, 2022		As of Dec 31, 2023		Increase/ Decrease	% Shares
	Direct	Indirect	Direct	Indirect		
1. Mr. Manop Dhamsirianunt	93,251,560	-None-	102,504,212	-None-	9,252,652	21.36%
2. Mrs. Monluedee Sookpantararat	400,000	-None-	480,000	-None-	80,000	0.10%
3. Mr. Wuthipong Suponthana	250,000	-None-	300,000	-None-	50,000	0.06%
4. Mr. Sarote Phornprapha	500,000	-None-	600,000	-None-	100,000	0.13%
5. Mr. Naiyavudhi Wongkomet ^[1]	27,978,300	13,996,540	32,772,120	16,795,848	7,593,128	10.33%
6. Mr. Apinetr Unakul	66,832,100	-None-	79,637,020	-None-	12,804,920	16.59%
7. Mr. Apinunt Thanachayanont	20,203,420	-None-	24,069,004	-None-	3,865,584	5.01%
8. Mr. Bodin Kasemset	6,101,500	-None-	9,823,640	-None-	3,722,140	2.05%
9. Mr. Kowit Nuangsuk	-None-	-None-	111,400	-None-	111,400	0.02%
10. Mr. Thaweesak Thantipwan	5,885,320	-None-	7,062,384	-None-	1,177,064	1.47%
11. Mr. Sarun Polachart	98,900	-None-	215,876	-None-	116,976	0.04%

Remark: ^[1]K INVESTMENTS LIMITED, a juristic person registered in Hong Kong and its shareholders are Miss Aiyanch Wongkomet, holding shares of 50.00% and Miss Unyanuch Wongkomet, holding shares of 50.00% of the registered capital

9. Internal Control and Related Party Transactions

9.1 Internal Control

Adequacy and Appropriateness of the Company's Internal Control

- **Opinion of the Board of Directors regarding the Company's internal control system**

Silicon Craft Technology Public Company Limited held their Board of Directors' Meeting No. 1/2024 on Thursday, February 22, 2024, with three independent directors, all of whom holding positions in the Audit Committee, attending this meeting to consider and evaluate the adequacy and appropriateness of the Company's internal control system, according to the information of the Securities and Exchange Commission (SEC) on the adequacy of the internal control system evaluation. This also included risk management in compliance with the framework of internal control practice of the Committee of Sponsoring Organizations of the Treadway Commission (COSO), by considering important components in all 5 areas, namely: 1) Control Environment, 2) Risk Assessment, 3) Control Activities, 4) Information and Communication and 5) Monitoring and Activity. Additionally, the consideration was performed together with the internal auditor's reports and observations on the evaluation of the internal control system's effectiveness related to the preparation and presentation of financial reports from the annual audit by the Company's auditor. The Audit Committee reviewed all reports before presenting it at the Board of Directors' meeting for acknowledgment in each quarter.

The internal auditor presented a total of 4 audit reports of the internal control system and the results of monitoring the Company's operations to the Audit Committee before presenting it to the Board of Directors' meeting last year. From the internal audit reports of the internal auditor for the period from 1 January 2023 to 31 December 2023, there was no significant deficiencies in the internal control system.

The Company has established internal audit activities which are independent in monitoring and evaluating the internal control system by hiring an outsource to audit the internal control system and report directly to the Audit Committee. The Company has appointed Unique Advisor Company Limited as an internal auditor for the year 2023. The internal auditor has audited the Company's operations according to the annual audit plan, including corporate governance system, risk management process and internal control in each key activity. Moreover, the Audit Committee has ensured that persons holding the position of head of the internal audit department and the supervisors of the Company's operations possess the appropriate educational qualifications, experience, and training adequacy to perform their duties. In the meantime, the consideration and approval of appointment, removal, or transfer of the head of internal audit department and supervision of the Company's operations are performed by the nomination and approval from the Audit Committee before presenting it to the Board of Directors' meeting for final hiring approval.

The details of the head of internal audit department and supervision of the Company's operations have already been reported in "Section 7.6 Other Important Information."

After considering all of the above information, the Board of Directors had opinions that the internal control system related to the Company's key activities was adequate and suitable. The Company has maintained sufficient personnel for overall operations with efficiency, including the adequate internal control system regarding the Company's transactions with stakeholders and connected persons.

- **Opinion of the Audit Committee on any points that differ from the Board of Directors**

Regarding the Board of Directors meeting to conduct an evaluation of the Company's internal control system, which the Company's three independent directors who are the members of the Audit Committee attended, there is no member of the Audit Committee expressed a different opinion that contradicted the opinion of the Board of Directors.

9.2 Significant Related Party Transactions

1. List of Transactions of Purchase or Sales of Product and Service Provided

- There are no significant related party transactions in 2023 -

2. List Transactions of Purchase or Sales of Product and Service Provided (Others)

- There are no significant related party transactions in 2023 -

Necessity and Appropriateness of Related Party Transactions

- There are no significant related party transactions in 2023 -

Measures or Approval Procedure for Related Party Transactions

If it is necessary for the Company to enter into related party transactions with individuals who may have a conflict of interest or other interest, the Audit Committee shall be allowed to give opinions on the necessity and suitability of such transactions. In case the Audit Committee does not have expertise in considering the related party transactions that may occur, the Company shall have an independent expert or the Company's auditor give opinions on such related party transactions for decision making by the Board of Directors and/or the Audit Committee and/or shareholders depending on the case. Those who may have a conflict of interest or other interest in transactions shall not have the right to vote for approval of such related party transactions. The Company's policy on related party transactions can be classified by types of transactions as follows:

- Normal business transactions and normal business supporting transactions such as the purchase and sale of goods, and raw materials, must have trading conditions and fair prices which cause no transfer of benefits comparable to the transactions between companies and individuals or between individuals who may have conflicts of interest with the general public or any transactions in the same manner as those of other business operators. The Company has a policy for the Audit Committee to consider and comment on the reasons and necessity of such transactions on a quarterly basis according to the law on securities and stock exchange, as well as regulations, notifications, orders, or requirements of the Stock Exchange of Thailand, including the compliance with the requirements regarding the disclosure of related party transactions.
- Regarding other transactions than normal business transactions and normal business supporting transactions, such as property rental transactions or transactions relating to the purchase and sale of assets or provision of financial assistance, etc., the Company has a policy for the Audit Committee to consider and give opinions on the reasons and necessity for such transactions according to the law on securities and stock exchange, as well as regulations,

notifications, orders, or requirements of the Stock Exchange of Thailand, including the compliance with the requirements regarding the disclosure of related party transactions and acquisition or dispositions of the Company's important assets. The Company does not have a policy to lend money to individual persons who may have conflicts of interest to conduct or operate a business on behalf of the Company.

The Board of Directors shall comply with the Securities and Exchange Act and regulations, notifications, orders or requirements of the Stock Exchange of Thailand, including the compliance with requirements regarding related party transactions and acquisition or disposition of the Company's important assets to avoid a conflict of interest from the decision for such transactions towards the utmost benefit for all shareholders. The Company shall disclose such related party transactions in Form 56-1 One Report and the notes to the financial statements audited by the Company's auditor.

Future Developments in Related Party Transactions

The Company anticipates that there will be no significant related party transactions in the future.

03 Financial Statements

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED
AUDITOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023



INTERNET OF THINGS

Report of the Board of Directors' Responsibilities for Financial Statements

The Board of Director is responsible for the financial statements of the Company including financial information appearing in the One Report. The financial statements as of 31 December 2023 has been prepared in accordance with the Thai Financial Reporting Standards (TFRS) with appropriate accounting policies applied on a conservative and consistent basis. Where judgement and estimate were required, these were made with careful consideration and adequate disclosure have been made in the notes to financial statements which reflected fair and transparent financial position and operating performance that is useful for shareholders and general investors. These financial statements have been audited by certified independent auditor from D.I.A. International Audit Company Limited who have given unqualified opinion. The Company provides information and related documents to support the auditor to be able to perform audit and give opinion in accordance with auditing standards

The Board of Directors realizes in its duties and responsibilities in good corporate governance to operate the Company with efficiency, transparency, and reliability including the establishment of systems in risk management, internal control and internal audit process and corporate governance that are appropriate and effective. The Board has also adopted and maintained an appropriate and efficient system of risk management as well as internal control system to ensure that the reliability and completeness of financial information are in place with ability to protect the Company's assets and prevent fraud or materially irregular operation.

In this regard, the Board of Directors has appointed an Audit Committee which comprises only of independent directors who are responsible for reviewing accounting policies and fair presentation of financial reports, internal control and internal audit system, risk management system including related party transactions that are adequate and appropriate. The opinion of the Audit Committee is presented in the Form 56-1 One Report.

The Board of Directors believed that the Company has a satisfactory level of internal control systems and can reasonably assured that the financial reports of the Company as of 31 December 2023 are reliable and prepared in line with the generally accepted accounting principles and comply with relevant rules and regulations.



(Mr. Manop Dhamsirianunt)
Chairman of the Board of Director

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

Opinion

I have audited the financial statements of SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED which comprise the statement of financial position as at December 31, 2023, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of SILICON CRAFT TECHNOLOGY 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.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

Impairment of intangible assets - product development projects

As described in notes 12 to financial statements, in the financial statements of the Company represents the significant balance of intangible assets products design development project or equivalent to 11.59% of total assets. I have addressed key audit matters and considered impairment of those assets in order to ensure that the Company will not present the carrying value exceeds recoverable value of that assets. The use of significant judgment of the Management in taking the consideration concerning the future performance forecasting and work plans assessment, as well as determining discount rate and significant assumption that create exposure impairments risk of assets.

I have assessed the designation of cash generating and financial model in which were chosen by the Company's management as appropriate for intangible assets-products design development project by obtaining the understanding the management's review process that are corresponded with the usefulness character of assets. In addition, I have obtained the understanding and assessed the matters as follows:

- Obtained an understanding of the process in which obtained the figures and compared the assumptions used in project planning and forecasting future cash flows of each project with the external and internal sources of the Company.
- Reviewing the assumptions used in a project plan preparation and forecasting future cash flows of the project for unfinished projects within the planned deadline.
- Management's judgment in estimating expected cash flows in the future by comparing projected cash flows with the actual operating results.
- Discount rate by estimating the average cost of capital and other information.

Net realizable value of inventories

The estimates of net realizable value of inventories as described in notes 8 to financial statements requires considerable judgment of the management, especially the estimates of allowance for devaluation of inventories for slow-moving items or defective goods which are subject to the detail analysis of products lifecycle, market competition, economic and industrial conditions that may create a value risk of allowance for devaluation of inventories.

I have assessed and tested the internal control system relating to the estimates of allowance for devaluation of inventories by making inquiry the responsible parties, obtained the understanding and tested by sampling the practice in accordance with the control as designed by the Company. In addition, I have assessed the methodology and assumptions used by the management in taking the consideration of allowance for devaluation of inventories by included;

- Obtained an understanding of the basis used in taking a consideration to determine allowance for devaluation of inventories, as well as the adoption consistency and the reasonableness for recognition allowance for devaluation of inventories on a specific basis.
- Performed comparative analysis of holding period and movement of inventories to identify the group of products which indicated that they are more slowly turnover.
- Performed comparative analysis of net amounts received from sale after the reporting date with the cost of inventories for each group of products.

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

D I A International Audit Co., Ltd.

(Miss Somjintana Polhirunrat)

C.P.A. (Thailand)

Registration No. 5599

February 22, 2024

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

Assets	Note	(Unit : Baht)	
		December 31, 2023	December 31, 2022
Current assets			
Cash and cash equivalents	6	133,631,089	114,959,084
Trade and other current receivables	7	56,366,586	85,683,091
Inventories	8	703,771,768	229,390,734
Other current financial assets	9.1	-	236,225
Other current assets		8,181,898	9,004,483
Total current assets		901,951,341	439,273,617
Non-current assets			
Other non-current financial assets	9.2	68,874,550	72,483,368
Leasehold building improvement and equipment	10	28,967,360	33,572,864
Right-of-use assets	11.1	3,775,396	6,154,096
Other intangible assets	12	143,401,721	87,804,328
Deferred tax assets	13	5,991,006	5,777,575
Other non-current assets		7,151,713	6,267,270
Total non-current assets		258,161,746	212,059,501
Total assets		1,160,113,087	651,333,118

Notes to financial statements are parts of these financial statements.

(Sign) Authorized directors

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT'D)

AS AT DECEMBER 31, 2023

		(Unit : Baht)	
Liabilities and shareholders' equity	Note	December 31, 2023	December 31, 2022
Current liabilities			
Short-term borrowings from financial institutions	14	230,965,817	1,543,259
Trade and other current payables	15	239,806,555	94,298,243
Current portion of lease liabilities	11.2	2,529,922	2,462,975
Current income tax payables		156,462	-
Other current provisions	16	1,336,556	1,320,406
Other current financial liabilities	9.1	301,806	7,794,709
Other current liabilities		1,154,280	869,859
Total current liabilities		476,251,398	108,289,451
Non-current liabilities			
Lease liabilities	11.2	1,544,031	4,073,835
Non-current provisions for employee benefit	17	27,450,929	24,100,339
Total non-current liabilities		28,994,960	28,174,174
Total liabilities		505,246,358	136,463,625

Notes to financial statements are parts of these financial statements.

(Sign) Authorized directors

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT'D)

AS AT DECEMBER 31, 2023

Liabilities and shareholders' equity (Cont'd)	Note	(Unit : Baht)	
		December 31, 2023	December 31, 2022
Shareholders' equity			
Share capital			
Authorized share capital			
720,000,000 common shares of Baht 0.50 each,	18	360,000,000	
400,000,000 common shares of Baht 0.50 each,			200,000,000
Paid-up share capital			
479,999,884 common shares of Baht 0.50 each,	18	239,999,942	
400,000,000 common shares of Baht 0.50 each,			200,000,000
Share premium on common shares		84,985,489	84,985,489
Premium on share-based-payments	19	11,901,150	9,963,354
Retained earnings			
Appropriated			
Legal reserve	20	31,017,926	21,214,282
Unappropriated	21	286,962,222	199,107,828
Other components of shareholders' equity		-	(401,460)
Total shareholders' equity		654,866,729	514,869,493
Total liabilities and shareholders' equity		1,160,113,087	651,333,118

Notes to financial statements are parts of these financial statements.

(Sign) Authorized directors

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

		(Unit : Baht)	
	Note	December 31, 2023	December 31, 2022
Revenues from sales and services		666,377,006	601,012,174
Costs of sales and services		(361,973,013)	(285,436,353)
Gross profit		304,403,993	315,575,821
Other income		2,349,041	1,487,208
Distribution costs		(38,343,901)	(34,587,984)
Administrative expenses		(128,388,738)	(118,552,737)
Other expenses		-	(16,143,196)
Other profits (losses)		6,070,904	(10,169,932)
Profit (loss) from operating activities		146,091,299	137,609,180
Finance income		391,613	452,843
Finance costs		(3,723,008)	(479,371)
Profit (loss) before tax expense		142,759,904	137,582,652
Tax expense	22	(2,401,380)	(2,507,072)
Profit for the year		140,358,524	135,075,580
Other comprehensive income :			
Components of other comprehensive income that will be reclassified to profit or loss			
Gains (losses) on cash flow hedges		401,460	3,303,248
Components of other comprehensive income that will not be reclassified to profit or loss			
Gains (losses) on re-measurements of defined benefit plans		2,224,385	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	22	(444,877)	-
Total components of other comprehensive income that will not be reclassified to profit or loss		1,779,508	-
Other comprehensive income (expense) for the year - net of tax		2,180,968	3,303,248
Total comprehensive income for the year		142,539,492	138,378,828
Earnings per share			
Basic earnings (loss) per share		0.29	0.28
The weighted average number of common shares (share)		479,999,884	479,999,884

Notes to financial statements are parts of these financial statements.

(Sign) Authorized directors

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

							(Unit : Baht)	
	Note	Issued and paid-up share capital	Share premium	Premium on share-based-payments	Retained earnings (Deficit)		Other components of equity Gains (losses) on risks hedge	Total shareholders' equity
					Appropriated	Unappropriated		
Balance as at December 31, 2021		200,000,000	84,985,489	10,883,817	21,214,282	81,232,248	(3,704,708)	394,611,128
Premium on share-based payments	19	-	-	(920,463)	-	-	-	(920,463)
Dividend paid	21	-	-	-	-	(17,200,000)	-	(17,200,000)
Profit for the year		-	-	-	-	135,075,580	-	135,075,580
Other comprehensive income for the year		-	-	-	-	-	3,303,248	3,303,248
Balance as at December 31, 2022		200,000,000	84,985,489	9,963,354	21,214,282	199,107,828	(401,460)	514,869,493
Balance as at December 31, 2022		200,000,000	84,985,489	9,963,354	21,214,282	199,107,828	(401,460)	514,869,493
Premium on share-based-payments	19	-	-	1,937,796	-	-	-	1,937,796
Legal reserve	20	-	-	-	9,803,644	(9,803,644)	-	-
Share dividend	21	39,999,942				(39,999,942)		-
Dividend paid	21	-	-	-	-	(4,480,052)	-	(4,480,052)
Profit (loss) for the year		-	-	-	-	140,358,524	-	140,358,524
Other comprehensive income for the year		-	-	-	-	1,779,508	401,460	2,180,968
Balance as at December 31, 2022		239,999,942	84,985,489	11,901,150	31,017,926	286,962,222	-	654,866,729

Notes to financial statements are parts of these financial statements.

(Sign) Authorized directors

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2023

		(Unit : Baht)	
	Note	December 31, 2023	December 31, 2022
Cash flows from operating activities			
Profit for the year		140,358,524	135,075,580
Adjustments to reconcile profit (loss) to cash receipt (disbursement)			
Tax expense		2,401,380	2,507,073
Loss on impairment of equipment		-	1,680,567
Loss on impairment of product development projects		1,057,447	11,122,473
Depreciation and amortization		29,008,811	24,568,539
(Reversed) loss on devaluation of inventories		1,858,540	(22,931,205)
(Gain) loss on disposal of equipment		(12,150)	12
(Gain) loss on disposal of investment		(86,757)	(46,795)
Loss on financial assets at fair value through profit or loss			
Investment in Fixed Income Fund		590	4,081
(Gain) loss on financial assets at fair value through profit or loss			
Forward exchange contracts		-	2,417,584
(Gain) loss on financial liabilities at fair value through profit or loss			
Forward exchange contracts		(7,091,443)	(1,246,223)
Unrealized (gain) loss on exchange rate		(3,761,853)	3,012,061
(Reversed) credit losses on bank deposits		(23,670)	(24,435)
Employee benefit expenses		5,838,864	4,062,829
Employee benefit expenses - EJIP Program		7,960,671	6,304,355
Finance income		(391,613)	(452,843)
Interest expenses		3,723,008	479,371
Profit from operation before change in operating assets and liabilities			
(Increase) Decrease in operating assets		180,840,349	166,533,024

Notes to financial statements are parts of these financial statements.

(Sign) Authorized directors

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 202

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
(Increase) Decrease in operating liabilities		
Trade and other current receivables	28,846,207	(31,149,960)
Inventories	(476,239,573)	(73,249,268)
Other current assets	822,585	(2,040,869)
Other non-current assets	(3,187,555)	(1,720,996)
Increase (Decrease) in operating liabilities		
Trade and other current payables	150,591,027	46,273,502
Other current liabilities	284,422	217,628
Cash generated from operation	(118,042,538)	104,863,061
Employee benefit paid	(845,000.00)	-
Payments for EJIP program	(6,022,875)	(7,224,818)
Interest paid	(3,706,857)	(464,009)
Income tax paid	(2,630,536)	(4,966,169)
Net cash provided by (used in) operating activities	(131,247,806)	92,208,065
Cash flows from investing activities		
Deposits at financial institutions with commitments, increase	(32,367,512)	(10,051,555)
Deposits at financial institutions, (increase) decrease	36,000,000	(24,719)
Payments for purchase of investments in Fixed Income Fund	(83,000,000)	(115,295,000)
Proceeds from disposal of investments in Fixed Income Fund	83,322,392	131,700,000
Payments for building improvement and equipment	(7,888,264)	(16,237,755)
Payments for other intangible assets acquisition	(68,187,595)	(49,633,331)
Proceeds from sales of equipment	20,093	-
Proceeds from interest	331,254	457,418
Net cash provided by (used in) investing activities	(71,769,632)	(59,084,942)

Notes to financial statements are parts of these financial statements.

(Sign) Authorized directors

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED DECEMBER 31, 2023

		(Unit : Baht)	
		December 31, 2023	December 31, 2022
Cash flows from financing activities			
Short-term borrowings from financial institutions, increase		229,422,558	1,543,259
Payments for lease liabilities		(2,462,858)	(2,763,711)
Dividend paid		(4,480,811)	(17,188,100)
Net cash provided by (used in) financing activities		222,478,889	(18,408,552)
Net increase (decrease) in cash and cash equivalents			
before effects of exchange rate		19,461,451	14,714,571
Effects of exchange rate to cash and cash equivalents		(789,446)	(1,161,882)
Net increase (decrease) in cash and cash equivalents		18,672,005	13,552,689
Cash and cash equivalents at the beginning of the year		114,959,084	101,406,395
Cash and cash equivalents at the end of the year	6	133,631,089	114,959,084

Supplemental of cash flows information :

Non-cash transaction :

Transfer the equipment to other intangible assets	4,269,665	-
Reversed right-of-use of assets and accumulated depreciation of matured lease	-	9,501,959
Right-of-use of assets under lease liabilities	-	7,667,073
Depreciation of tools and supplies of products design development project	1,836,568	1,609,296
Transfer current tax assets to other non-current assets	-	(133,962)
Transfer other non-current assets to equipment	(273,188)	-
Transfer other non-current assets to other intangible assets	(1,757,233)	(7,605,735)
Accrued dividend payment	-	11,900
Non-current provisions for employee benefits of products design development project	581,111	604,198
Reversed non-current provisions for re-measurement of employee benefits	(2,224,386)	-
Pay dividend by ordinary shares of the Company	39,999,942	-

Notes to financial statements are parts of these financial statements.

(Sign) Authorized directors

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

- Registration : SILICON CRAFT TECHNOLOGY PUBLIC COMPANY LIMITED ("the Company") was registered as juristic person, classified as a limited company, on December 18, 2002 and converted to Public Company Limited on April 5, 2019.
- Location : Head office is located at No.40, Thetsaban Rangsan Nua Road, Kwaeng Lat Yao, Khet Chatuchak, Bangkok.
- Business type : The Company engages in research and development to design and assign integrated circuits and embedded systems in the form of hire of production and brought into the Company in order to distribute to the customers under the Company's trademark.

2. FINANCIAL STATEMENTS PRESENTATION BASIS

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and presented in compliance with the Notification of the Department of Business Development, Ministry of Commerce regarding the condensed from should be included in the financial statements (No.3) B.E. 2562 dated December 26, 2019, and the related regulations and notification of the Securities and Exchange Commission.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that become effective in the current year

The Federation of Accounting Professions has announced for adoption a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards.

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

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

3.2 Financial Reporting Standards which will be effective in the future

The Federation of Accounting Professions has announced for adoption a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with the most of the changes directed towards clarifying accounting treatment and providing the accounting guidance for users of the standards.

The management of the Company believes that the adoption of these amendments will not have significant impacts on the Company's financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenue recognition

The Company determines that the most of its sales contracts generally have one performance obligation. The Company recognised revenues from sales over time where the control of goods has been transferred to the buyer.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held to maturity and other short-term highly liquid investments which an original maturity is three months or less.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

4.3 Trade and other current receivables

Trade and other current receivables are stated at the rights to receive amount / invoice amount less allowance for loss of financial assets.

The Company recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition, the Company applies a simplified approach to determine the lifetime expected credit losses.

4.4 Inventories

Inventories are stated at the lower of cost or net realisable value.

Cost of goods is calculated by using the first-in first-out (FIFO) method. Cost of goods comprises raw material cost and conversion cost derived from manufacturing expenses.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The Company provided allowance for devaluation of inventories to net realizable value is estimated based on the selling price expected in the ordinary course of business; and allowance for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

4.5 Other non-current financial assets

Investments in marketable debt securities are measured at fair value through profit or loss, presented in statements of financial position by fair value. Gain or loss on changes in fair value is recognised in part of profit or loss.

4.6 Leasehold building improvement and equipment

Leasehold building improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment loss of assets (if any).

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Depreciation of leasehold building improvement and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Leasehold building improvement	5 years
Office equipment	3-5 years
Office furniture and fixtures	5 years
Tools and equipment	3-10 years
Vehicles	5 years

4.7 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any provision for impairment of assets (if any).

Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using straight-line basis over their estimated useful lives of 3 and 5 years.

Product development project

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use or sell;
- Management intends to complete the product and use or sell it;
- There is an ability to use or sell the product;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the product are available; and
- The expenditure attributable to the product during its development can be reliably measured.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Directly attributable costs that are capitalized as part of the product include the employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses when they are incurred. Development costs previously recognised as an expense are not recognised as intangible asset in a subsequent period.

Product development costs recognised as assets are amortised by using productive output method over their estimated production units upon accomplishment of the project and can be utilized. Productive output is estimated by the management when the products were sold.

4.8 Transaction in foreign currencies

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dated of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date.

Gains and losses on exchange rate are included in the calculating of the results of operation.

4.9 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the right-of-use assets, leasehold building improvement, other intangible assets – software programs and other intangible assets – product development projects whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects weighted average cost of capital. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal. An impairment loss is recognised in profit or loss.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.10 Leases -The lessee

At inception of the contract, the Company assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-use assets

Right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the lease term and the estimated useful lives for each of right-of-use assets whichever is earlier, as follows:

Office building and installation	6 years (lease term plus option reasonably certain to be
dismantlement cost	exercised the option in extension the lease term)
Office equipment	4 years
Vehicles	2 years and 3 months

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments payable over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

The Company uses its incremental borrowing rate, which is determined by referring to the borrowings interest which is closed to right-of-use assets depending on the lease term, at the lease commencement date if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and Leases of low-value assets

The Company applied the short-term lease recognition exemption to its short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and containing no purchase options). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognised as expense in profit or loss on a straight-line basis over the lease term.

4.11 Financial Instruments

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

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Classification and measurement of financial assets

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

1) Financial assets at amortised cost

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

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

2) Financial assets at FVTPL

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

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

3) Financial assets designated at FVTOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVTOCI. The classification is determined on an instrument-by-instrument basis.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVTOCI are not subject to impairment assessment.

4) Financial assets at FVOCI (debt instruments)

The Company measures financial assets at FVTOCI if the financial asset is held to collect contractual cash flows and selling 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.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.12 Government Grants

The Company recognizes government grants at fair value when there is reasonably confident that all the conditions of the grant will be met and the Company will receive the grant.

The Company recognizes government grants for which the grants are intended to compensate for expenses already incurred in statements of income that the Company is entitled to receive grant. Government grants are recognised in profit or loss over the periods in which the expenses are recognised as expenses.

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4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

1) Defined contribution plans

The Company operates a provident fund that is funded by payments from employees and by the relevant Group companies which are managed by trustee. Contributions to the provident fund are charged to the profit or loss in the year in which they are due.

2) Defined benefit plans and other long-term employee benefits

The Company has obligations in respect of the severance payments, they must make to employees upon retirement under labor law. In addition, the Company provides other long-term employee benefit plan, namely long service award; the retention program.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit and loss.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognises restructuring-related costs.

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4.14 Provisions

Provisions are recognised when the Company have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Share-based payments

Fair value of grant vest as at the grant date to employees is recognised as expenses and together with incremental in shareholder equity throughout the period that employees are able to exercise their vest with no condition. The amount recognised as expenses will be adjusted to reflect the actual number of vests in conformity with condition of related service rendered and condition grant vest which is not condition of equity market.

Fair value of deliverable of the employee joint investment program (EJIP) is recognised as expenses throughout the period. Also, the difference amount of fair value of deliverable and investment amount is recognised as premium on share-based-payments which will be adjusted to reflect cumulative amount throughout the period.

4.16 Income tax

Income tax expense for the year comprises current income tax and deferred tax.

Current income tax

The Company records current income tax in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

The Company records deferred tax on temporary differences between their carrying amounts at the end of each reporting period and the tax bases of assets and liabilities by using the tax rates enacted at the end of the reporting period.

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The Company recognize deferred tax liabilities of temporary differences liable to tax for all items. However, deferred tax assets for temporary differences used for tax deduction including unutilized tax loss in the amount probable that the Company has sufficient taxable profit to utilize such temporary difference to deduct tax and unutilized tax loss.

The Company will review carrying amount of deferred tax assets at each reporting date and will reduce such carrying amount if it is probable that the Company will have no sufficient future taxable profits for benefit utilization of partial or all deferred tax assets.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Related Parties Transaction

Enterprise and individuals that directly, or indirectly control or are controlled by, or are under common control with the Company.

Associates and individuals owning that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company which has a power in planning and operating control.

4.18 Derivatives and hedge accounting

The Company uses derivatives, such as forward contracts, to hedge its foreign currency exchange rate risks.

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

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Derivatives that do not qualify for hedge accounting

Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in “net gains (losses) from financial derivatives”.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The Company designates certain derivatives as hedges of a particular risk associated with the cash flows of i) recognised assets and liabilities and ii) highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Company documents i) the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items and ii) its risk management objective and strategy for undertaking its hedge transactions.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements, including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined.

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A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantify of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

The full fair value of a hedging derivative is classified as a current or non-current asset for liability following the maturity of related hedged item.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other gains (losses).

When forward contracts are used to hedge forecast transactions, the Company generally designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses retaining to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the period when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain for loss at that time remains in equity until the forecasted transaction occurs. When the forecasted transaction is no longer expected to occur, the cumulative gain or loss that were reported in equity are immediately reclassified to profit or loss.

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In hedges of foreign currency sales, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in the credit risk of the derivative counterparty.

4.19 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximizes the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy into three levels based on categorize of input to be used in fair value measurement as follows:

- Level 1 Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

4.20 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

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Allowance for expected credit losses of trade receivables

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution in value of inventory

The determination of allowance for diminution in the value of inventory, requires management to make judgements and estimates. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business; and provision for obsolete, slow-moving and deteriorated inventories, is estimated based on the approximate useful life of each type of inventory.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Depreciation of leasehold building improvement and equipment and right-of use assets

In determining depreciation of leasehold building improvement and equipment, and right-of-use assets, the management is required to make estimates of useful lives and residual values of the leasehold building improvement and equipment, and right-of-use assets and to review estimate useful lives and residual values when there are any changes.

Amortisation of other intangible assets

In determining amortisation of intangible asset; product development project, the management is required to make estimates of the production volume and revise it accordingly when there are any changes.

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Allowance for impairment of non-financial assets

In testing of impairment of assets, the management is required to use judgment in the estimating the future cash flow expected to be arise from assts or cash-generating units of assets including the discounted rate suitable for determining present value of those cash flow

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plans is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate etc.

4.21 Earnings per share

Earnings (Loss) per share as presented in the statements of comprehensive income is the basic earnings per share which is determined by dividing the net profit (loss) for the year by the weighted average number of common shares issued and paid-up during the year.

In case of dividend payment to shareholders in the form of ordinary shares of the Company, the basic earnings per share of the previous year were recalculated as if the share dividend had been issued from the beginning date of the first reporting period.

5. BUSINESS TRANSACTIONS WITH RELATED PARTIES

5.1 Relationship and pricing policy

<u>Person name and related parties</u>	<u>Nature of relationships</u>	<u>Related transaction</u>	<u>Pricing policy</u>
Person name			
Company's directors	Major shareholder and director	Sales and consultant	Price mutually agreed but not lower than cost

5.2 Revenues and expenses with related parties

Transactions with related parties for the year ended December 31, 2023 and 2022 are as follows:

	(Unit : Baht)	
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Revenue from sales		
Company's directors	-	54,500
Total	-	54,500

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6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2023 and 2022 are as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Cash	14,919	12,916
Current deposits	298,326	161,337
Savings deposits	90,751,198	40,936,998
Foreign deposits	42,566,646	73,847,833
Total	133,631,089	114,959,084

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2023 and 2022 are detailed as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Trade accounts receivable		
Trade accounts receivable - other companies	42,918,955	71,865,088
Other current receivables		
Advance payment for goods	9,316,986	8,864,857
Receivable - Revenue Department	3,880,838	4,858,564
Others	249,807	94,582
Total other current receivables	13,447,631	13,818,003
Total trade and other current receivables	56,366,586	85,683,091
Less: Allowance for expected credit losses	-	-
Trade and other current receivables – net	56,366,586	85,683,091

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The outstanding trade accounts receivable was separated by aging as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Trade accounts receivable - other companies		
Not yet due	42,918,955	54,362,170
Overdue		
Less than 30 days	-	15,542,614
More than 30 days to 60 days	-	1,960,304
Total trade accounts receivable - other companies	42,918,955	71,865,088

8. INVENTORIES

Inventories as at December 31, 2023 and 2022 are detailed as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Raw materials	444,599,577	95,812,515
Work in process	280,702,669	154,143,462
Finished goods	471	10,068
Goods in process	1,232,787	329,885
Total	726,535,504	250,295,930
Allowance for devaluation of goods, beginning of the year	(20,905,196)	(43,836,401)
Increase	(1,858,540)	(927,939)
Decrease	-	23,859,144
Allowance for devaluation of goods, ending of the year	(22,763,736)	(20,905,196)
Net	703,771,768	229,390,734

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9. FINANCIAL ASSETS AND LIABILITIES

9.1 OTHER CURRENT FINANCIAL ASSETS AND LIABILITIES

Other current financial assets and liabilities as at December 31, 2023 and 2022 are detailed as follows:

	(Unit : Baht)			
	Other current financial assets		Other current financial liabilities	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
Assets classified and measured at fair value through profit or loss				
Investment in Fixed Income Fund	-	240,306	-	-
Unrealized gains (loss) on changes in value of investment	-	(4,081)	-	-
Net	-	236,225	-	-
Derivatives were not designated as hedging instrument				
Foreign currency contracts	-	-	301,806	2,417,584
Forward contracts	-	-	-	4,975,665
Total	-	236,225	301,806	7,393,249
Assets classified and measured at fair value through comprehensive income				
Forward exchange contracts				
Foreign currency forward contract that qualifies for hedge accounting	-	-	-	401,460
Total	-	-	-	401,460
Total other current financial assets and liabilities	-	236,225	301,806	7,794,709

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9.2 OTHER NON - CURRENT FINANCIAL ASSETS

Other non-current financial assets as at December 31, 2023 and 2022 are detailed as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Assets classified and measured at amortised cost		
Savings deposits at bank with obligations	4,050,180	2,830,834
Fixed deposits at bank with obligations	64,833,794	33,685,627
Fixed deposits at bank with non-obligations	-	36,000,000
Total	68,883,974	72,516,461
Less: Allowance for expected credit losses	(9,424)	(33,093)
Other non-current financial assets – Net	68,874,550	72,483,368

As at December 31, 2023 and 2022, the Company used deposits at four banks amount of Baht 67.88 million and Baht 31.50 million respectively, as guarantee against bank credit lines total amount of Baht 411.20 million and Baht 199.50million and USD 35.7 million. and USD 28.70 million respectively.

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10. LEASEHOLD BUILDING IMPROVEMENT AND EQUIPMENT

Leasehold building improvement and equipment as at December 31, 2023 and 2022 are detailed as follows:

(Unit : Baht)

	Leasehold building improvement	Office equipment	Office furniture and fixtures	Tools and equipment	Work in Process	Total
Assets - cost :						
As at January 1, 2022	9,011,467	10,483,858	4,084,985	72,057,824	-	95,638,134
Acquisition	18,500	1,384,857	123,569	14,710,828	-	16,237,754
Disposal	-	(38,596)	(25,498)	-	-	(64,094)
As at December 31, 2022	9,029,967	11,830,119	4,183,056	86,768,652	-	111,811,794
Acquisition	1,870,000	1,880,535	584,238	2,222,542	1,604,137	8,161,452
Disposal	-	(229,359)	(274,342)	(5,794,202)	-	(6,297,903)
As at December 31, 2023	10,899,967	13,481,295	4,492,952	83,196,992	1,604,137	113,675,343
Accumulated depreciation :						
As at January 1, 2022	5,985,246	8,462,151	3,155,790	47,651,155	-	65,254,342
Depreciation for the year	879,174	1,141,662	373,830	5,079,069	-	7,473,735
Depreciation - write off	-	(38,594)	(25,489)	-	-	(64,083)
As at December 31, 2022	6,864,420	9,565,219	3,504,131	52,730,224	-	72,663,994
Depreciation for the year	885,682	1,216,261	342,376	6,045,029	-	8,489,348
Depreciation - write off	-	(221,518)	(274,241)	(1,524,536)	-	(2,020,295)
As at December 31, 2023	7,750,102	10,559,962	3,572,266	57,250,717	-	79,133,047
Allowance for impairment of assets:						
As at January 1, 2022	-	-	-	3,894,368	-	3,894,368
Loss on impairment	-	-	-	1,680,568	-	1,680,568
As at December 31, 2022	-	-	-	5,574,936	-	5,574,936
Loss on impairment	-	-	-	5,574,936	-	5,574,936
As at December 31, 2023	-	-	-	3,894,368	-	3,894,368
Net assets value						
As at December 31, 2022	2,165,547	2,264,900	678,925	28,463,492	-	33,572,864
As at December 31, 2023	3,149,865	2,921,333	920,686	20,371,339	1,604,137	28,967,360

Classification of depreciation

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	(Unit : Baht)				
	Leasehold building improvement	Office equipment	Office furniture and fixtures	Tools and equipment	Total
For the year ended December 31, 2023					
Product design projects	-	-	-	1,836,568	1,836,568
Cost of sales	-	-	-	3,803,801	3,803,801
Administrative expense	885,682	1,216,261	342,376	404,660	2,848,979
Total depreciation	885,682	1,216,261	342,376	6,045,029	8,489,348
For the year ended December 31, 2022					
Product design projects	-	-	-	1,609,296	1,609,296
Cost of sales	-	-	-	3,138,974	3,138,974
Administrative expense	879,174	1,141,662	373,830	330,799	2,725,465
Total depreciation	879,174	1,141,662	373,830	5,079,069	7,473,735

As at December 31, 2023 and 2022, leasehold building improvement and equipment at cost of Baht 56.58 million and Baht 52.52 million respectively, were fully depreciated but are still in use.

11. LEASE

The Company entered into leases relating to office building premises, vehicles and office supplies.

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11.1 Right-of-use assets

The movements of right-of-use assets for year ended December 31, 2023 and 2022 are presented below:

	(Unit : Baht)				
	Office building	Estimated dismantling	Vehicles	Copy machines	Total
Assets - cost :					
As at January 1, 2022	16,534,010	264,148	381,209	200,450	17,379,817
Increased during the period	7,002,767	-	664,305	-	7,667,072
Contacts cancelled during	(16,534,010)	-	(381,209)	-	(16,915,219)
As at December 31, 2022	7,002,767	264,148	664,305	200,450	8,131,670
As at December 31, 2023	7,002,767	264,148	664,305	200,450	8,131,670
Accumulated depreciation :					
As at January 1, 2022	6,067,972	96,053	338,853	73,011	6,575,889
Depreciation for the year	2,573,765	48,027	153,074	40,080	2,814,946
As at December 31, 2022	(7,032,052)	-	(381,209)	-	(7,413,261)
Depreciation for the year	1,609,685	144,080	110,718	113,091	1,977,574
Depreciation - write off	2,157,413	48,028	132,860	40,399	2,378,700
As at December 31, 2023	3,767,098	192,108	243,578	153,490	4,356,274
Net assets value					
As at December 31, 2022	5,393,082	120,068	553,587	87,359	6,154,096
As at December 31, 2023	3,235,669	72,040	420,727	46,960	3,775,396

11.2 Lease liabilities

Lease liabilities as at December 31, 2023 and 2022 are detailed as follow:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Lease liabilities	4,243,472	6,963,080
<u>Less:</u> Deferred interest income	(169,519)	(426,269)
Total	4,073,953	6,536,811
<u>Less:</u> Current portion	(2,529,922)	(2,462,975)
Net	1,544,031	4,073,836

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12. OTHER INTANGIBLE ASSETS

Other intangible assets as at December 31, 2023 and 2022 are detailed as follows:

	(Unit : Baht)			
	Computer	Product development projects		
	Software	Under		
		Accomplished	progress	Total
Intangible assets - cost ::				
As at December 31, 2022	4,310,563	90,052,069	51,184,208	145,546,840
Acquisition/development during the year - Cost	13,243,600	162,750	42,827,618	56,233,968
Depreciation -tools and equipment of project	-	153,882	1,455,414	1,609,296
Transfer products design development project	-	38,780,779	(38,780,779)	-
As at December 31, 2022	17,554,163	129,149,480	56,686,461	203,390,104
Acquisition/development during the year - Cost	141,187	719,967	71,501,353	72,362,507
Transfer products design development project	-	4,269,665	-	4,269,665
As at December 31, 2023	17,695,350	134,139,112	128,187,814	280,022,276
Accumulated Amortisation:				
As at January 1, 2022	4,053,160	26,287,760	-	30,340,920
Amortisation for the year	1,894,479	12,385,376	-	14,279,855
As at December 31, 2022	5,947,639	38,673,136	-	44,620,775
Amortisation for the year	2,759,533	10,614,596	6,603,203	19,977,332
As at December 31, 2023	8,707,172	49,287,732	6,603,203	64,598,107
Provision for accumulated impairment:				
As at January 1, 2022	-	36,123,528	23,719,000	59,842,528
Loss on impairment	-	11,122,473	-	11,122,473
Transfer products design development project	-	23,719,000	(23,719,000)	-
As at December 31, 2022	-	70,965,001	-	70,965,001
Loss on impairment	-	1,057,447	-	1,057,447
As at December 31, 2023	-	72,022,448	-	72,022,448
Net assets value				
As at December 31, 2022	11,606,524	19,511,343	56,686,461	87,804,328
As at December 31, 2023	8,988,178	12,828,932	121,584,611	143,401,721

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Classification of amortisation

(Unit : Baht)

	Computer Software	Product development projects		
		Accomplished	Under progress	Total
For the year ended December 31, 2023				
Cost of sales	1,312,203	17,217,799	-	18,530,002
Administrative expense	1,447,330	-	-	1,447,330
Total amortisation	2,759,533	17,217,799	-	19,977,332
For the year ended December 31, 2022				
Cost of sales	421,551	12,385,376	-	12,806,927
Administrative expense	1,472,928	-	-	1,472,928
Total amortisation	1,894,479	12,385,376	-	14,279,855

As at December 31, 2023, total product development projects are 25 projects, which 12 projects were accomplished have been amortised. The other 13 projects are under progress.

13. DEFERRED TAX ASSETS

Significant components of deferred tax assets which presented in the financial statements as at December 31, 2023 and 2022 consist of:

	As at January 1, 2022	Profit or loss (Note 21)	As at December 31, 2022	Profit or loss (Note 21)	Other comprehensive income (Note 21)	As at December 31, 2023
Allowance for devaluation of inventories	2,498,342	(650,369)	1,847,973	16,149	-	1,864,122
Estimated dismantlement costs of leasehold building improvement	24,903	12,678	37,581	12,839	-	50,420
Employee benefit provisions	3,424,789	467,232	3,892,021	629,320	(444,877)	4,076,464
Total	5,948,034	(170,459)	5,777,575	658,308	(444,877)	5,991,006

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14. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS

Short-term borrowing from financial institutions as at December 31, 2023 and 2022 are detailed as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Short-term borrowings for export to oversea	100,000,000	-
Short-term borrowings for import from oversea	130,965,817	1,543,259
Total short-term borrowing from financial institutions	230,965,817	1,543,259

As at December 31, 2023, the Company has credit line for exporting goods to overseas with a bank with the credit limit of Baht 100 million at the interest rate of MRR per annum which is matured by 180 days, guaranteed by the same bank deposit (note 9.2).

As at December 31, 2023 and 2022, the Company has credit line for importing goods from overseas with two banks with the credit limit of Baht 165 million and Baht 12 million respectively, at the interest rate of MRR per annum which is matured by 180 days, guaranteed by the same bank deposit (note 9.2).

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31 2023 and 2022 are detailed as follows:

	(Unit : Baht)	
	December 31, 2022	December 31, 2022
Trade accounts payable		
Trade accounts payable	135,181,147	45,856,362
Other current payables		
Accrued bonus	28,648,600	33,509,782
Accrued commission	977,498	1,588,178
Advance received	55,979,164	2,003,867
Advance from government grants	764,143	688,390
Accrued dividend	47,480	48,239
Accrued expenses	13,751,183	6,518,095
Other current payables	4,457,340	4,085,330
Total other current payables	104,625,408	48,441,881
Total trade and other current payables	239,806,555	94,298,243

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16. OTHER PROVISIONS

Other provisions as at December 31, 2023 and 2022 are detailed as follows:

	(Unit : Baht)			
	Estimated costs development project	Provisions from of assets	Provisions from Product order commitment	Total
Balance as at January 1, 2022	634,554	292,611	377,879	1,305,044
Recognition during year	-	15,362	-	15,362
Decrease during year	-	-	-	-
Balance as at December 31, 2022	634,554	307,973	377,879	1,320,406
Recognition during year	-	16,150	-	16,150
Decrease during year	-	-	-	-
Balance as at December 31, 2023	634,554	324,123	377,879	1,336,556

Estimated costs of products development project

The Company recognised the estimated costs of products design development project from quantitative quality measurement, consist of wages and related costs.

Estimated costs of dismantlement of assets

The Company recognised the estimated costs of dismantlement of assets in the future where the agreement is terminated and has commitment to assign premises in part of office building improvement for lease.

17. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

17.1 Non-current provisions for employee benefits as at December 31, 2023 and 2022 are detailed as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Non-current provisions for:		
Post-employment benefits– Legal severance plan	22,720,817	21,798,603
Other long-term employee benefits	4,730,112	2,301,736
Total	27,450,929	24,100,339

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The Company provides a defined benefit plan based on the requirement of Labor Protection Act B.E. 2541 (1998). In addition, the Company also provides other long-term employee benefits to employees in key positions based on their work performance

17.2 The increase and decrease in non-current provisions for employee benefits as at December 31, 2023 and 2022 are summarized as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Beginning balance	24,100,339	19,433,311
Included in income statement:		
Current service costs	5,830,466	4,214,397
Interest costs	589,510	452,631
Included in statement of comprehensive income:		
Actuarial (gains) losses on re-measurements of defined benefit plans:		
Financial assumptions changes	(1,953,207)	-
Demographic assumptions changes	(530,149)	-
Experience adjustments	258,970	-
Decrease in benefit paid - retirement	(845,000)	-
Ending balance	27,450,929	24,100,339

17.3 Expenses recognised in statement of comprehensive income for the year ended December 31, 2023 and 2022.

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Cost of sales and services	1,440,022	1,275,303
Cost of distribution	905,637	806,918
Administrative expenses	4,074,317	2,584,807
Total	6,419,976	4,667,028

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- 17.4 Principal actuarial assumptions at the reporting date (expressed as weighted averages) for the year ended December 31, 2023 and 2022.

	(%)	
	December 31, 2022	December 31, 2022
Discount rate	3.01	2.40
Salary increases rates	4.00	4.00
Turnover rate of employees (varied by the age of employee)	0.00-28.00	0.00-11.00

- 17.5 Assumptions regarding future mortality are based on published statistics and Thailand Mortality Ordinary Life table 2017 (“TMO2017”).

- 17.6 Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(Unit : Baht)			
	December 31, 2023		December 31, 2022	
	Increase	Decrease	Increase	Decrease
Defined benefit obligation				
Discount rate (0.5% movement)	(1,762,971)	2,101,289	(1,856,239)	2,060,363
Future salary growth				
(0.5% movement)	2,069,793	(1,888,394)	2,040,085	(1,854,547)
Turnover rate				
(10.00% movement)	(321,299)	334,331	(528,832)	563,379

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

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18. SHARE CAPITAL

18.1 Increase and decrease of share capital as at December 31, 2023 and 2022 are detailed as follows:

	Share capital		Issued and paid-up share capital	
	Number of share	Amounts (Baht)	Number of share	Amounts (Baht)
Balance as at January 1, 2023	400,000,000	200,000,000	400,000,000	200,000,000
Ordinary shares increase	320,000,000	160,000,000	-	-
Dividend paid	-	-	79,999,884	39,999,942
Balance as at December 31, 2023	720,000,000	360,000,000	479,999,884	239,999,942

18.2 According to the resolution of the Annual General Meeting of shareholders for the year 2023 held on April 27, 2023, passed to approve as follows:

- 1) Pay dividend to shareholders from profit for the year 2022 at Baht 0.1112 per share, for 400 million shares, total amount not exceeding Baht 44.48 million by dividing into cash dividend to shareholders at Baht 0.0112 per share, total amount not exceeding Baht 4.48 million, and ordinary shares of the Company at the ratio of 5 existing shares per 1 share dividend, at Baht 0.10 per share, total amount not exceeding Baht 40 million. Dividend payment is scheduled on May 25, 2023.

On May 25, 2023, the Company paid the dividend to shareholders and registered the increase in issued and paid-up capital with the Ministry of Commerce

- 2) Increase the Company's registered share capital from Baht 200 million to Baht 240 million by issuing new 80 million ordinary shares at value of Baht 0.50 per share for reserving the share dividend payment.

On May 25, 2023, the Company has registered the increase of the Company's share capital with the Ministry of Commerce.

- 3) Increase the Company's registered capital by issuing new ordinary shares for reserving the share capital increase under General Mandate of not more than 240 million shares at par value of Baht 0.50 each, not exceeding Baht 120 million. The details are as follows:

- Allocation of newly issued ordinary shares not exceeding 120 million shares to support the offering and allocation to existing shareholders in proportion to their shareholding (Right Offering) (equivalent to 30% of which is not exceeding 30% of paid-up capital) and/or

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- Allocation of newly issued 80 million ordinary shares for offering to the Public Offering (20% of which is not exceed 20% of paid-up capital) and/or
- Allocation of newly issued not exceeding 40 million ordinary shares by offering to the Private Placement (10% of which is not exceeding 10% of paid-up capital).

The allocation of newly issued ordinary shares to the Public Offering and Private Placement totaling not more than 80 million shares (20% of which is not more than 20% of the paid-up capital).

On May 25, 2023, the Company has registered the increase of the Company's share capital with the Ministry of Commerce.

18.3 On April 26, 2022 at the annual shareholders' general meeting for the year 2022 of the Company, passed the approve dividend payment from the 2021 net profit at Baht 0.043 per share, totally Baht 17.20 million which was paid on May 25, 2022.

19. PREMIUM ON SHARE-BASED-PAYMENT

Premium on share-based-payments as at December 31, 2023 and 2022 consist of:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Exercise right options to employees	9,776,657	9,776,657
Employee joint investment program (EJIP)	2,124,493	186,697
Total	11,901,150	9,963,354

Stock options for employees

In 2011-2014 the former shareholders gave share option of part of their personal shares to a group of employees at the price (Par value) or (Book value per share). Such transaction is regarded as Share-Based-Payments. The Company, therefore must measure fair value of common share at the grant date and record the difference between fair value of share and receiving returned as expenses and recognizes incremental in shareholder equity as premium on share capital from share-based-payments.

Employee Joint Investment Program (EJIP)

The Employee Joint Investment Program (EJIP), which is part of the benefits that the Company provides to certain employees and executives. The Company records fair value of the consideration received as expenses and recognises the difference of fair value of the consideration received and the amount paid as surplus on share-based payments.

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The Board of directors' meeting approved the shares accumulation for employee project with details as follows:

	Period	Contribution percentage Company / employees	Purchase shares into project schedule
No. 1	3 years (from September 1, 2021 to September 6, 2024)	99 per 1 of investment	Every month, since September 2021
No. 2	3 years (from September 1, 2021 to September 6, 2024)	72 per 28 of investment	Every month, since September 2021
No. 3	3 years (from September 1, 2022 to September 6, 2025)	99 per 1 of investment	Every month, since September 2022
No. 4	3 years (from September 1, 2023 to September 6, 2026)	99 per 1 of investment	Every month, since September 2023

Shares accumulation program for employees No. 2, the executives (4 founders) have waived remuneration for 18 months for using as a budget in the shares accumulation program for employee which will be suspended from July 2021 to December 2022.

For the year ended December 31, 2023 and 2022, the Company has paid the contribution to the Program in the amount of Baht 6.02 million and Baht 5.17 million respectively.

20. LEGAL RESERVE

According to the Civil and Commercial Code, the Company has to appropriate profit as a legal reserve at least 5% of net profit deducted by deficit brought forward (if any) until the reserve reach an amount 10% of the capital of the Company. Such legal reserve is not available.

21. RETAINED EARNING APPROPRIATION

On April 27, 2023 at the annual shareholders' general meeting for the year 2023 of the Company, passed the approve dividend payment from the 2022 annual profit at Baht 0.1112 per share, totaling 400 million shares, totaling not more than Baht 44.48 million by dividing into cash dividend payment to the shareholders at Baht 0.0112 per share, totaling not more than Baht 4.48 million, and dividend payment in the form of ordinary shares of the Company to the shareholders at the ratio of 5 existing shares per 1 share dividend, at Baht 0.10 per share, total amount not exceeding Baht 40 million. The Company had already made dividend payment on May 25, 2023. The Company has already paid dividend to the shareholders and registered the issued and paid-up shares capital with the Ministry of Commerce.

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On April 26, 2022 at the annual shareholders' general meeting for the year 2022 of the Company, passed the approve dividend payment from the 2021 net profit at Baht 0.043 per share, totally Baht 17.20 million which was paid on May 25, 2022.

22. TAX INCOME (EXPRESS)

The Company calculates corporate income tax at the rate of 20 on profit (loss) before deducting income tax for the year added back expenses and other transactions which are not allowed as expenses in the income tax calculation (if any), except for profits which are exempted from investment promotion.

Tax expense (income) for the year ended December 31, 2023 and 2022 summarized as follows

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Current income tax		
for the current year	3,059,689	2,336,613
Deferred tax		
Deferred tax arising from temporary differences and reversal	(658,309)	170,459
Tax expense (income)	2,401,380	2,507,072

Amounts of income tax relating to each component of other comprehensive income for the year ended December 31, 2023 and 2022 can be presented as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Deferred tax related to gains (losses) on re-measurements of defined benefit plans	444,877	-
Income tax recognised in other comprehensive income	444,877	-

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Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rates for the year ended December 31, 2023 and 2022 presented as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Accounting profit before income tax	142,759,904	137,582,652
Income tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	28,551,981	27,516,530
Tax effects for prohibited expense and income	994,350	(960,832)
Income tax exempted under investment promotion certificate	(27,144,951)	(24,048,626)
Total	(26,150,601)	(25,009,458)
Tax expense (income) presented in the statement of comprehensive income	2,401,380	2,507,072
Effective income tax rate	1.68%	1.82%

23. DIRECTORS' REMUNERATION AND MANAGEMENT BENEFIT EXPENSES

23.1 Directors' remuneration

Directors' remuneration represents the benefits paid to the Company's directors in accordance with Section 90 of the Public Limited Companies Act, excluding salaries and related benefits payable to executive directors.

According to the minutes of Annual General Meeting of shareholders for the year 2023 held on April 27, 2023, passed to pay the directors' remuneration and meeting allowance for the year 2023 total amount at least Baht 2.19 million.

According to the minutes of Annual General Meeting of shareholders for the year 2022 held on April 26, 2022, passed to pay the directors' remuneration and meeting allowance for the year 2022 total amount at least Baht 1.77 million.

23.2 Management benefit expenses

Management benefit expenses focus salaries, remunerations and other benefits paid to their directors and in accordance with the definitions of the Office of the Securities and Exchange Commission.

For the year ended December 31, 2023 and 2022, the management benefit expenses amounting to Baht 25.70 million and Baht 23.43 million respectively.

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24. EXPENSES ANALYZED BY NATURE

Significant expenses by nature for the year ended December 31, 2023 and 2022 as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Changes in finished goods and work in process	(126,876,187)	(53,448,067)
Raw materials and consumable	262,523,328	177,123,055
Commuted production cost	166,971,372	131,975,883
Employee benefit expenses	143,867,358	131,309,580
Depreciation and amortisation	29,008,811	24,568,536
Research expenses	37,079,382	24,564,143
Loss on devaluation of inventories	1,858,540	927,939
Travelling expenses	4,540,382	2,675,267
Loss on impairment of assets	1,057,447	12,803,041

25. INVESTMENT PROMOTIONAL PRIVILEGES AND RIGHTS

25.1 The Company was granted promotional privileges by the Board of Investment under the Investment Promotion Act B.E. 2520. The promotional privileges are about design integrated circuit, RFID equipment and continuous products development, totaling in number of three certificates. The first certificate was granted on August 4, 2008(expired from exempted income tax for 8 years on September 9, 2016), the seconded certificate was granted on September 5, 2013 and the third certificate was granted on January 14, 2016, the privileges are as follows:

- 1) Exemption from corporate income tax on net profit of the promoted business for a period of 8 years from the first date the income derived from the promoted activities. In case of loss of the business during the tax exemption period, the Company is able to bring an annual loss incurred during such period deducting from the net profits occurred after the expiration of the period of exemption of corporate income tax for a period of not more than five years from the expiry date of such period.
- 2) Exemption from computation of taxable income on dividend derived from the promoted activities throughout the period of corporate income tax exemption.
- 3) Exemption from import duty for the machinery as approved by the Board throughout the period of corporate income tax exemption.

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- 4) Permission to exempt import duty of raw material and supplies which are imported for manufacturing and exporting for 1 year since the first date of importing.
- 5) Permission to exempt import duty of products which are imported for exporting for 1 year since the first date of importing.
- 6) Permission to remit money in foreign currencies outside Thailand.

The Company must comply with certain terms and conditions specified in the promotional certificates.

25.2 The results of operations the Company for the year ended December 31, 2023 and 2022 divided by investment promotional privileges are as follows :

	(Unit : Baht)					
	BOI		NON – BOI		Total	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Revenues from sales						
and services	604,530,211	507,330,877	61,846,795	93,681,297	666,377,006	601,012,174
Other income	2,467,190	33,472	(118,149)	1,453,736	2,349,041	1,487,208
Finance income	350,846	263,996	40,767	188,847	391,613	452,843
Total revenues	<u>607,348,247</u>	<u>507,628,345</u>	<u>61,769,413</u>	<u>95,323,880</u>	<u>669,117,660</u>	<u>602,952,178</u>

Unidentified cost of sales and services, selling and administrative expenses, other expenses and finance costs will be allocated based on proportion of BOI and Non-BOI accordingly.

26. FINANCIAL INFORMATION BY SEGMENT

Segment information is to be presented the management's deciding in the information reporting which is reference to the internal information consistently reported to the chief operating decision maker about the Company's operating information.

The major operation of the Company operates distribution goods and design of integrated circuits and embedded systems in geographical mostly in overseas. Moreover, revenues from sales in domestic and service are totally less than 10%. The Company, therefore, has not presented financial information by segment.

For the year ended December 31, 2023 and 2022, the Company had income in the amount of Baht 465.49 million and Baht 381.20 million respectively, received from 5 major customers.

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27. FINANCIAL INSTRUMENTS

27.1 Derivatives and hedge accounting

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Derivative liabilities		
Derivative liabilities not designated as hedging instruments		
Foreign exchange forward contracts	301,806	2,417,584
Foreign exchange forward contracts	-	4,975,665
Derivative liabilities designated as hedging instruments		
Foreign exchange forward contracts	-	401,460
Total derivative liabilities	301,806	7,794,709

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally not exceeding 1 year.

Derivatives designated as hedging instruments

Cash flow hedges

There is an economic relationship between the hedged item and the hedging instrument as the terms of the foreign exchange forward contracts match the terms of the highly probable forecast sale (i.e. notional amount, maturity, payment and currency). The Company has established a hedge ratio of 50%-85% as the underlying risk of the foreign exchange forward contract is identical to the hedged risk component.

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27.2 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, trade accounts payable, and derivatives. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, deposits with banks and other financial instruments. Except for derivative financial instruments, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Company's maximum exposure relating to derivative financial instruments is noted in the liquidity risk topic.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and the Company does not have high concentrations of credit risk since it has customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, the Company made the insurance for damages from default on debts repayment at 90% of total debts.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks. Investments are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Executive Committee on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

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The credit risk on debt instruments and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising of foreign currency risk and interest rate risk.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at December 31, 2023 and 2022, forward exchange contracts outstanding are summarised below.

Foreign currency	Sold amount	Contractual exchange rate of Sold amount	Contractual maturity date
(Baht per 1 foreign currency unit)			
As at December 31, 2023			
USD	(1,600,000)	34.01 – 34.26	April 2024
As at December 31, 2022			
USD	(2,254,002)	34.16 – 36.46	February – June 2023
USD	10,431,781	31.78 – 37.85	January – September 2023
EUR	901,432	35.72 – 37.78	February – August 2023

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As at December 31, 2023 and 2022, the Company had the balance of financial assets and liabilities denominated in foreign currencies as follows:

Items	Currency	Covered by		Non-entered		Exchange rate	
		forward exchange		than forward exchange			
		contracts or option		contracts or option			
		Dec 31,	Dec 31,	Dec 31,	Dec 31,	Dec 31,	Dec 31,
		2023	2022	2023	2022	2023	2022
(Baht per 1 foreign currency unit)							
Financial asset							
Deposits in foreign currency	USD	-	1,527,980	1,248,647	-	34.06	34.39
	EUR	-	581,700	-	-	37.67	36.45
	CNY	-	-	19,615	19,615	4.74	4.90
Trade accounts receivable	USD	-	1,977,991	1,180,277	-	34.06	34.39
	EUR	-	105,335	60,038	-	37.67	36.45
Financial liability							
Trade accounts payable	USD	1,600,000	325,140	1,755,917		34.39	34.73

Foreign currency sensitivity

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at December 31, 2023 and 2022. The Company has not significant risk from changes of other foreign currencies.

Currencies	As at December 2023		As at December 2022	
	Depreciation / Appreciation (percent)	Effects to profit before tax (Million Baht)	Depreciation / Appreciation (percent)	Effects to profit before tax (Million Baht)
USD	+1	0.24	+1	8.72
	-1	0.84	-1	1.59

Therefore, information is not expectation and future market prediction and should be used carefully.

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Interest rate risk

Interest rate risk arises from the fluctuation of market interest rates in the future, which may have a negative effect to current and future operations and cash flows of the Company. The Company's management believes that the interest rate risk is minimal because the Company's deposits at banks and short-term loans bear interest at the floating market interest rates. Lease liabilities bear interest at fixed rates which approximate market interest rates.

Liquidity risk

The Company manages liquidity risk by monitoring that current assets are higher than current liabilities and having enough credit facilities for business operation.

As at December 31, 2023 and 2022, the Company has the maturity of financial liabilities are detailed as follows

		(Unit : Baht)			
	Note	On demand	Less than 1 year	1 to 5 years	Total
As at December 31, 2023					
Non-derivatives					
Short-term borrowings from financial institutions	14	-	230,965,817	-	230,965,817
Trade and other payables	15	239,806,555	-	-	239,806,555
Lease liabilities	11.2	-	2,529,922	1,544,030	4,073,952
Total		<u>239,806,555</u>	<u>233,495,739</u>	<u>1,544,030</u>	<u>474,846,324</u>
Derivatives					
Other current financial liabilities	9.1	-	301,806	-	301,806
As at December 31, 2022					
Non-derivatives					
Short-term borrowings from financial institutions	14	-	1,543,259	-	1,543,259
Trade and other payables	15	94,298,243	-	-	94,298,243
Lease liabilities	11.2	-	2,462,975	4,073,835	6,536,810
Total		<u>94,298,243</u>	<u>4,006,234</u>	<u>4,073,835</u>	<u>102,378,312</u>
Derivatives					
Other current financial liabilities	9.1	-	7,794,709	-	7,794,709

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Fair value of financial instruments

Because of the majority of the Company's financial instruments were classified as short-term or has interest rates closed to market interest rates. Therefore, the Company estimates the fair value of financial instruments to be closed to the book value which shown in the statement of financial position.

28. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

As at December 31, 2023 and 2022 the Company had the financial assets and liabilities that were measured at fair value using different levels of inputs as follows:

	(Unit: Baht)			
	Level 1	Level 2	Level 3	Total
As at December 31, 2023				
Financial liabilities measured at fair value				
Other current financial liabilities				
Foreign currency forward contract	-	301,806	-	301,806
As at December 31, 2022				
Financial assets measured at fair value				
Other current financial assets				
Investment in Fixed Income Fund	236,225	-	-	236,225
Financial liabilities measured at fair value				
Other current financial liabilities				
Foreign currency forward contract	-	2,417,584	-	2,417,584
Foreign currency forward contract	-	5,377,125	-	5,377,125

During the current period, the Company has not changed the methodology and assumption using in estimate the fair value and has not inter-hierarchy transferring of the fair value.

29. COMMITMENT

29.1 Commitments under purchase of raw materials and others contracts

As at December 31, 2023 and 2022, the Company has commitments under hire of production of goods contracts, purchase of raw materials, etc. as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Thai Baht	83,013,655	39,731,136
US Dollar	1,093,085	7,610,151
(Sign)	Authorized Director	
(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)		

29.2 Operating lease and service agreement commitments

The Company entered into operating lease relating to lease of office building as at December 31, 2023 and 2022, and has the future minimum payments required under these non-cancellable operating leases and service contracts were as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Payments		
Within 1 year	4,426,800	2,462,975
Over 1 year not exceed 5 years	4,211,500	4,073,835
Total	8,638,300	6,536,810

29.3 Commitments under provident fund

The Company has established a provident fund for all full-time employees of the Company in accordance with the Provident Fund Act B.E. 2530.

Employees pay accumulation and the Company pays contributions to the fund under this program at the rate of 3-7% of the employee's salary in accordance with the rules and regulations of the fund, the Company has appointed a fund manager to manage the fund in accordance with the provisions of the Provident Fund Act B.E. 2530.

For the year ended December 31, 2023 and 2022, the Company paid contributions to the fund in the amount of Baht 4.04 million and Baht 3.53 million respectively.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

30. CAPITAL MANAGEMENT

The objective of the financial management of the Company is to preserve the operation as a going concern and maintain of appropriate capital structure.

The Company has debt to equity ratio as follows:

	(Unit : Baht)	
	December 31, 2023	December 31, 2022
Debt to equity ratio	0.77	0.27

31. EVENTS AFTER THE REPORTING PERIOD

31.1 According to the minutes of Executive Committee's meeting No.12/2023 held on December 14, 2023 which were authorized by the Board of director of the Company, passed the resolution to establish a joint company (Adaptriks Co., Ltd.) with the registered of Baht 12 million (1,200,000ordinary shares at par value of Baht 10 each) in order to engage in business of development RFID Solution service, the Company held share capital at 25% and the joint company has registered with the Ministry of Commerce on February 5, 2024.

31.2 According to the resolution of the Board of directors' meeting No.1/2024 held on February 22, 2024, passed the resolution to pay dividend to the shareholders from the 2023 net profit at Baht 0.035 each for 479,999,884 shares totally amount of Baht 16,799,996. The Company will pay dividend to the shareholders within May 23, 2024.

32. FINANCIAL STATEMENTS APPROVAL

These financial statements were approved and authorized for issue by the Company's directors on February 22, 2024.

(Sign) Authorized Director

(Mr. Naiyavudhi Wongkomet and Mr. Bodin Kasemset)

Attachment





Silicon Craft Technology Public Company Limited

Attachment 1

Information of
the Board and Directors, Executives, Controlling Persons,
Appointed person to take highest responsibility in
accounting and finance, Appointed person to take direct
responsibility to control and supervise accounting
operations and Company Secretary

As of December 31, 2023

1. Mr. Manop Dhamsirianunt Age 58 Years old

Position

- Authorized Director
- Chairman of the Board of Directors/ Non-Executive Director



Appointed as a director on:

5 April 2019 (1st term)

27 April 2023 (2nd term)

Academic Qualifications

- Master's degree in Engineering (Electronics), Carleton University
- Bachelor's degree in Engineering (Electronics), King Mongkut's Institute of Technology Ladkrabang

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 132/2016
- Corporate Governance for Executives Class 20/2022
- Role of the Chairman Program Class 49/2022
- Successful Formulation & Execution of Strategy Class 40/2022
- Director Certification Program Class 348/2023
- Academic Qualifications from Capital Market Academy Programs (CMA 32)

Shareholding Ratio as of Dec 31, 2023 102,504,212 Shares (21.355%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Aug 2021 - Present	Chairman of the Board of Directors	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr 2019 - Aug 2021	Director, Chief Executive Officer, Chairman of the Executive Committee, Member of the Risk Management Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
<u>Non-listed companies</u>			
2015 - Present	Managing Director	XAV Audio Co., Ltd.	Audio Design and Manufacturing Company

2. Mrs. Monluedee Sookpantararat Age 59 Years old

(Former First Family Name: Monluedee Pratuangpattanakul)



Position

- Director/ Independent Director
- Chairman of the Audit Committee
- Member of the Risk Management Committee

Appointed as a director on:

5 April 2019 (1st term)

26 April 2022 (2nd term)

Academic Qualifications

- Master's degree in Accounting Thammasart University
- Bachelor's degree in Accounting (Second Class Honors), Thammasart University
- Graduate diploma in Audit Thammasart University
- Certified Public Accountant, Registration No. 4020
- Arbitrator of Thailand Arbitration Center (Thailand Arbitration Center: THAC)
- Arbitrator of Thailand Arbitration Center, Court of Justice (Thai Arbitration Institute : TAI)
- ASEAN Chartered Professional Accountant

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Diploma Award (Fellow Member) Class 11/2003
- Director Certification Program Class 31/2003
- Director Accreditation Program Class 34/2005
- Audit Committee Program Class 23/2008
- Ethical Leadership Program Class 23/2021
- Anti-Corruption Practical Guide Class 57/2021
- Advanced Audit Committee Program Class 32/2022
- Director Leadership Certification Program Class 7/2022
- IOD National Director Conference 2022 - Wisdom for Future: Harmonizing The Diverse Boards
- Hot Issue for Directors - What Directors Need to Know About Digital Assets Class 3/2022
- How to Develop a Risk Management Plan Class 35/2023

Shareholding Ratio as of Dec 31, 2023 480,000 Shares (0.100%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Apr 2019 - Present	Independent Director, Chairman of the Audit Committee, Member of the Risk Management Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2015 - Present	Independent Director, Vice Chairman, Chairman of the Audit Committee	ASN Broker Public Co., Ltd.	Auto Insurance Broker
2013 - Present	Independent Director, Member of the Audit Committee	Plan B Media PLC.	Outdoor Advertising Media Production and Services
2007 - Present	Independent Director, Member of the Audit Committee	Asphere Innovations PLC (formerly known as Asiasoft Corporation Co., Ltd.)	Online Entertainment Services
2014 - 2021	Deputy Managing Director for Accounting and Finance	Nava Nakorn PLC	Develop real estate projects and industrial estates
<u>Non-listed companies</u>			
2002 - Present	Visiting Lecturer	Bangkok University	Educational Institution
1993 - Present	Visiting Lecturer	Thammasat University	Educational Institution

3. Mr. Wuthipong Suponthana Age 58 Years old

Position

- Director/ Independent Director
- Member of the Audit Committee
- Chairman of the Risk Management Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee



Appointed as a director on:

5 April 2019 (1st term)

29 April 2021 (2nd term)

Academic Qualifications

- PhD in Engineering (Renewable Energy), Naresuan University
- Master's degree in Industrial Engineering, California State University Northridge, USA Bachelor's degree in Engineering (Electronics), King Mongkut's Institute of Technology Ladkrabang
- Bachelor's degree in Electronics Engineering, King Mongkut's Institute of Technology Ladkrabang

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 133/2017
- Anti-Corruption Practical Guide Class 57/2021
- Risk Management Program for Corporate Leaders Class 27/2022
- Corporate Governance for Executives Class 20/2023

Shareholding Ratio as of Dec 31, 2023 300,000 Shares (0.063%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Apr 2019 - Present	Independent Director, Member of the Audit Committee, Chairman of the Risk Management Committee, Member of the Nomination, Remuneration and Corporate Governance Committee	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2023 - Present	Director	<u>Non-listed companies</u> Genxtech Co. Ltd.	Service/Software maintenance
2015 - Present	Director	Digital Data Dynamic Company Limited	Service/Software maintenance
1998 - Present	Managing Director	Leonics Co., Ltd.	Electrical Equipment Manufacturing

4. Mr. Sarote Phornprapha Age 57 Years old



Position

- Director/ Independent Director
- Member of the Audit Committee
- Chairman of the Nomination, Remuneration and Corporate Governance Committee

Appointed as a director on:

5 April 2019 (1st term)

26 April 2022 (2nd term)

Academic Qualifications

- PhD in Educational Management, University of Surrey, UK
- Master's degree in International Hotel Management, University of Surrey, UK
- Bachelor's degree in Tourism, Kasetsart University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 133/2017
- Director Certification Program Class 309/2021
- Corporate Governance for Executives Class 18/2021
- Anti-Corruption the Practical Guide Class 59 /2022
- Ethical Leadership Program Class 28/2022
- The Board's Role in Mergers and Acquisitions Class 6/2023

Shareholding Ratio as of Dec 31, 2023 600,000 Shares (0.125%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Apr 2019 - Present	Independent Director, Member of the Audit Committee, Chairman of the Nomination, Remuneration and Corporate Governance Committee	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Nov 2019 - Present	Director	<u>Non-listed companies</u> Thailand Productivity Institute, the Ministry of Industry	Consulting on ways to increase personnel productivity, evaluate organizations training
2018 - Present	Independent Director, Member of the Audit Committee	RITTA Holdings Co., Ltd	Investment in other businesses
2012 - Present	Director	Sunny Sky Co., Ltd.	Consultant
2010 - Present	Director	Royal Passage & Residences Co., Ltd.	Consultant

5. Mr. Naiyavudhi Wongkomet Age 52 Years old

Position

- Authorized Director
- Director/ Non-Executive Director
- Chairman of the Executive Committee
- Member of the Risk Management Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee



Appointed as a director on:

5 April 2019 (1st term)

29 April 2021 (2nd term)

Academic Qualifications

- PhD in Electrical Engineering, University of California at Berkeley
- Master's degree in Electrical Engineering, University of California at Berkeley
- Bachelor's degree in Electrical Engineering, Chulalongkorn University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 132/2017
- Corporate Governance for Executives Class 18/2021
- Director Certification Program Class 327/2022
- Successful Formulation & Execution of Strategy Class 40/2022
- The Board's Role in Mergers and Acquisitions Class 4/2023

Shareholding Ratio as of Dec 31, 2023 32,772,120 Shares (6.828%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Aug 2021 - Present	Director, Chairman of the Executive Committee, Member of the Risk Management Committee, Member of the Nomination, Remuneration and Corporate Governance Committee	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr 2019 - Aug 2021	Director, Chief Operating Officer, Member of the Risk Management Committee, Member of the Executive Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2003 - Present	Managing Director	<u>Non-listed companies</u> I.E. Technology Co., Ltd.	RFID (System Integrator) System Design and Services
2003 - Present	Deputy Managing Director	Industrial Electrical Co., Ltd.	Sales of Industrial Electrical Equipment

6. Mr. Apinetr Unakul Age 55 Years old

Position

- Director/ Non-Executive Director

Appointed as a director on:

5 April 2019 (1st term)

29 April 2021 (2nd term)



Academic Qualifications

- Master's degree in Software and System, Boston University
- Bachelor's degree in Computer Engineering, Carnegie Mellon University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Anti-Corruption Practical Guide Class 31/2016
- Ethical Leadership Program Class 5/2016
- Director Accreditation Program Class 134/2017
- Corporate Governance for Executives Class 20/2023

Shareholding Ratio as of Dec 31, 2023 79,637,020 Shares (16.591%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Aug 2021 - Present	Director	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Sep 2020 - Present	Director	Industrial and Commercial Bank of China (Thai) Public Company Limited	Bank
April 2019 - Aug 2021	Chairman of the Board of Directors	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2002 - Present	Director	CAT Telecom PLC.	Telecommunication
<u>Non-listed companies</u>			
2023 - Present	Director	BDH Corporatopn Co., Ltd.	Service / Softwaer Provider
2015 - Present	Director	Keaw Manee Nert Company Limited	Student Dormitory
1992 - 2018	Lecturer	King Mongkut's Institute of Technology Ladkrabang	Educational Institution

7. Mr. Bodin Kasemset Age 48 Years old

Position

- Authorized Director
- Director/ Executive Director
- Member of the Risk Management Committee
- Member of the Executive Committee
- Chief Executive Officer



Appointed as a director on:

29 April 2021 (1st term)

27 April 2023 (2nd term)

Academic Qualifications

- PhD in Microsystems Technology, Technische Universität, Hamburg-Harburg, Germany
- Master's degree in Mechatronics, Technische Universität, Hamburg-Harburg, Germany
- Bachelor's degree in Automotive Engineering, Chulalongkorn University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 168/2020
- Boardroom Success through Financing & Investment Class 10/2021
- Successful Formulation & Execution of Strategy Class 34/2021
- Corporate Governance for Executives Class 18/2021
- Director Certification Program Class 34/2022
- The Board's Role in Mergers and Acquisitions Class 1/2022
- Strategic Board Master Class 10/2022

Shareholding Ratio as of Dec 31, 2023 9,823,640 Shares (2.047%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Aug 2021 - Present	Director, Member of the Risk Management Committee, Member of the Executive Committee, Chief Executive Officer	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr - Aug 2021	Director, Member of the Executive Committee, Co-Chief Executive Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2020 - Apr 2021	Deputy Chief Executive Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2019 - 2020	Chief Technology Officer	Star Microelectronics Public Co., Ltd.	Manufacture electronic components
2006 - 2019	Senior Director Global Innovation for Business	<u>Non-listed companies</u> NXP Semiconductors	Design and manufacture electronic components

8. Mr. Apinunt Thanachayanont Age 50 Years old

Position

- Director/ Executive Director
- Member of the Executive Committee
- Chief Research Officer



Appointed as a director on:

5 April 2019 (1st term)

27 April 2023 (2nd term)

Academic Qualifications

- PhD in Electrical and Electronic Engineering, Imperial College, University of London
- Master's degree in Electronics Engineering, Imperial College, University of London
- Bachelor's degree in in Electronics Engineering, Imperial College, University of London

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 133/2016
- Corporate Governance for Executives Class 19/2022
- Successful Formulation & Execution of Strategy Class 40/2022
- Director Certification Program Class 347/2023
- Strategic Board Master Class 13/2023

Shareholding Ratio as of Dec 31, 2023 24,069,004 Shares (5.014%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Dec 2022 - Present	Director, Member of Executive Committee, Chief Research Officer	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Oct - Dec 2022	Director, Chief Research Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr 2019 - Oct 2022	Director	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2017 - 2022	Professor	<u>Non-listed companies</u> King Mongkut's Institute of Technology Ladkrabang	Educational Institution

9. Mr. Kowit Nuangsuk Age 43 Years old

Position

- Member of the Executive Committee
- Chief Financial Officer
- Appointed to take highest responsibility in accounting and finance

Academic Qualifications

- Master's degree in MBA, Chulalongkorn University
- Bachelor's degree in Accounting Thammasat University



Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Certification Program Class 240/2017

Shareholding Ratio as of Dec 31, 2023 111,400 Shares (0.023%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Dec 2022 - Present	Member of Executive Committee , Chief Financial Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Nov 2022 - Dec 2022	Chief Financial Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Mar 2020 - Sep 2022	Director, Member of the Executive Committee, Chief Financial Officer	Civil Engineering Public Company Limited	Civil Engineering Public Company Limited
2019 - Mar 2020	Member of the Executive Committee, Chief Financial Officer	Civil Engineering Public Company Limited	Civil Engineering Public Company Limited
2018 - 2019	Chief Financial Officer	Civil Engineering Public Company Limited	Construction
<u>Non-listed companies</u>			
2016 - Present	Director, Authorized Director	V2Pro Audit Co., Ltd.	Construction

10. Mr. Thaweesak Thantipwan Age 44 Years old



Position

- Member of the Executive Committee
- Chief Technology Officer

Academic Qualifications

- Master's degree in Electrical Engineering Chulalongkorn University
- Bachelor's degree in Electrical Engineering Chulalongkorn University

Academic Qualifications from Thai Institute of Directors Association (IOD)

-None-

Shareholding Ratio as of Dec 31, 2023 7,062,384 Shares (1.471%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
2020 - Present	Member of the Executive Committee, Chief Technology Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2019 - 2020	Member of the Executive Committee, Chief Product Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2016 - 2019	Senior Product Development Manager	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
<u>Non-listed companies</u>			
- None -			

11. Mr. Sarun Polachart Age 41 Years old



Position

- Member of the Executive Committee
- Chief Operating Officer

Academic Qualifications

- Master's degree in MBA Finance University of Stirling
- Bachelor's degree in Electrical Engineering King Mongkut's Institute of Technology Ladkrabang

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Risk Management Program for Corporate Leaders Class 24/2021
- IT Governance and Cyber Resilience Program Class 17/2021
- Anti-Corruption Practical Guide (ACPG) Class 65/2023

Shareholding Ratio as of Dec 31, 2023 215,876 Shares (0.045%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
<u>Listed companies</u>			
Dec 2022 - Present	Member of the Executive Committee, Chief Operating Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2021 - Dec 2022	Chief Operating Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2020 - 2021	Chief Supply Chain Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
<u>Non-listed companies</u>			
- None -			

12. Ms. Arunee Poontawe^[1] Age 53 Years old



Position

- Director/ Non-Executive Director

Appointed as a director on:

- Appointed as a director on:

5 April 2019 (1st term)

26 April 2022 (2nd term)

Academic Qualifications

- Master's degree in Accounting, Thammasat University
- Bachelor degree in Accounting, Thammasat University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Director Accreditation Program Class 132/2017

Shareholding Ratio as of Dec 31, 2023 2,370,000 Shares (0.593%) As of Dec 31, 2022

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Dec 2022 - Feb 2023	Director	<u>Listed companies</u> Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Nov 2022 - Dec 2022	Director, Member of the Executive Committee	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Aug 2021 - Nov 2022	Director, Member of the Executive Committee, Chief Finance Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Apr 2019 - Aug 2021	Director, Member of the Executive Committee, Member of the Nomination, Remuneration and Corporate Governance Committee, Chief Finance Officer	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2015 - Present	Auditor	<u>Non-listed companies</u> Virtual Corporation Co., Ltd.	Manufacture and installation of machine and system

Remark: ^[1] Ms. Arunee Poontawe resigned from the Member of the Board of Directors at the Board of Directors' Meeting No. 1/2023 dated February 24, 2023 with effect from March 1, 2023 onwards.

13. Ms. Thitima Saensuksakulchol Age 44 Years old

Position

- Financial Controller
- Appointed to take direct responsibility to control and supervise accounting operations

Academic Qualifications

- Master's degree in Accounting Chulalongkorn University
- Bachelor's degree in Accounting Burapha University

Academic Qualifications from Thai Institute of Directors Association (IOD)

-None-

Shareholding Ratio as of Dec 31, 2023 0 Shares (0%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
May 2023 - Present	Financial Controller	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
Jul 2022 – May 2023	Accounting Manager	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2010 – 2022	Financial Manager	Ek-Chai Distribution System Co., Ltd.	Retail Business

14. Ms. Katalee Krachangsaeng Age 40 Years old



Position

- Company Secretary & Investor Relations Manager
- Company Secretary
- Secretary of Executive Committee

Academic Qualifications

- Master's degree in Professional Accounting RMIT University, Australia
- Bachelor's degree in Humanities (Mass Communication) Kasetsart University

Academic Qualifications from Thai Institute of Directors Association (IOD)

- Company Secretary Program Class 122/2021
- Anti-Corruption the Practical Guide Class 57/2021
- Effective Minutes Taking Class 51/2022

Shareholding Ratio as of Dec 31, 2023 82,203 Shares (0.017%)

Criminal records on violation of securities and futures contract laws - None -

Family Relationship with Directors and Executives - None -

Professional Experiences in the Past 5 Years

Duration	Positions	Organization Name / Company	Nature of Business
Aug 2021 - Present	Company Secretary, Company Secretary & Investor Relations Manager	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2020 - 2021	Investor Relations Manager	Silicon Craft Technology PLC	Research and Development, Design, and Sales of Integrated Circuits or Microchips
2018 - 2020	Assistant Investor Relations Manager	Ananda Development Public Company Limited	Real Estate Company
2013 - 2018	Investor Relations Manager	Kasikorn Public Company Limited	Bank



Silicon Craft Technology Public Company Limited

Attachment 2

Information on Head of Internal Audit
and Compliance of the Company

As of December 31, 2023

Information of Head of Internal Audit and Compliance of the Company

The Company appoints Unique Advisor Company Limited which Mr. Kosol Yamleemul is responsible for the Head of Internal Audit and Compliance of the Company as shown as following details:

1. Mr. Kosol Yamleemul Age 54 Years old

Position

- Managing Director

Educational Qualifications / Trainings

- Master's degree in Science of Information Technology in Business Chulalongkorn University
- Bachelor's degree in Accounting and Finance Thammasat University
- Certificate of Business Advisor and Certificate of Real Estate Entrepreneur Kasetsart University
- Certified Public Accountant (CPA) Registration Number 4575
- Certified Internal Auditor (CIA) Registration Number 36708
- Certified Financial Service Auditor (CFSA) Registration Number 6022

Trainings (in brief)

- Adopting Data Science & Automation in Internal Audit
- Personal Data Protection Act for IA, IIAT Annual Seminar
- Orientation Course – CFO Focus on Financial Reporting Class 4/2018
- Reference Document Assessment Program for Independent Auditors for SMEs that joined Collective Action against Corruption (CAC) SME Certification Project
- Working Papers for Anti-Corruption in Organization Training Program
- Theories and Practice, COSO 2013 Program
- IT Audit Program, Federation of Accounting Professions
- Internal Audit Program, The Institute of Internal Auditors of Thailand
- Tax and Tax Planning Program
- Continuing Program in Thai Financial Reporting Standards (TFRS) and Thai Standards on Auditing (TSA)

Professional Experiences

Duration	Positions	Organization Name / Company	Nature of Business
2013 - Present	Managing Director	Unique Advisor Company Limited	Business Consulting, Accounting, Finance, Internal Audit, and Accounting Audit Services
2002 - 2013	Partner and Director	Grant Thornton Limited	Financial Accounting Audit Services
2001 - 2002	International Audit Manager	Grant Thornton LLP Seattle, USA	Auditing and Consulting Services
2000 - 2001	Senior Manager	Grant Thornton Limited	Financial Accounting Audit Services
1995 - 2000	Senior Manager	PricewaterhouseCoopers ABAS Limited	Financial Accounting Audit Services



Silicon Craft Technology Public Company Limited

Attachment 3

Corporate Governance Policy,
Business Ethics and Code of Conduct at Work Manual,
Charter of the Board of Directors and Charters of the Sub-Committees

As of December 31, 2023

SIC-BC-PLC-2023-016

Corporate Governance Policy**Silicon Craft Technology Public Company Limited****Objective**

The Company formulated the corporate governance policy pursuant to guidelines of the Corporate Governance Code of the Office of the Securities and Exchange Commission (“SEC”) and the Stock Exchange of Thailand (“SET”) to serve as principle to be observed and adhered by the Board of Directors, the management and the employees of the Company. The objectives are to build up value to the business on sustainable basis and to enhance the organization on efficient business operation, transparency and accountability, apart from creation of confidence to the shareholders, the investors and the relevant parties. It can also make the business having competitiveness and performance with long term perspective, ethical and responsible business, good corporate citizenship and corporate resilience. Essence of the corporate governance policy can be divided into 8 practices as follows:

Principle 1: Recognize the Roles and Responsibilities of the Board of Directors as the Leader of an Organization that Creates Value for Sustainable Business

The Company has clearly established roles and responsibilities of the Board in the Board of Directors’ Charter with main duties are to set important policies and strategies for business operations as well as to allocate resources. The Board of Directors shall have thorough understanding of roles, responsibilities and benefits of corporate governance principles to build value to the business sustainably and shall monitor, assess and oversee performance report of the Company to ensure that they can achieve the specified objectives and targets.

In addition, the Board of the Directors shall oversee the Company’s operations by taking into account the competitiveness and adaptability with the changes from various factors for long term and good performance by operating businesses which are beneficial to the society and by consideration of the environment, ethics, respect of right and responsibilities to the shareholders and the stakeholders of the Company on continued basis. These actions include equal treatment of shareholders, consideration of the stakeholders’ roles, information disclosure and transparency, by putting emphasis on sustainable creation of value to the organization and promotion of innovation, for example, to give special lecture on design and creation of electronic innovation to the students in various

educational institutions, engineering competition activities, acceptance of intern students during summer apprentice program and the cooperative education for learning through projects, participation on giving recommendations for the projects at Bachelor degree and the research works in Master or Doctorate degrees including provision of cooperation between the research laboratories and the Company.

Furthermore, the Board of Directors has clearly specified roles and scope of responsibilities of the subcommittees and the President and has supervised the directors and the executives to perform duties with responsibility, carefulness and honesty as well as to oversee to make sure that operations of the Company are in compliance with the relevant laws, regulations, resolutions of the meetings of the Board of Directors, resolutions of the shareholders' meetings and the Company's policies.

Principle 2: Define the Business Objectives and Main Goals for Sustainability

The Board of Directors puts strong emphasis on formulation of main objectives and targets for business operations of the Company in order to make it grow together with the society with sustainability, to build value and benefits to the organization, customers, business partners, employees, shareholders, stakeholders and the society at large. In addition, it will foster communications to make the corporate's main objectives and targets reflect in decision and operations of the personnel in all levels, that it becomes the corporate culture under the corporate governance principles.

The Board of Directors also stipulated strategies and work plans, including monitored and assessed performance continually in order to make them consisting with the attainment of the main objectives and targets of the organizations. Innovation and technology have been applied appropriately and safely. In addition, the risk on setting the target which may lead to illegal behavior or unethical conduct shall be considered. The Board also supervised to ensure that objectives and targets shall be transferred via strategy and work plans throughout the organization. Consideration of business plans and strategies of the organization shall be based on sustainable creation of value to shareholders, stakeholders, society and environment, for instance, recruitment of knowledgeable and capable personnel and realization of importance on personnel development, hence the trainings shall be constantly provided. Social activities shall be conducted, for example, giving lecture to the students to provide knowledge on electronic innovation, support on scholarship and research fund, jointly specify research topics which can be actually applied in real life situation, and etc.

Principle 3: Strengthen Board Effectiveness

The Company's Board consists of the persons who are knowledgeable, capable with expertise and experiences that can perform duties for the best interest of the Company. The directors shall have qualifications and shall not possess prohibited characteristics as per specified by the laws and they shall have duty and responsibility on specifying and reviewing the Board's structure.

At least one thirds or three members of the Company's Board must be the independent directors. The independent directors shall possess qualifications and shall not have any prohibited qualifications as per specified by the Board, which are more stringent than or equivalent to qualifications specified by the Securities and Exchange Commission and the Stock Exchange of Thailand. At present, the Company's Board of Directors consists of 2 non-executive directors and 3 independent directors in order to balance power appropriately. Sub-committees have been appointed to assist the Board pursuant to the scope specified in each sub-committee's charters to strengthen efficiency and effectiveness on operations of the Board.

The Board shall appoint a suitable person to be the Chairman. In addition, in case the Chairman is not the independent director, the Board shall appoint one independent director to jointly consider on determination of the meeting agenda of the Board's meeting to encourage for balance of power between the Board and the management and for conformance with the corporate governance principle of the listed companies.

The Board of Directors has appointed the Nomination and Remuneration Committee to support the Board on recruitment of the qualified directors with the clear and transparent process, as well as to consider suitable remuneration before proposing for the shareholders' approval.

The Board of Directors shall supervise to ensure that all directors shall be responsible for performing duties and allocate appropriate time for works and also oversee on disclosure of roles and duties of the Board and the sub-committees, number of meetings arranged as well as number of attendances of meeting of each director during the past year, including report on performance of all sub-committees.

The Board shall evaluate performance of the Board as a whole and on individual director level at least once a year and at least they should be based on self-evaluation. The evaluation results shall be used for consideration on appropriateness of component of the Board. The Board should oversee to make sure that the directors regularly receive sufficient and continuous trainings and knowledge development.

In addition, the Company has appointed the Company Secretary to support operations of the Board, to coordinate on compliance with resolutions of the Board and to arrange matters relevant to the Board's meeting and the shareholders' meeting

Principle 4: Recruit and Develop Senior Executives and People Management

The Company has specified qualifications of the directors and top management in order to be confident that the Company has recruited the suitable directors and top management which are adequately for operations and undertakings pursuant to the business plan and succession plan as per specified in the charter and code of conduct, as per the specified target. Additionally, the Board also placed importance on understanding of structure and relationship of major shareholders which may impact on the control over the Company to ensure that they shall not affect the Board's exercise of its duties and responsibilities and the Board shall oversee on properly disclosure of information which may have an impact on the control over the business.

In order to perform so, the Board has specified the remuneration structure of the directors and the executives, as well as the evaluation which is suitable with scope of responsibilities and duties assigned. The Nomination and Remuneration Committee shall assist on supervision on compliance with the policy on human resource management and organization development.

With regards to human resource development, the Board of Directors has monitored the human resource management and development to ensure that they shall have suitable knowledge, skills, experiences and motivation,

Principle 5: Nurture Innovation and Responsible Business Conduct

The Board places importance and promotes innovation which can add value to business, by focusing on research and development of the products in order to invent and apply innovation in the products developed by the Company to help the customers on competitive edge. In addition, it also promotes innovation creation in the educational institutes through the engineering competition activities, acceptance of intern students during summer apprenticeship program and the cooperative education for learning through projects, participation on giving recommendation for the projects in Bachelor degree and the research works in Master or Doctorate degrees including provision of cooperation between the research laboratories and the Company.

The Board has specified that there shall be risk management and control on information technology so that information technology resources shall be efficiently and effectively allocated and managed, including adequate and appropriate information technology security measures by taking into consideration maintenance of confidentiality,

credibility and availability of information as well as prevention on abuse use of information. The Company shall be supervised to comply with the laws, regulations, rules and standards relevant to usage of information technology and to have the Business Continuity Plan (BCP) in place.

Additionally, the Board shall monitor and supervise the management to perform businesses together with building up benefits for the relevant stakeholders, with social and environmental responsibility by encouraging for operations to add value to the Company pursuant to a changing environment. Such works may include designing innovative business models, products and services, promoting research, improving production and work processes as well as collaborating with business partners. The Company determines to operate business with integrity, honesty, transparency, adherence to fairness as its core value, as well as provision of excellent services to customers and the contact persons, willingness to compete the business with fairness, without taking advantages or exploitation of benefits, strictly perform the works under corporate governance framework. The Board also realizes the importance of roles of the stakeholders and treats all groups of stakeholders transparently, appropriately, partially and fairly. Those stakeholders include:

- **Employee:** Compensation provided to the employees shall be considered based on performance and fairness which can be measured by the specified criteria. Personnel development shall be constantly supported to keep them having knowledge and capability on continued basis. In addition, the Company also primarily considers about rights of the employee and opens opportunities to lodge complaints via various channels, in case he/she has not been treated fairly.
- **Customer:** To enhance long-term relationship and cooperation with the customers by adhering to principles of integrity, honesty and trust. The Company has duty to build maximum satisfaction to the customers with responsibility and put utmost emphasis on the customers' problems and requirements by adhering to morals and effective service provision.
- **Creditor:** To build up relationship and treat the creditors by adhering to principles of integrity, honesty and trust, with responsibility and fulfilment of conditions agreed with the creditors at its best.
- **Business partners:** Treat business partners with honesty and equality for fair business operation with mutual benefit, sustainable development and for being the long-term business partners with the Company. The Company shall choose to deal business with the business partners based on various conditions, such as

prices, quality, reliability and adherence to the right things, as well as skills on technique, laws and environment protection.

- Communities and environment: To oversee and ensure that the Company and its employees perform business with responsibilities and for the best benefit for the society, communities and that they shall also have duties to treat the communities located nearby with goodwill, provide assistance and support on community development for their good livelihood.
- Fair competition: To oversee and ensure that the Company operates business with transparency and does not use anti-competitive practices to gain unfair competitive advantage.
- Relevant public authorities: To oversee and ensure that the Company complies with the relevant laws and regulations and deals with public sectors and government agencies with partiality as per specified in the charters, code of ethics and anti-corruption policy.

Principle 6: Strengthen Effective Risk Management and Internal Control

The Board shall supervise and make sure that the Company has effective and efficient risk management and internal control systems which can fulfil objectives and comply with the applicable laws and standards. The Board has appointed the Audit Committee, all of whom are independent directors and do not possess any prohibited characteristics as per specified in the relevant laws as well as possess required qualifications and duties as per criteria stipulated by the Office of the SEC and the SET, so that they can perform duties effectively and independently as per assigned by the Board. Such duties include review of financial reports, internal control system, compliance with the laws, consideration and selection of the auditor, disclosure of the Company's information and preparation of the report of the Audit Committee, and etc. Moreover, the Board has appointed the Risk Management Committee to oversee and support the Board on supervision of risk management system as per specified in the risk management policy.

In order to make certain that the Board can supervise risk management and internal control systems effectively, the Board has prescribed the related policies to help supervising the works as follows:

1. Business ethics and code of conducts;
2. Related transaction policy;
3. Risk management policy;

4. Policy on investment and guidelines on supervision of subsidiaries or joint venture;
5. Inside-information and trading of the Company's securities;
6. Anti-corruption policy;
7. Whistle blowing policy;
8. Policy on provision of gift and entertainment;
9. Policy of risk management on exchange rate risk management
10. Succession plan policy;
11. Personal Data Privacy Policy;
12. Delegation of authority and approval power.
13. Other related policy.

The Board has clear anti-corruption policy specified in the Company's code of business ethics and code of conduct and it has been communicated to parties at all levels throughout the organization as well as the third party so that they shall be implemented and observed. The Board has supervised to ensure that there is mechanism or operation for handling complaints or whistle blowing and clear operating guidelines have been specified in the whistle blowing policy. There are also regulations on reporting, investigation on violation of ethics, acknowledgement of complaint on corruption and misconduct. In case the stakeholder has any issues about the Company's operations, he/she can ask for details or lodge complaints on illegal act, incorrectness of financial report, defective internal control system or any act which is against morals via the independent director or the Audit Committee of the Company. Information sent to the Company shall be kept in confidentiality. The person receiving complaint shall compile the fact relevant to violation or non-compliance with the regulation, and report any findings to the management and/or the Audit Committee, as appropriated, so that the investigation shall be conducted to find facts and specify operating measures, as appropriated, then report inspection result to the informant, in case the informant does not hide his/her identity. In case it is an important matter, the President and/or the Board shall be reported. The Company shall provide channel to lodge complaint and/or opinion and also add one channel for reporting via email to the top management directly at:

The stakeholder can express his/her opinion via the Company's communication channels as follows:

1. Via postal services, by attention to:

The Chairman of the Board of Directors or the Chairman of the Audit Committee

Silicon Craft Technology Public Company Limited

40 Thetsabanrungsunnua Road, Ladyao, Chatuchak, Bangkok 10900

2. Via email:

The Chairman of the Audit Committee: ac@sic.co.th

The Company Secretary Department: comsec@sic.co.th

3. Via the Company's website: <http://www.sic.co.th>

4. Via phone: (66) 2 589 9991

Principle 7: Ensure Disclosure and Financial Integrity

The Board shall be responsible and to make sure that the financial reporting system and disclosure of all material information shall be correctly, adequately, on timely manner, pursuant to the applicable criteria, standards and operating practices. There shall be suitable and qualified personnel to prepare financial reports and on disclosure of information of the Company as well as monitor the Company's financial liquidity and solvency, including the financial mitigation plan in case there is any financial problem by taking into account the rights of the stakeholders.

In this regard, the Company has assigned the Company Secretary who acts as the Investor Relations to communicate and publicize information beneficial to the shareholders, investors, analysts and the related parties appropriately, equally and on timely manner. The Company Secretary shall also be responsible for dissemination of the Company's information pursuant to the specified criteria to the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and the relevant agencies, such as material information which may impact the Company's securities prices or decision-making of the Company's stakeholders and investors in the Annual Registration Statement/ Annual Report (Form 56-1 One Report) and/or the Company's website, and etc. Investors can contact the Company's investor relations at

Silicon Craft Technology Public Company Limited

40 Thetsabanrungsunnua Road, Ladyao, Chatuchak, Bangkok 10900

Phone: (66) 2 589 9991

Fax: (66) 2 589 8881

E-mail Address: ir@sic.co.th

Principle 8: Ensure Engagement and Communication with Shareholders

The Board puts emphasis to the Company's shareholders to ensure that they shall be treated equally and shall fully exercise all fundamental rights, such as;

1. Right to purchase, sell and transfer securities;
2. Right to share the Company's profits;
3. Right to receive relevant news and information adequately via the Company's website or the SET's website or by other means;
4. Right to attend the meeting and exercise their voting right independently during the shareholders' meeting with regards to the appointment or removal of directors, consideration of the directors' remuneration, appointment of the auditor, payment of dividend, capital increase or issuance of new security as well as right to make inquiry to the Board concerning the Board's report and other matters proposed to the meeting for consideration and approval;
5. Right to propose the meeting agenda in advance and nomination of the candidate to be elected as the Company's directors as well as to participate in decision making of the Company's important matter

All shareholders shall have the right to vote pursuant to the number of shares they hold, where one share shall have one voting right.

In addition, the Board shall also realize and places importance to the shareholders' right by not performing any act which may violate or deprive the shareholders' right and make them feel confidence that they can take part in making decision on the Company's important matter. The Board shall oversee to make sure that the arrangement of the shareholders' meeting is successfully, transparently, efficiently and that the shareholders can exercise their

right properly. The resolutions of the shareholders' meeting shall be disclosed and the minutes of meeting shall be correctly and completely prepared.

The company shall review such policy regularly, at least once a year.

This Charter of the Board of Directors was firstly approved by the Board of Directors Meeting No. 1/2017 held on February 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 4/2023 held on July 21, 2023.

This announcement made on July 21, 2023.



(Dr. Bodin Kasemset)

Chief Executive Officer

Business Ethics
and
Code of Conduct

Silicon Craft Technology Public Company Limited

Announcement

Reference: SIC-BC-MEMO-2023-022

Subject: Business Ethics and Code of Conduct Handbook

Company: Silicon Craft Technology Public Company Limited

In order to ensure that the operations of the management and employees of Silicon Craft Technology Public Company Limited ("the Company") are conducted to the highest standards of quality and ethics, the Company has undertaken the process of enhancing the Business Ethics and Code of Conduct Handbook. This is to provide guidelines for work practices and collectively uphold a good reputation and the pride of employees, leading toward an organization with effective governance.

Silicon Craft Technology Public Company Limited is committed to encouraging the Board of Directors, executives, and employees to consistently adhere to the principles outlined in this handbook in all circumstances so that they become ingrained in the way we work.

This version of the Business Ethics and Code of Conduct Handbook has been recently reviewed and approved by the Board of Directors Meeting no. 4/2023 meeting held on July 21, 2023.

The announcement made on July 21, 2023.

(Signed)

Mr. Bodin Kasemset

Chief Executive Officer

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1. Definition

Definitions	Meanings
Management	Company Directors, Executive Committee Members, and Executives at department head level or above
Employees	Employees at supervisory level or equivalent and below
Business Ethics	Good practices in conducting the Company's business operations by its management and employees, leading the organization toward effective governance
Assets	Real estate, properties, technologies, copyrights, company rights, intellectual property rights of the Company
Specific Information	Information owned or controlled by the Company, which holds economic value both present and future. It's restricted and not disclosed to external parties before authorization from those with authority. This includes customer and employee information, sales and marketing data, product and service data, accounting data, business plans, marketing plans, financial plans, project plans, etc.
Stakeholders	Individuals and/or legal entities involved in the Silicon Craft Technology Public Company Limited's business operations, including shareholders, management, employees, customers, partners, creditors, competitors, and society at large
Upholding Legal Principles	Making decisions and conducting business operations in accordance with the laws and relevant regulations (Rule of Law)
Fairness and Integrity	Consistently carrying out responsibilities in an impartial manner, refraining from bias in decision-making based on principles of fairness and morality
Transparency	The openness of decision-making and operational procedures that can be disclosed to the public and verified under the framework of rules and laws (Transparency)

Definitions	Meanings
Integrity	Honesty and integrity in fulfilling duties in accordance with regulations, ethics, and good morality
Responsibility	Consciousness of duties to be carried out with full ability and efficiency
Accountability	Acceptance of consequences arising from the performance of duties, whether positive or negative
Vision	Forward-looking creativity aimed at creating long-term value and striving for excellence in operations

2. Business Ethics

Silicon Craft Technology Public Company Limited upholds business ethics in its operations. Both the management and employees adhere to these principles as representatives of the company, as follows:

2.1 Upholding Legal Principles

Silicon Craft Technology Public Company Limited adheres to legal principles in its business operations. Furthermore, it is the duty of management and employees to understand the Company's regulations, relevant laws, as well as laws in the future that may impact their work and operations.

Guidelines for Practice

- 2.1.1 Management and employees must study and comprehend the rules and regulations that serve as the foundation for government operations, both those currently in effect and those that will come into effect in the near future.
- 2.1.2 Management and employees must not seek confidential trade secrets of competitors or sensitive information of competitors through illegal means, such as theft, espionage, or breaching agreements to keep competitors' information confidential, regardless of whether it is obtained from customers or other individuals.
- 2.1.3 Management and employees must adhere to labor laws and various regulations related to fair labor practices, refraining from using forced labor, human trafficking, or child labor that is prohibited by law.
- 2.1.4 Management and employees must comply with various provisions related to the laws of fair trade.
- 2.1.5 Management and employees must adhere to laws and regulations regarding environmental protection, safety, and health.

2.2 Transparency

The decision-making processes and operational methods of Silicon Craft Technology Public Company Limited are conducted with transparency that allows information to be disclosed to all stakeholders for acknowledgment and verification, under the framework of laws, regulations, and the Company's practices related to preventing unauthorized leakage of trade secrets to business competitors.

Guidelines for Practice

- 2.2.1 Management and employees must prepare accounting and financial reports, business status, and operational results that accurately and truthfully represent the financial status and operational outcomes of Silicon Craft Technology Public Company Limited in accordance with accounting standards. These reports should be reliable and subject to audit as determined by the audit committee.
- 2.2.2 Management and employees must adhere to the Company's purchasing and procurement procedures, ensuring clarity, transparency, and fairness in line with the policies of Silicon Craft Technology Public Company Limited. These processes must be auditable by the procurement committee. In cases where business partners have managers, sales personnel, or shareholders who are relatives or individuals residing in the same household as the managers or employees of Silicon Craft Technology Public Company Limited, these managers or employees must immediately notify their supervisors in writing and avoid being involved in any transactions related to the procurement process.
- 2.2.3 Management and employees must follow guidelines that clarify the authority of Silicon Craft Technology Public Company Limited strictly.
- 2.2.4 Management and employees involved in the procurement process, including relatives and individuals residing in the same household, should avoid participating in various activities with business partners, including dining or sports events. In cases where it is necessary and unavoidable to participate, there must be more than one representative from Silicon Craft Technology Public Company Limited, and this must be communicated in writing to the supervising authority beforehand.

2.3 Upholding Integrity and Ethics

Silicon Craft Technology Public Company Limited is committed to maintaining integrity and ethical behavior towards all stakeholders, fostering continuous positive relationships in business operations. Moreover, the company refrains from unfair treatment, utilizing personal relationship assessments, while providing equal opportunities without discrimination based on race, nationality, religion, or gender.

Guidelines for Practice

- 2.3.1 Management and employees must act fairly and refrain from unfair treatment towards stakeholders in business operations. Providing benefits to customers should align with the policies and principles of Silicon Craft Technology Public Company Limited.
- 2.3.2 Management and employees must manage their roles with transparency, ensuring that shareholders have trust and confidence in decision-making that is conducted with integrity, considering the utmost benefit of all shareholders.
- 2.3.3 Management and employees must act fairly and avoid biased practices in employment, including recruitment, compensation consideration, hiring benefits, promotions, transfers, performance evaluations, training, compliance, termination, rehiring, as well as participating in society and recreational activities.
- 2.3.4 Management and employees must consistently aim to exceed customer expectations in service, providing customer service that is honest, transparent, and just, refraining from deceit or manipulation.
- 2.3.5 Management and employees must adhere to fair and honest trade conditions with business partners/creditors. In cases where compliance is not possible, partners/creditors should be informed to collaboratively find solutions.

2.4 Prioritizing Customers

The management and employees of Silicon Craft Technology Public Company Limited place significant importance on and care for customers. This is achieved by ensuring that products and services are of high quality, resulting in customer satisfaction.

Guidelines for Practice

- 2.4.1 Management and employees must possess a deep understanding of the products and services offered by Silicon Craft Technology Public Company Limited and provide accurate and comprehensive information to customers.
- 2.4.2 Management and employees must thoroughly understand customer needs before presenting products or services, ensuring that customer requirements are met accurately. Additionally, they should continuously seek knowledge and enhance work experience to improve customer satisfaction.
- 2.4.3 Management and employees must treat customers with politeness, respect, and proper communication.
- 2.4.4 Management and employees must respect customer decisions and opinions while safeguarding customer personal rights.

2.5 Social Responsibility

Silicon Craft Technology Public Company Limited acknowledges its responsibility towards society and the community as a primary duty, aspiring to create beneficial projects and activities that contribute to societal and community development.

Guidelines for Practice

- 2.5.1 Management and employees should participate in or organize public-benefit activities for societal development, such as supporting education or environmental initiatives.
- 2.5.2 Management and employees must be aware of their involvement in conserving natural resources, the environment, and strive to avoid actions that could be harmful or detrimental to natural resources, the environment, and related ecosystems under Silicon Craft Technology Public Company Limited.

2.6 Non-Involvement in Politics

Silicon Craft Technology Public Company Limited respects and supports individuals' use of their freedom of expression under the constitution. The Company remains neutral.

Guidelines for Practice

- 2.6.1 Management and employees shall not use their positions to influence, pressure, or compel colleagues or subordinates to support any political activity or organization, including political organizations or their members.

3. Ethical Guidelines

Silicon Craft Technology Public Company Limited establishes ethical guidelines for management and employees to serve as a framework for their work as follows:

3.1 Leadership Qualities

Management should demonstrate ethics and fulfill the roles of appropriate leadership, conducting themselves in a manner that is socially acceptable and beneficial for the Company's management.

Guidelines for Practice

- 3.1.1 Managers must communicate a vision for management, being conscious of their roles and responsibilities for the outcomes of their tasks to be reliable and socially acceptable.
- 3.1.2 Managers should adopt and implement quality management systems to streamline processes and enhance work efficiency. This involves seeking suitable innovations, providing training and development for employees to align with innovation and quality management systems, creating a sustainable business, and leading the Company toward business excellence.
- 3.1.3 Managers should address and investigate complaints or grievances from stakeholders or individuals, verifying facts and resolving issues swiftly and fairly. Managers should not attempt to address complaints or grievances using informal methods, such as through mystical means.
- 3.1.4 Managers should encourage and support the development of leadership qualities within the employee community. They should promote the involvement of employees at all levels in the development of Silicon Craft Technology Public Company Limited.
- 3.1.5 Managers should participate in and encourage employees to engage in community and society-oriented activities for the common good. This will make Silicon Craft Technology Public Company Limited an integral part of the community, fostering positive relationships with all members of the community and society.

3.2 Honesty and Integrity

Management and employees must fulfill their duties with honesty and integrity, safeguarding the interests of Silicon Craft Technology Public Company Limited.

Guidelines for Practice

- 3.2.1 Managers and employees must carry out their responsibilities with honesty and integrity, free from bias, and avoid using their positions to seek personal benefits for themselves or others.
- 3.2.2 Managers and employees must not produce or maintain false or erroneous reports or records, and they must promptly report any inaccurate or erroneous reports or data related to Silicon Craft Technology Public Company Limited to their superiors.
- 3.2.3 Managers or employees should dedicate their time to work efficiently and effectively, meeting the standards set in the Company's regulations. They must refrain from compelling or influencing colleagues or subordinates to use work time for activities unrelated to the benefits of Silicon Craft Technology Public Company Limited or its stakeholders.
- 3.2.4 Managers and employees must fulfill their assigned tasks with complete knowledge and skills, along with a sense of responsibility for the outcomes of their duties.

3.3 Legal and Regulatory Compliance

Management and employees must fulfill their duties related to the Company's business with utmost diligence, avoiding actions that may negatively impact on the Company's reputation.

Guidelines for Practice

- 3.3.1 Managers and employees must not violate, circumvent, resist, or neglect company regulations, policies, or orders issued by Silicon Craft Technology Public Company Limited, including those that are legally and ethically binding.
- 3.3.2 Managers and employees must not produce or possess unlawful items for personal use, distribution, or on behalf of others.
- 3.3.3 Managers and employees should responsibly use communication systems and computer systems, avoiding actions that cause division, harm to others, destruction of morale, or the promotion of hostility in the workplace.
- 3.3.4 Managers and employees must not use communication and computer systems for activities that are illegal, contrary to the Company's policies, or the internet or similar services that may cause harm, embarrassment, loss of trust, or damage the Company's reputation.

- 3.3.5 Managers and employees must strictly adhere to the Company's regulations regarding computer-related misconduct.
- 3.3.6 Managers and employees must recognize the importance of intellectual property and follow general principles for the management of intellectual property issued by the Company. They must adhere to relevant regulations and standards for patent applications, analysis, and risk prevention in patent infringement.

3.4 Asset Management

Management and employees are responsible for caring, maintaining, and utilizing the assets of Silicon Craft Technology Public Company Limited to their full potential for the benefit of the company only, and not for the benefit of others or for unauthorized purposes.

Guidelines for Practice

- 3.4.1 Managers and employees must comply with the safety regulations of Silicon Craft Technology Public Company Limited when using tools, equipment, and working environments.
- 3.4.2 Managers and employees must not use, sell, lend, borrow, or transfer the Company's assets, regardless of their value or condition, without proper authorization.
- 3.4.3 Managers and employees must not intentionally cause damage, engage in sabotage, or destroy the assets of Silicon Craft Technology Public Company Limited.
- 3.4.4 Managers and employees must not use the assets of Silicon Craft Technology Public Company Limited for personal benefit or external business purposes without authorization from superiors.
- 3.4.5 Managers and employees must assist or attempt to acquire patents, copyrights, or protect intellectual property trademarks of Silicon Craft Technology Public Company Limited.

3.5 Interaction with Superiors, Colleagues, and Subordinates

Management and employees must maintain a work environment free from personal rights violations, and display mutual respect, cooperate, offer suggestions, and collaborate in problem-solving.

Guidelines for Practice

- 3.5.1 Managers and employees must refrain from ridiculing, defaming, or belittling others, which can lead to division. They should also avoid claiming credit for others' work.

- 3.5.2 Managers and employees must not engage in any behavior that violates gender equality among colleagues. If they witness or become aware of such violations, they must promptly report to their superiors.
- 3.5.3 Managers and employees should be disciplined and treat superiors, colleagues, and subordinates with respect, performing their duties with politeness, compassion, and good interpersonal skills.
- 3.5.4 Managers and employees must respect the rights of colleagues to participate or not participate in organizational representation activities.

3.6 Being a Good Citizen

Managers and employees should fulfill their roles as good citizens, collaborating with others in society harmoniously.

Guidelines for Practice

- 3.6.1 Managers and employees should develop themselves morally and ethically, as well as seek additional knowledge to enhance the effectiveness and efficiency of their duties.
- 3.6.2 Managers and employees should not engage in behaviors such as disliking others, using offensive language, engaging in misconduct, accumulating excessive debt, gambling, using illicit substances, consuming alcohol during work, or any other actions that compromise moral integrity.
- 3.6.3 Managers and employees should not carry weapons to the workplace unless authorized by higher-level authorities.

3.7 Avoiding Excessive Gifts and Benefits

Management, employees, and close associates should not accept money, benefits, or items from business associates of Silicon Craft Technology Public Company Limited that could be perceived as a favor, bias, or special business relationship, which could harm the Company.

Guidelines for Practice

- 3.7.1 Managers, employees, and relatives or residents of the same household must refrain from soliciting or accepting social activities, sports events, entertainment, rewards, gifts, or incentives from individuals involved in business with the Company.
- 3.7.2 In unavoidable cases, if a manager or employee receives benefits or gifts valued over 3,000 Baht as a result of business-related activities, such as lucky draws, raffles, or souvenirs, they

must report in writing to their superiors and submit the benefits or gifts to Silicon Craft Technology Public Company Limited.

- 3.7.3 If managers and employees, as representatives of the Company, attend business dinners or off-site training/events and receive benefits or gifts valued over 3,000 Baht, they must follow the same procedure as mentioned in section 3.7.2.

3.8 Avoiding Conflicts of Interest

Managers and employees should refrain from engaging in activities that could lead to conflicts of interest with Silicon Craft Technology Public Company Limited.

Guidelines for Practice

- 3.8.1 Managers, employees, family members, and individuals residing under the same household must not conduct any business or activities that could be perceived as conflicting with the interests of Silicon Craft Technology Public Company Limited, either directly or indirectly.
- 3.8.2 Managers and employees must not collaborate with family members or close associates to conduct any business or activities that could create conflicts of interest with Silicon Craft Technology Public Company Limited, either directly or indirectly. To avoid such situations, they must disclose the relationship to the Company's superiors in writing.

3.9 Avoiding Improper Use of Confidential Information

Managers and employees should not use confidential information of Silicon Craft Technology Public Company Limited for improper purposes.

Guidelines for Practice

- 3.9.1 Managers and employees who are responsible for using confidential information must be cautious not to allow others to overhear, eavesdrop, record, or intercept their conversations. They should avoid discussing confidential matters in public places using communication devices or engaging in conversations with family members or close associates that could lead to unintentional disclosure.
- 3.9.2 Managers and employees must manage, store, and categorize detailed confidential information in strict compliance with the regulations and rules of Silicon Craft Technology Public Company Limited.
- 3.9.3 Managers and employees should not disclose confidential information of Silicon Craft Technology Public Company Limited to unauthorized individuals unless approved in writing

by authorized individuals or departments with the necessary authority, and in accordance with business agreements and regulations.

- 3.9.4 Managers and employees should not use confidential information to engage in the trading of securities or share such information with others for securities trading purposes.

4. Complaint Reporting and Suggestions

In order to ensure that the provisions regarding business ethics and work practices are fair and effective, Silicon Craft Technology Public Company Limited's board of directors provides opportunities for employees and stakeholders to voice complaints, express opinions, report violations of laws, and outline the process to be followed when receiving complaints or suggestions, as follows:

4.1 Channels for Complaint Reporting and Suggestions

Complaints and suggestions can be communicated through the following channels:

- 4.1.1 Immediate supervisor or manager.
- 4.1.2 Human Resources department.
- 4.1.3 Other available channels within the company, including:
 - By post:
 - Chairman of the Board of Directors or Chairman of the Audit Committee
Silicon Craft Technology Public Company Limited
40 Thetsabanrangsan Road, Ladyao, Chatuchak, Bangkok 10900
 - By email:
 - Audit Committee: ac@sic.co.th
 - Corporate Secretary: comsec@sic.co.th
 - Through the company's website: <http://www.sic.co.th>
 - By phone: 02-589-9991

4.2 Process Upon Receiving Complaints

- 4.2.1 The person receiving the complaint gathers relevant facts related to the alleged violation or non-compliance with the ethical and work practice guidelines.
- 4.2.2 The person receiving the complaint reports the facts to the management and/or the independent directors and/or the audit committee, as appropriate, to conduct an investigation into the matter.

- 4.2.3 **Action Plan:** The management and/or the independent directors and/or the audit committee take necessary actions to investigate the complaint or suggestion, confirm the facts, and implement appropriate measures promptly to suspend any violation or non-compliance with business ethics and work practices.
- 4.2.4 **Reporting Results:** The management or the independent directors or the audit committee informs the complainant of the results of the investigation. If the complainant reveals themselves and the case is significant, the results are reported to the chairman of the board and/or the board of directors for information.

5. Conclusion

Every executive and employee of Silicon Craft Technology Public Company Limited has a responsibility to understand and adhere to the standards outlined in this Code of Business Ethics and Work Practices. This includes carrying out their duties with honesty and integrity, even in areas not explicitly covered by this Code. All employees are expected to fulfill their duties honestly and willingly, as a commitment and promise. However, if any employee violates any standard in this Code of Business Ethics and Work Practices, or the Company's policies and related procedures, or laws and regulations that apply to the Company's operations, the Company will take disciplinary action, utilizing measures specified in the Company's Work Regulations Section 6 (Discipline and Disciplinary Measures), or any other appropriate measures.

The Company will provide opportunities for employees to learn about the Company's business ethics regularly, and compliance will be audited by internal audit units. Additionally, there will be an annual review of this Code of Business Ethics and Work Practices. However, if there are significant changes or cancellations, timely reviews may occur to ensure relevancy and compliance.

SIC-BC-CHA-2023-001

Charter of the Board of Directors

Silicon Craft Technology Public Company Limited

Objective

The Board of Directors, as the supreme leader of the organization appointed by the shareholders and their agents, plays an important role in supervision of the Company's operations, allocation of resources, supervision of the performance of the sub-committees, formulation of policies and business strategies to ensure the long-term good turnover of the business to gain the confidence of shareholders and stakeholders.

Composition, Nomination and appointment of directors

1. Board's candidates shall be screened by the Nomination and Compensation Committee which shall be based on criteria under Section 68 of the Public Limited Company Act, B.E. 2535 and pursuant to the notification of the Securities and Exchange Commission and/or the relevant laws. The Board's members shall be selected from the qualified persons who have fundamental knowledge and expertise in various fields which will be beneficial to the Company's operations with regards to provision of recommendation, opinion in various aspects from perspectives of the people who have direct experiences, with wide-range vision, integrity and ethic. He/she shall have transparent working history and have capability to independently express opinions. After those the Board's candidates will be proposed to the shareholders' meeting for consideration and appointment.
2. The Board of Directors shall consist of not less than five (5) directors and not less than one half of total directors must reside in the Kingdom and not less than three-fourths of total directors shall hold Thai nationality. At least one-thirds of members of the Board, but not less than 3 directors, shall be the Independent Directors. The appointment of the Board of Directors shall be approved by the resolution of the shareholders' meeting, pursuant to the following criteria and methods:
 - 2.1 Each shareholder shall have a number of votes equal to one share per one vote.
 - 2.2 The shareholder shall elect directors individually

2.3 The candidate with the most votes is to be appointed directors up to the number open at the meeting. If more candidates receive equal votes than the number of Directors required, the Chairman of the meeting must cast a deciding vote.

The directors shall have a term of office of 3 years at a time. At every annual general meeting, one-third of the directors shall be removed from office. If the number of directors to be retired cannot be divided into the whole numbers, the number shall be as close as possible to the proportion of one-third. The directors who have already left office may be re-elected. The directors who shall retire in the first and the second years after the Company's registration shall be drawn through lots. For following years, the directors who are in the position the longest shall retire. The directors who retire under that term may be re-elected.

In addition to the end of a term of office, the directors shall retire upon:

1. Resignation
2. The shareholders' meeting has a resolution to leave the position (with a minimum of three-quarters of the number of shareholders present and entitled to vote)
3. Lack of qualifications and having prohibited attributes required by law
4. Death

In case the position of director becomes vacant for any reason other than the end of an office term, the directors shall select a person who is qualified and does not have prohibited qualifications under Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and/or relevant laws to become a substitute director at the next meeting of the Board of Directors. Unless the remaining term of the director is less than 2 months, the person becoming the substitute director shall remain as a director for as long as the remaining term of the directors he/she represents and shall obtain a resolution of the Board of Directors by not less than three-quarters of the votes of the remaining directors.

Qualifications of the Directors

1. Have qualifications and have no prohibited attributes by the Securities and Exchange Act or by the rules of the SEC as well as having no characteristics that demonstrate the lack of suitability to be entrusted with the management of a publicly held enterprise as determined by the SEC.
2. Have knowledge, competence, and experience that is useful for the conduct of business; have good intentions and ethics in the conduct of business.
3. Be able to exercise honest and independent discretion from the management team and any other interest groups.
4. Be able to dedicate sufficient time to the Company and be attentive to fulfilling their duties and responsibilities.
5. Must not operate business in the same condition and compete with the Company's business, or be partners in a general partnership or unlimited liability partners in a limited partnership, or be directors of a private company or other companies operating in the same condition and competing with the Company's business, whether for their own benefit or for the benefit of others, unless notified to the shareholders' meeting before the resolution of appointment.

Material authorities, Duties, and Responsibilities of The Board of Directors

The Board of Directors shall therefore perform its duties with responsibility, carefulness, and integrity, as well as supervise the Company's operation in accordance with the laws, regulations, resolutions of the meetings of the Board of Directors and the Shareholders and the relevant policies of the Company as identified from the following details.

1. To have power and duties pursuant to the Company's articles of association, as well as to oversee and manage the operations of the Company to ensure compliance with the laws, objectives, articles of association of the Company and the resolutions of shareholders' meetings;
2. To specify the Company's vision, mission, target, strategy and policy;

3. To approve the significant strategies, policies, objectives and targets with regards to business operations, assets management, finance, fund raising, investments and risk management of the Company as well as to follow-up on efficiently compliance with the specified plans;
4. To consider the matters which are required to propose to the shareholders for consideration and approval during the shareholders' meeting. Main agenda during the annual general meeting of shareholders are:
 - To consider the report of the Board on the Company's performance proposed to the meeting;
 - To consider and approve the financial statements;
 - To consider on allocation of the Company's profits;
 - To propose a list of new director to replace the director who shall retire by rotation;
 - To nominate an auditor and fix the auditor's remuneration;
 - To consider any transaction which may have conflict of interest, in the part which is required to request for approval from the shareholders;
 - Other matters.
5. To prepare the report on general information and financial information of the Company in order to report to the shareholders and the stakeholders or the general investors correctly, on timely manner and pursuant to the applicable laws;
6. To acknowledge important audit report of the Audit Committee or the supervisory agency and the internal audit unit as well as the auditor and the consultants of the Company and to specify guidelines on improvement or correction, in case material defects have been found;
7. To specify clear and appropriated operating guidelines in order to make internal control system transparently and effectively;
8. To review adequacy and appropriateness of the Company's internal control system and risk management system;
9. To arrange the succession plan continually;

10. To consider and evaluate performance of the Board of Directors and the sub-committees as well as supervise the Company to ensure that it has efficient process for evaluation performance of the top management;
11. To appoint the Audit Committee and to give comment on power and duties of the Audit Committee;
12. To appoint the representative to oversee the subsidiary, the associated company or the joint venture;
13. To consider and specify management structure, power to appoint the Executive Committee, the President and other sub-committees, as appropriated, as well as to specify scope of power and duties of the Executive Committee, the President and the sub-committees appointed to assist and support operations of the Board;

However, the delegation of authority pursuant to the specified scope of power and duties shall not be in the manner which can entitle the Executive Committee, the President and the subcommittees consider and approve any transactions which may have interests or other conflict of interests against benefits of the Company or the subsidiary (if any), unless it is the approval of transaction which conforms to policy and criteria already considered and approved by the Board of Directors;

14. To consider, define and amend name of the directors authorized to sign and bind the Company;
15. To authorize one or more directors or any person to act on behalf of the Board. However, the abovementioned authorization shall not include the delegation of authority which can entitle such authorized person to approve any undertaking that such person or a person who might have conflict of interest (the definition of "a person who might have conflict of interest" shall be as per defined in the notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company;

However, the following undertakings shall be exercised only after they have obtained an approval from the shareholders' meeting first, provided that, any director or any person who might have any conflicts, interests or conflict of interest regarding any transaction with the Company and/or its subsidiary shall not have the right to vote for such transaction:

- Any matter that the laws has specified that it must have an approval from the shareholders' meeting;
- Any transaction that any director may have some interests and in scope that the laws or regulations of the Stock Exchange of Thailand prescribed that it must have an approval from the shareholders' meeting;
- In addition, the following activities are required to have approval with majority votes from the Board of Directors' meeting presenting at the meeting and from the shareholders' meeting with the votes not less than three fourths of votes of shareholders present at the meeting and have the voting rights:
 - Disposition or transfer of total or some material parts of the Company's businesses to other persons;
 - To enter into, amend or revoke the contract concerning rental of total or some material parts of the Company's businesses; the assignment of other person to manage business of the Company or merger of the other's business for profit sharing purpose;
 - Issuance of new securities to repay to the Company's creditors pursuant to debt to equity conversion project;
 - Registration to decrease the Company's registered capital by reducing the number of shares or devaluation of shares;
 - Increase, decrease, issuance of debentures, merger or dissolution of the Company;
 - Other matters, as per specified by the laws.

In addition, a transaction that the director or the person authorized by the director or the person who might have any conflicts, interests or conflict of interest regarding any transaction with the Company or its subsidiary, shall not have the right to vote on such matter.

In addition, the Board shall have duties to oversee and ensure that the Company shall comply with the laws on securities and exchange, requirements of the stock exchange, such as connected transactions, acquisition and disposition of assets pursuant to criteria of the Stock Exchange of Thailand or as per the

notification of the Securities and Exchange Commission, the Capital Market Supervisory Board or the laws relevant to the Company's businesses.

Board of the Directors' meeting

1. Submission of the meeting's notice: Company Secretary of the Board of Directors prepares a notice to the Board of Directors' meeting which clearly defines the date, time, location and agenda and delivers the meeting documents to the audit committee and attendees in advance with a period of time not less than 7 days to allow directors and attendees to have sufficient time to consider matters or request additional information for consideration, in the invitation letter should be clearly informed of the agenda that must be approved with complete and clear documentation for consideration
2. Number of meetings: The Board of Directors has at least 1 meeting in every 3 months depending on the situation and necessity. If at least 2 directors request for a meeting, the Company must hold a Board of Director's meeting within 14 days from the date of request.
3. Attendees: The Board of Directors' Meeting must attend at least half of the total number of directors. The committee can invite a sub-committees, executives, external auditors and internal auditors of the Company to attend meetings as necessary and appropriate. Moreover,
4. Voting: The total of directors that joining the meeting for voting shall not be less than two out of three of the total number on the Board of Directors with using the majority voting system as a resolution of the meeting; in case the majority is not decisive, the Chairman of the Board of Directors can vote an additional vote to be decided. However, in the event of a hearing in relation to a particular director, directors who may have conflict of interests in such those matters must abstain from voting on the matters.
5. Minute of the Meeting: Company Secretary of the Board of Directors writes down the minutes of the meeting, as the directors who attended the meeting must be responsible as decided, and if any director has a different opinion from the other directors or abstains from voting, such comments must be recorded to demonstrate the extent of responsibility in such matters. The Company must complete the minutes of the Board of Directors meeting within 14 days from the date of the meeting and store it at the head office. If the director requests it, the Company must be able to quickly deliver the minutes of the meeting to them.

This Charter of the Board of Directors was firstly approved by the Board of Directors Meeting No. 1/2017 held on February 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 4/2023 held on July 21, 2023.

This announcement made on July 21, 2023.



(Mr. Manop Dhamsirianunt)

Chairman of the Board of Directors

SIC-BC-CHA-2022-003

Charter of the Audit Committee

Silicon Craft Technology Public Company Limited

Objective

The Audit Committee is a sub-committee of the Board of Directors which appointed to help ease the Board of Directors' mission in its operations and to provide the business with a good corporate governance. The Audit Committee was established to enhance the efficiency of operations and value-added to the organization in various areas as follows.

1. Confidence and reliability, as well as transparency of the Company's financial reports
2. Increased awareness in the performance of the Board of Directors' duties. The Audit Committee shall take into account on its responsibilities as follows.
 - 2.1. Financial reporting
 - 2.2. Choosing the right accounting policy
 - 2.3. Financial Management
 - 2.4. Internal control system and internal audit
 - 2.5. Consideration of the independence of the internal auditors and/or third-party internal auditors, as well as the evaluation of the work of the head of internal auditors and/or the third-party internal auditor.
 - 2.6. Compliance with relevant requirements and laws
 - 2.7. Business Risk Management and Control
 - 2.8. Recommendation of appointment and evaluation of the performance of the certified auditors
3. Allows the Board of Directors to consider in depth in other matters other than financial reporting and internal control systems and increase efficiency in other areas of management.
4. Strength in the role and authority of external directors
5. Strengthen the directors' understanding of the scope of the audits that have been determined.

In order to perform the duties of the Audit Committee, the Committee must maintain a working relationship with the Board of Directors, executives, as well as external auditors and internal auditors of the Company to ensure efficient operation. Each audit committee member needs to develop and maintain expertise and knowledge as well as understanding of responsibilities and understanding of the company's business and damages.

Nomination and appointment of The Audit Committee

1. The Board of Directors shall appoint the Audit Committee which consists of at least 3 persons and all of them must be the Independent Directors;
2. The independent directors who have been appointed as the Audit Committee shall possess qualifications as per stipulated by the regulations of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand and at least one member of the Audit Committee shall have adequate knowledge, understandings or experiences on accounting and/or finance;
3. Term of office of each member is 3 years each. The Audit Committee may be re-appointed pursuant to the agenda approved by the Board of Directors but the term of office shall not be renewed automatically.
4. The Audit Committee shall jointly elect one of the members to be the Chairman of the Audit Committee;
5. The Audit Committee shall appoint the secretary to assist the works pertaining to summoning of meetings, preparation of the meeting agenda, submission of the meeting document and record the minutes of meeting;
6. Apart from vacating office upon expiry of the term, the Audit Committee may vacate from holding office upon occurrence of the following circumstances:
 1. Resignation;
 2. Expiration of the term or termination from the being the Company's Director;
 3. The Board of Directors passed a resolution to remove from office;
 4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 5. Death.

Qualifications of The Audit Committee

1. Be an Independent Director and have qualification as prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (please see more details in topic “Qualifications of the Independent Director);
2. Must not be a director who is appointed from the Board of Directors to make decision with regards to the business operations of the Company, its parent company, its subsidiary, its associated company, a subsidiary in the same level, a major shareholder or a controlling person of the Company;
3. Must not be a director of the parent company, its subsidiary, or a subsidiary in the same level, only of the listed company;
4. To have duty in the same manner specified in the notifications, regulations and/or rules of the Stock Exchange of Thailand on qualifications and scope of work of the Audit Committee;
5. To have adequate knowledge, understandings and experiences on accounting or finance that can audit credibility of the financial statement as well as perform other duties as the Audit Committee.

Qualifications of the Independent Director

The Company has the process to nominate the independent director by assigning the Nomination, Remuneration and Corporate Governance Committee to consider the right independent directors from qualifications and prohibited qualifications of the directors pursuant to the Public Limited Companies Act, laws on securities and exchange, notifications of the Office of the Securities and Exchange Commission, the Market Capital Supervisory Board, the Stock Exchange of Thailand, as well as the relevant notifications, regulations and/or rules. The Board shall consider and select the independent directors from the experts who have working experiences and other appropriated aspects. The Company has policy to appoint the independent directors at least one-thirds of total number of directors and the number shall be at least 3 persons with qualifications as follows.

1. Holding shares not exceeding 1.00 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliated company, principal shareholder or controlling person of the Company. Shares held by the related persons of such independent director shall also be included;

2. Not being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliated company, same-level subsidiary, major shareholder or controlling person of the Company unless the foregoing status has ended not less than 2 years prior to the date being appointed 124 as the independent director. However, such prohibited characteristics exclude the case where such Independent Director used to be the government official or the advisor of the government entity who is the major shareholder or the controlling person of the Company;
3. Not being a person related by blood or registration under laws, i.e. father, mother, spouse, sibling, and child, including spouse of the children of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling persons of the Company or its subsidiary;
4. Not having a business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than 2 years prior to the date being appointed as the independent director. Such business relationship includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Applicant or its counterparty being subject to indebtedness payable to the other party in the amount of three (3) percent or more of the net tangible assets of the Applicant or twenty (20) million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Securities and Exchange Commission concerning rules on connected transactions, mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of one (1) year prior to the date on which the business relationship with the same person commences.
5. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, and not being a

significant shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company unless the foregoing relationship has ended not less than two (2) years from the date being appointed as the independent director.

6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Applicant, its parent company, subsidiary, affiliated company, major shareholders or controlling person of the Company, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date being appointed as the independent director.
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholders.
8. Not operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a significant partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1.00 per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or its subsidiary.
9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

Authority of the Audit Committee

The Board of Directors assigns the Audit Committee the authority to:

1. Perform duties within the scope of responsibilities set out in the Charter of the Audit Committee;
2. Invite directors, executives or employees attend meetings or clarify or respond to inquiries relating to the Company's business and operations, subsidiary, joint ventures, and joint venture projects within the scope of duties and responsibilities of the Audit Committee;

3. Consult an expert or advisor of the Company (if any) or hire a consultant or external expert, if necessary, at the expense of the company;
4. Inspect and investigate as necessary in matters, as well as request the Company's for information as necessary to complete the performance under the responsibilities of the Audit Committee.

Material authorities, Duties, and Responsibilities of The Audit Committee

1. To review accuracy and adequacy of the Company's financial reporting by coordinating with the external auditor and the executives who are responsible for preparing of quarterly and yearly financial reports. The Audit Committee may recommend the auditor to review or audit any transaction which it deems necessary and materially during the Company's auditing process;
2. To review the Company's internal control system and internal audit jointly with the external auditor and the internal auditor to ensure that they are suitable and efficient, to determine independence of the internal audit unit and/or the outsourced internal auditor, including to approve the appointment, transfer and dismissal of the chief of the internal audit unit and/or the outsourced internal auditor;
3. To review the Company's compliance with the laws on securities and exchange, regulations of the stock exchange and the laws pertaining to the Company's businesses;
4. To select and propose an independent person to be the Company's auditor and to fix his/her remuneration based on creditability, adequacy of resources and amount of auditing work of such auditing firm, including the experiences of the personnel assigned to perform the Company's audit works, as well as to attend the meeting with the auditor without any participation of the Company's Management at least once a year;
5. To consider the connected transactions or transactions that may lead to conflicts of interest to ensure their compliance with the laws, notifications and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to make sure that such transactions are reasonable and for the best interests of the Company.
6. To consider transactions on acquisition or disposition of the Company's assets of which transaction size is required to obtain approval from the Audit Committee as per specified in the

laws, notifications, regulations of the Stock Exchange of Thailand and criteria of the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board.

7. To prepare the Audit Committee's report and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and at least it must contain the following information:
 - Recommendation on accuracy, completeness and creditability of the Company's financial report;
 - Recommendation on adequacy of the Company's internal control system;
 - Recommendation on compliance with the laws on securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the Company's businesses;
 - Recommendation on suitability of the auditor;
 - Recommendation on transaction which may have conflict of interest;
 - Number of the Audit Committee's meetings arranged and attendance of such meetings by each committee member;
 - Overall recommendations or observations that have arisen while the Audit Committee performed its duties in accordance with the Charter;
 - Other matters which should be made available to the shareholders and general investors within scope of duty and responsibilities assigned by the Company's Board of Directors.
8. The Audit Committee shall conduct self-evaluation on its performance and report such evaluation results together with problems or obstacles found in performing the works which may make them unable to achieve objectives as per specified to the Board for acknowledgement every year;
9. To approve the internal audit plan, as well as to consider on acknowledgement of performance report of the Internal Audit Unit and/or the outsourced internal auditor;
10. To consider, review and improve the Audit Committee Charter and propose to the Board for consideration and approval;
11. In carrying out duties, if the Audit Committee has found or is suspicious about any of the following transactions or activities which may have material impacts to the financial position or performance

of the Company, the Audit Committee must report the Board of Directors to take corrective action within a period of time it deems appropriated. Such transaction include: Recommendation on accuracy, completeness and creditability of the Company's financial report;

- Transaction with the conflicts of interests;
- Fraud or unusual transaction or significant deficiency in the Company's internal control system;
- Violation or breach of laws on securities and exchange, notifications and regulations of the Stock Exchange of Thailand and the laws related to the Company's business.

12. To conduct an investigation of the matter notified by the Company's auditor. If the Company's auditor discovered any suspicious circumstance concerned with the director, manager or any person responsible for the Company's operations, which can be regarded as the fraudulent act as per specified in the Securities and Exchange Act and the auditor has reported such issue to the Audit Committee, the Audit Committee must conduct an investigation and shall report the result of the preliminary investigation to the Office of Securities and Exchange Commission and the auditor within 30 days from the date notified by the auditor.
13. To perform any other tasks as assigned by the Board of Directors and approved by the Audit Committee.

In performing the operations pursuant to the scope of authority and duty, the Audit Committee shall have power to invite or order the concerned management, the department head or the employee of the Company to provide recommendation, participate in the meeting or submit document which is deemed relevant and necessary. Moreover, in performing duties under scope of authority and duty of this regulation, the Audit Committee may consult with the external independent consultant or the expert in various professions, if it deems necessary and appropriated, at the Company's expenses.



Audit Committee Meeting

1. Submission the meeting's notice: Secretary of the Audit Committee prepares an invitation to the Audit Committee meeting, with clearly defined the date, time, location and agenda, and send the documents to the Audit Committee and the attendees in advance for a sufficient amount of time (or at least 7 days) to consider the matters or request information for further consideration, and to determine the matters that are in the responsibilities of the Audit Committee as follows:
 - Consideration of financial statements and related financial reports, accounting principles and accounting practices, compliance with generally accepted accounting standards, the existence of the business, major changes to accounting policies, including management's reasons regarding accounting policy making before presenting to the Board of Directors for publicity to shareholders and investors;
 - Consideration of Internal Control and Internal Audit system;
 - Review of the Company's Annual Audit Plan, as well as the coordination procedures of various relevant audit plans and audit evaluations in conjunction with internal auditors and auditors to ensure that such audit plans help detect fraud or deficiencies of the internal control system;
 - A joint review with the Internal Auditor on issues or limitations arising during the audit and review the performance of the internal auditor;
 - Consideration with the auditor on issues or limitations arising from the audit of the financial statements;
 - A joint review with internal auditors and auditors to plan a review of electronic data processing methods, controls, and security, specifically to prevent fraud or misuse of electronic information systems by the Company's employees or third parties;
 - Review of items that may cause conflicts of interest, such as connected transactions of the Company etc;
 - Self-evaluation of duties and responsibilities as assigned.
2. Number of meetings: The Audit Committee has at least 1 meeting in every 3 months, depending on the circumstances and necessity.

3. Attendees: The Audit Committee should invite external auditors and internal auditors of the Company to present their work and may invite others who are not audit committee members, such as the executives to attend meetings as necessary and appropriate.
4. Voting: Use the majority voting system as a resolution of the meeting.
5. Minutes of the Meeting: The Secretary of the Audit Committee prepares the minutes of the meeting, which must be submitted to the Audit Committee and the Directors of the attendance, and forwarded to the auditor to confirm the information and inform about the matters that the audit committee is paying attention to or should be paid special attention to within 14 days from the date of the Audit Committee meeting.

The reports

The Audit Committee has a duty and responsibility to report the activities of the Audit Committee or any other duties assigned by the Board of Directors. The Audit Committee's report is important to the Board of Directors, shareholders, and investors as it expresses the independent and frank opinions of the Audit Committee and ensures that the management of the Company manages business operation carefully and with respect to the interests of all shareholders equally.

1. Reporting to the Board of Directors:

- 1.1. Report regular activities to the Board of Directors to be aware of the activities of the Audit Committee

- Minutes of the Audit Committee meeting, which clearly stated the opinions of the Audit Committee on matters.
- Summary of activity reports made during the year
- Reports an opinion on financial reports, internal audit, and internal audit process
- Any other reports that the Board of Directors should be aware of

- 1.2. Report what is detected immediately so that the Board of Directors can find a solution in time

- List of conflicts of interests
- Suspicion or presumption of fraud or irregularities or significant deficiencies in the internal control system

- Suspicion of possible violation of the Securities and Exchange laws, the stock exchange regulations, or related laws of the Company
- Any other reports that the Board of Directors should be aware of

2. Reporting to official agencies:

If the Audit Committee has reported to the Board of Directors what has a significant impact on its financial position and performance and has been discussed with the Board of Directors and management, revisions must be taken. When a time is due, if the Audit Committee finds that such corrective action has been ignored without reasonable justification, any member of the Audit Committee or the Audit Committee may report such findings to the Securities and Exchange Commission or the Stock Exchange of Thailand.

3. Reporting to shareholders and investors:

Report on activities made during the year in accordance with the duties and responsibilities assigned by the Board of Directors. The report shall be signed by the Chairman of the Audit Committee and disclosed in the Company's annual report.

This Charter of the Board of Directors was firstly approved by the Board of Directors Meeting No. 1/2017 held on February 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 4/2023 held on July 21, 2023.

This announcement made on July 21, 2023.



(Mrs. Monluedee Sookpantararat)

Chairman of the Audit Committee

SIC-BC-CHA-2023-004

Charter of the Risk Management Committee**Silicon Craft Technology Public Company Limited****Objective**

The establishment of the Risk Management Committee in accordance with the guidelines and principles of good corporate governance. In addition, for management and employees to be aware of their relevant roles and responsibilities.

Nomination and appointment of the Risk Management Committee

The Board of Directors shall appoint the Risk Management Committee and also appoint Chairman of the Risk Management Committee. The Risk Management Committee will consist of;

1. At least one of Independent Directors
2. At least one of Executive Directors
3. One of executives shall be appointed as secretary of the Risk Management Committee

Term of office

The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically. Apart from vacating office upon expiry of the term, The Risk Management Committee may vacate from holding office upon occurrence of the following circumstances:

1. Resignation;
2. Expiration of the term or termination from the being the Company's Director;
3. The Board of Directors passed a resolution to remove from office;
4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
5. Death.

The Board of Directors has the power to appoint a member of Risk Management Committee carrying out the objectives or to replace the directors in the committee who retired from the office. The person who is appointed to the Risk Management Committee, substitute for resignation or resolved to vacate, will only be in office as long as the remaining term.

Material authorities, Duties, and Responsibilities of The Risk Management Committee

1. To specify risk management policy and risk appetite to propose to the Board;
2. To specify overall policies and guidelines of the Company's risk management which shall cover financial risks, investment risks and other risks which might impact the Company's reputation, and etc. to propose to the Board for approval;
3. To specify the Company's risk management plan, framework and processes to make them correspond to risk management policy, then monitor on implementation, as well as review efficiency of risk management framework;
4. To review risk management report and operation to make sure that risk management is continually conducted and risk appetite can be adequately and suitably managed;
5. To develop and review the Company's risk management system to make it efficiently and effectively on continued basis by constantly evaluating and monitoring risk management process pursuant to the specified policy;
6. To appoint the Risk Management Steering Committee (RMSC), as appropriate, as well as to support the Risk Management Steering Committee on personnel, budget and other necessary resources which are consistently with its scope of responsibility;
7. To constantly coordinate with the Audit Committee by exchanging knowledge and information on risk and internal control which has or may have impact to the Company;
8. To make decision and provide recommendation concerning important issues occurred in the risk management process;
9. To present performance report of the Risk Management Committee to the Board of the Directors for acknowledgement and/or consideration every quarter;

10. To perform other duties as per assigned by the Board.

Meetings and Reports

1. The Risk Management Committee arranges or calls for meetings as deemed appropriate at least 4 times a year and has the power to request additional meetings as needed. The meeting shall consist of member of the Risk Management Committee not less than half of the total number of directors
2. Chairman of the Risk Management Committee acts as chairman of the meeting. In the case of Chairman of the Risk Management Committee is not in the meeting or unable to perform his duties, the member of the Risk Management Committee who attended the meeting may choose one of the risk members to chair the meeting.
3. The resolution of the Risk Management Committee is conducted with a majority. The Risk Management Committee, which has any interest in the matters considered, shall not participate or express the opinion and shall not have the right to vote on the matter.
4. The meeting's notice to the Risk Management Committee shall be delivered in advance of the meeting, unless necessary or urgent. The invitation of the meeting will be informed by other means or schedule the meeting earlier. The Secretary of the Risk Management Committee will record in the minutes of the meeting.
5. The Risk Management Committee can invite relevant parties to attend the meeting to clarify the facts to the Risk Management Committee to acknowledge.

This Charter of the Risk Management Committee was firstly approved by the Board of Directors Meeting No. 1/2017 held on February 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. No. 4/2023 held on July 21, 2023.

This announcement made on July 21, 2023.



(Dr. Wuthipong Suponthana)

Chairman of the Risk Management Committee

SIC-BC-CHA-2023-006

Charter of the Nomination, Remuneration and Corporate Governance Committee**Silicon Craft Technology Public Company Limited****Objective**

Nomination, Remuneration and Corporate Governance Committee has been appointed by the Board of Directors to promote good corporate governance. It is responsible for setting criteria and policies for the nomination and remuneration of the Board of the Directors' members and sub-committee's members, as well as nominating, selecting, and proposing suitable persons to serve as directors, and considering the remuneration for directors. The Committee is responsible to conduct corporate governance and perform other tasks as assigned and present to the Board of Directors and/or the Shareholders' Meeting.

Composition of the Nomination, Remuneration and Corporate Governance Committee

- Nomination, Remuneration and Corporate Governance committee is appointed by the Board of Directors and consists of at least 3 directors and/or executives, with more than half of the total directors having to be independent directors.
- The Nomination, Remuneration and Corporate Governance Committee shall jointly elect one of the members to be the Chairman of the Nomination, Remuneration and Corporate Governance Committee

Term of Office

- The directors shall have a term of office of 3 years at a time.
- A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically.
- Apart from vacating office upon expiry of the term, the Nomination, Remuneration and Corporate Governance Committee may vacate from holding office upon occurrence of the following circumstances:

1. Resignation;
 2. Expiration of the term or termination from the being the Company's Director;
 3. The Board of Directors passed a resolution to remove from office;
 4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
 5. Death.
- The Board of Directors has the power to appoint a member of Nomination, Remuneration and Corporate Governance committee for carrying out the objectives or to replace the directors in the committee who retired from the office. The person who is appointed to the Nomination, Remuneration and Corporate Governance committee, substitute for resignation or resolved to vacate, will only be in office as long as the remaining term.

Material authorities, Duties, and Responsibilities of The Nomination, Remuneration and Corporate Governance Committee

On Nomination

- To specify criteria and policy on nomination of the directors and the sub-committees by considering from appropriateness of the number, structure and component of the Board; specify 115 qualifications of the director to propose to the Board and/or to propose to the shareholders' meeting for approval, as the case may be;
- To consider, recruit and propose suitable persons to be the Company's director or replace the director whose term shall be expired and/or when such position is vacant and/or when it is required to appoint additional director;
- To consider a list of the proposed candidates then select the person whose qualifications conform to the specified criteria;
- To approach the person whose qualifications, conform to the criteria specified to make sure that such person is willing to accept the position of the Company's director, if he/she appointed by the shareholders;

- To perform other tasks assigned by the Board of Directors pertaining to nomination;
- To nominate and evaluate performance of the Chief Executive Officer to propose to the Board of Directors' meeting for consideration and approval.

On Remuneration

- To prepare criteria and policy on determination of remuneration of the Company's Board of Directors and the sub-committees to propose for approval from the Board and/or the shareholder's meeting, as the case may be;
- To specify necessary and suitable remuneration, both pecuniary benefits and non-pecuniary benefits, of the Board of Directors, individually in each year based on scope of authority, duties and responsibilities (Accountability and Responsibility), performance and from comparing with other companies engaging in similar businesses as well as benefits expected to be obtained from the director to propose to the Board of Directors for consideration and further propose for approval from the shareholder's meeting;
- To be responsible for the Board and to have duty to clarify and answer any queries on remuneration of the Board during the shareholders' meeting;
- To consider evaluation criteria of performance of the Chief Executive Officer, as per assigned by the Board;
- To report policy, principle/reason on determination of remuneration of the directors and the management pursuant to regulations of the stock exchange, by disclosing in the annual registration statement (Form 56-1) and the annual report of the Company;
- To determine annual remuneration of the directors and the Chief Executive Officer, pursuant to the payment criteria considered then propose to the Board of Directors for consideration on approval of remuneration of the Chief Executive Officer. For remuneration of the directors, the Board shall propose to the shareholders' meeting for approval;
- To consider on appropriateness and to give consent in case of offering of newly issued securities as incentives to the Company's directors and employees, by adhering to fairness to the shareholders in

order to motivate the directors and the employees to perform duties on enhancement of value to the shareholders in the long term and to be able to truly retain the qualified employees;

- To perform other tasks relevant to the determination of remuneration as per assigned by the Board;
The management and the department heads shall report or present relevant information and document to the Nomination, Remuneration and Corporate Governance Committee to support its operations in order to achieve the assigned duties;
- To consider bonus framework, salary increase and key index performance of the organization to propose to the Board for consideration.

On Corporate Governance

- Consider to set guidelines and policy regarding business ethics, as well as anti-corruption policy, in accordance with the principles of good corporate governance to the Board of Directors and management to establish an organization's code of conduct which has standardized and appropriate.
- Supervise, consult, evaluate and review policies and adhere to good corporate governance principles and business ethics, including social and environmental responsibility, as well as sustainability development, to develop and enhance the company's corporate governance to international standards.
- Suggest on guidelines about social and environmental responsibility, as well as supervising, consulting, supervising, and monitoring the progress of the organization's sustainable development actions and evaluating the effectiveness of the operation.
- Review the suitability of the Charter of the Nomination, Remuneration and Corporate Governance committee and present to the Board of Directors for approval if the charter has been updated.
- Perform any other duties as assigned by the Board of Directors

Reporting

The Nomination, Remuneration and Corporate Governance Committee reports to the Board of Directors.

Meeting

- The Nomination, Remuneration and Corporate Governance Committee holds or calls meetings as deemed appropriate at least once a year and has the power to request additional meetings as needed. The meeting shall consist of members of the Committee not less than half of the total number of the members.
- All the committee's members should attend the meeting every time unless there is a reason for not being able to attend the meeting. Chairman of the Nomination, Remuneration and Corporate Governance Committee shall be notified.
- The Chairman of the Nomination, Remuneration and Corporate Governance Committee act as Chairman of the meeting. In case the Chairman of the Committee is not present at the meeting or is unable to perform his duties, one of the members shall be selected to chair the meeting.
- The Committee's vote is conducted with a majority. The Nomination, Remuneration and Corporate Governance Committee's members who has any interest in the matters considered, shall not participate in the meeting or express an opinion and shall not have the right to vote on the matter.
- Meeting invitations to the Nomination, Remuneration and Corporate Governance Committee shall be delivered in advance of the meeting, unless necessary or urgent. The invitations of the meeting shall be informed by other means or schedule the meeting earlier. The Secretary of the Nomination, Remuneration and Corporate Governance Committee will record in the minutes of the meeting.
- Nomination, Remuneration and Corporate Governance Committee can invite the relevant parties to attend the meeting to clarify the facts to the Committee to acknowledge.

This Charter of the Nomination, Remuneration and Corporate Governance Committee was firstly approved by the Board of Directors Meeting No. 1/2017 held on February 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 4/2023 held on July 21, 2023.

This announcement made on July 21, 2023.



.....
(Dr. Sarote Phornprapha)

Chairman of the Nomination, Remuneration
and Corporate Governance Committee

SIC-BC-CHA-2023-005

Charter of the Executive Committee

Silicon Craft Technology Public Company Limited

Appointment of the Executive Committee

1. The Executive Committee is appointed by the Board of Directors with be consisted of a number of company directors, company executives and probably appropriate outsiders. The Board of Directors shall appoint an executive director who is a director of the Company to be Chairman of the Executive Committee.
2. Chief Executive Officer shall be automatically one of member of Executive Committee.
3. The Executive Committee shall appoint the secretary of the Executive Committee.

Term of office

The directors shall have a term of office of 3 years at a time. A retired director may be re-appointed by the Board of Directors but the term of office shall not be renewed automatically. Apart from vacating office upon expiry of the term, The Executive Committee may vacate from holding office upon occurrence of the following circumstances:

1. Resignation;
2. Expiration of the term or termination from the being the Company's Director;
3. The Board of Directors passed a resolution to remove from office;
4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
5. Death.

The Board of Directors has the power to appoint a member of Executive Committee carrying out the objectives or to replace the directors in the committee who retired from the office. The person who is appointed to the Executive Committee, substitute for resignation or resolved to vacate, will only be in office as long as the remaining term.

Material authorities, Duties, and Responsibilities of The Executive Committee

1. To have power to make decision on important operations of the Company by specifying scope, type or size of business, objectives, guideline and policy of the Company within the scope of power assigned including to supervise overall operations, productivity, relationship with the customers as well as to be responsible for the Board;
2. To oversee and manage the Company's business operations pursuant to the policy specified by the Board of Directors and to report operating results to the Board;
3. To formulate strategy and business operation plan, annual budget including management structure so that the works can be undertaken pursuant to the policy and target specified by the Board, as well as to propose to the Board for consideration;
4. To specify approval authority of each person appropriately, segregate duties which may be prone to corruption then propose to the Board for approval then supervise to ensure that the approved principles and regulations have been adhered to;
5. To have power to manage salary structure, to specify scope of duty on work, appointment, transfer, wages cutting or reduction, removal, dismissal, disciplinary penalty, awarding and merit of the employees;
6. To consider on approval of financial transactions with the bank or the financial institutes to support normal course of business operations, such as opening or closing of bank account, loan, borrowing, credit line financing, pledge, mortgage, guarantee and etc., including purchase, sale and register for ownership in any land for normal course of business operation pursuant to the approval power approved by the Board of Directors;
7. To consider on investment, work expansion as well as acquisition and disposition of the Company's fixed assets to propose to the Board;
8. To have power to purchase/sell/transfer of assets, invest in other businesses/new business, purchase-sell of goods/raw materials and services which are normal or related with normal trade, to enter into the contract to have commercial binding obligation and to enter into loan agreement, guarantee and financial obligation pursuant to the budget plan approved by the Board and can approve the capital expenditure which is out of the annual budget within the amount of 0.50-2.00 million Baht, except

the transaction on short-term investment. The Executive Committee can approve the capital expenditure which is out of the annual budget within the credit amount of 30-50 million Baht.

9. To have power to act and represent the organization with the third party in the activities related to and beneficial to the organization;
10. To consider about the Company's fund raising activity to propose to the Board;
11. To approve on appointment of consultants in various fields necessary for business operations;
12. To manage general business of the Company;
13. To consider and approve operation plans of each department and consider and approve the requested application of any department which exceeds power of such department;
14. To jointly work with the Risk Management Committee on formulation of risk management policy and risk appetite to propose to the Board;
15. To jointly work with the Risk Management Committee to specify overall risk management policy and guidelines of the Company covering various material types of risks, i.e. financial risk, investment risks and risks which may impact to the business's reputation, and etc. to propose for the Board's approval;
16. To jointly work with the Risk Management Committee to specify the Company's risk management plan, framework and process to make them consistent with the risk management policy and follow-up on its implementation as well as review efficiency of the risk management framework;
17. To jointly work with the Risk Management Committee to review management report and to operate to make sure that risk management is continually conducted and risk appetite can be adequately and suitably managed;
18. To jointly work with the Risk Management Committee to develop and review the Company's risk management system to make them efficiency and effectiveness continually by constantly evaluating its results and to monitor risk management processes to ensure that they are consistently with the specified policy;

19. To jointly work with the Risk Management Committee on appointment of the risk management working group, as necessary, as well as to support on personnel, budget and other necessary resources which are consistently with its scope of responsibility;
20. To jointly work with the Risk Management Committee on coordination with the Audit Committee constantly by exchange knowledge and information on risk and internal control which has or may have impact to the Company;
21. To jointly work with the Risk Management Committee on making decision and provision of recommendation with regards to material problem occurred in the risk management processes;
22. jointly work with the Risk Management Committee to present the performance report of the Risk Management Committee to the Audit Committee for acknowledgement and/or consideration every quarter;
23. To perform any other tasks assigned by the Board of Directors.

However, the delegation of authority and responsibility of the Executive Committee shall not entitle the authorized person to have authority to approve any undertaking that such person or a person who might have conflict of interest (the definition of "Person who might have conflict of interest" shall have meaning as per specified in the Notification of the Securities and Exchange Commission), interests or any benefits in any other manners against benefits of the Company. Approval of such transaction is required to be proposed to the Board of Directors' meeting and/or the shareholders' meeting for consideration and approval, pursuant to the Articles of Association of the Company or the relevant laws, except it is the approval of the transaction which is normal course of business operation pursuant to the policy and criteria already considered and approved by the Company.

Meeting and Report

1. Executive Committee shall arrange meetings as a monthly basis or call meeting as deemed appropriate and has the power to request additional meetings as needed. The meeting shall consist of members of the Committee not less than half of the total number of the members.
2. The Chairman of Executive Committee act as Chairman of the meeting. In case the Chairman of the Committee is not present at the meeting or is unable to perform his duties, one of the members shall be selected to chair the meeting.

3. The Committee's vote is conducted with a majority. The Executive Committee's members who has any interest in the matters considered, shall not participate in the meeting or express an opinion and shall not have the right to vote on the matter.
4. The Meeting invitations to the Executive Committee shall be delivered in advance of the meeting, unless necessary or urgent, shall be informed by other means or schedule the meeting earlier. The Secretary of Executive Committee will record in the minutes of the meeting.

This Charter of the Executive Committee was firstly approved by the Board of Directors Meeting No. 1/2017 held on February 28, 2017. It was recently reviewed and approved by the Board of Directors Meeting No. 4/2023 held on July 21, 2023.

This announcement made on July 21, 2023.



(Dr. Naiyavudhi Wongkomet)

Chairman of the Executive Committee



Silicon Craft Technology Public Company Limited

Attachment 4

Internal Control Sufficiency Evaluation Form
for the year ended December 31, 2023

Internal Control Sufficiency Evaluation Form
Silicon Craft Technology Public Company Limited

For the year ended December 31, 2023
(As of 31 January, 2024)

This assessment is prepared by the Board of Directors.
This is the opinion of the Board of Directors on the sufficiency of the internal control system.

Control Environment

1. The organization demonstrates a commitment to integrity and ethical values.

Questions	Yes	No
<p>1.1 The board of directors and the management set up principles and guidelines based on integrity and codes of conduct in the following areas:</p> <p>1.1.1 Daily routine operation and decision making;</p> <p>1.1.2 Treatment of trade partners, clients and other parties.</p> <p><i>Description the Company's Board of Directors and executives place importance on practice based on decisions and conducting business operations in accordance with the provisions of the law or relevant regulations. The Company adheres to the rule of law in doing business, maintaining transparency, giving importance to customers along with social responsibility, as well as establishing ethical practices for performing daily duties, making decisions on various matters and dealing with business partners and third parties. These are set out in the Business Ethics and Code of Conduct Handbook in order to be used as an updated guideline for proper conduct in the organization.</i></p>	✓	
<p>1.2 Following written rules are provided to ensure that executives and employees perform the duties with integrity and ethics:</p> <p>1.2.1 Appropriate code of conduct for executives and employees;</p> <p><i>Description The Company has established a code of conduct for executives and employees as a guideline for their work by specifying in the Business Ethics and Code of Conduct Handbook in writing. The latest edition of the Business Ethics and Code of Conduct Handbook has been reviewed and approved according to the minutes of the Board of Directors' Meeting No. 4/2023 held on July 21, 2023.</i></p> <p>1.2.2 Prohibitions on any actions by the executives and employees that could cause conflicts of interest with the business; and prohibitions on corruptions which will cause damages to the organization.</p> <p><i>Description The Company has ethical requirements that executives and employees must not follow or conduct any business or activity in a manner that</i></p>	<div>✓</div> <div>✓</div>	

Questions	Yes	No
<p><i>may cause a conflict of interest, whether directly or indirectly, with the Company. It also includes establishing policies and guidelines regarding anti-corruption clearly. The latest policy has been reviewed and approved by the Board of Directors meeting No. 4/2023 held on July 21, 2023.</i></p> <p>1.2.3 Appropriate penalties in the case of violation of the aforementioned rules</p> <p><u>Description</u> <i>The Company has set up a penalty process when there is a violation or non-compliance with the policy in accordance with the regulations on work on disciplinary action of the Company.</i></p> <p>1.2.4 Communication of the aforementioned rules and penalties to the executives and the employees. For example: they are included in the orientation session for new employees; employees annually sign for acknowledgment of the rules and penalties; the code of conduct is publicized for employees and outsiders.</p> <p><u>Description</u> <i>Requirements in the Business Ethics and Code of Conduct Handbook including penalties in business ethics have been communicated to all new employees at all levels to acknowledge through email by the Human Resources Department with providing the test link in the Microsoft Forms program to ensure all employees understand understanding code of conduct together with the rules and penalties. In this regard, executives and employees at all levels can access various policies of the Company through the Share Point system. In addition, the Company has published and communicated business ethics and good corporate governance policies to third parties through the Company's website.</i></p>	✓	
<p>1.3 There are procedures to monitor and assess whether the code of conduct is complied:</p> <p>1.3.1 Monitoring and assessment by an internal audit unit or a compliance unit;</p> <p>1.3.2 Self -assessment by executives and employees;</p> <p>1.3.3 Assessment by independent professionals ,outsiders of the organization.</p> <p><u>Description</u> <i>The Company determines compliance with the Code of Business Conduct as one of the topics that the Board of Directors must assess annually.</i></p>	✓	

Questions	Yes	No
<p>1.4 There is timely management upon a detection of non-compliance with rules on integrity and code of conduct.</p> <p>1.4.1 There are procedures for timely detection of the violations;</p> <p>1.4.2 There are procedures for suitable and timely punishment or management of the violations;</p> <p>1.4.3 There are timely and suitable corrections for the violations of rules for integrity and code of conduct.</p> <p><u>Description</u> <i>The Company has established measures and procedures when receiving complaints or actions. For violation of any standard in the Business Ethics and Code of Conduct Handbook, the Company will take disciplinary actions as specified in the work regulations, chapter 11 on discipline and disciplinary action or as appropriate immediately. The investigation will be conducted to obtain facts and take action to stop the violation or non-compliance with that matter.</i></p>	✓	

2. The board of directors demonstrates independence from the management and exercises oversight of the development and performance of internal control.

Questions	Yes	No
<p>2.1 The roles and duties of the board of directors are set separately from those of the management. The authorities of the board of directors are clearly defined.</p> <p><u>Description</u> <i>The Company specifies the duties and responsibilities of the Board of Directors in the charter of each committee, including the authorization framework established where the right of approval is reserved for the Board of Directors such as vision, mission, goals, strategies and Company policies, annual budget, annual product research and development budget, management structure, purchasing or transferring assets, and investing in other or new businesses, fundraising, loan agreements, guarantees and financial obligations.</i></p>	✓	
<p>2.2 The board of directors oversees whether the company goals are clear and measurable to be used as guidelines for executives' and employees' operation.</p>	✓	

<p><u>Description</u> In early 2024, the management attended a meeting and formulated a strategic plan for the year (Corporate Focus 2024) in order to achieve the set goals and objectives. The strategies are divided into ones that focus on sales marketing, technology, product development, operations, and personnel development which are consistent with the mission of the organization that places importance on unique products and technology, innovation, customers and business partners. The Corporate Focus 2024 has been presented to the Board of Directors for consideration and approval. The management has clearly defined key indicators (KPIs) for each goal, able to measure performance and report results to the Executive Board every month through the Executive Board meeting. It also includes reports on progress, strategies and business directions to the Board of Directors on a quarterly basis through the Board of Directors meeting.</p>		
<p>2.3 The board of directors oversees that the company follows the laws and charters in specifying roles and duties of the board of directors, the executives, the audit committee, auditors, internal auditors, and the personnel who is responsible for financial statements.</p> <p><u>Description</u> The Company defines the roles and responsibilities of the Board of Directors in the Board of Directors Charter, and the charter of each sub-committee. It also includes high-level executives such as the Chief Executive Officer Charter and Company Secretary Charter, which clearly covers roles and responsibilities. Each charter has been reviewed and approved by the Board of Directors Meeting No. 4/2023 (held on July 21, 2023).</p>	✓	
<p>2.4 The board of directors are knowledgeable for the company business and have expertise beneficial to the company or can seek advices from experts in a particular area.</p> <p><u>Description</u> The Company assesses the specific knowledge and competencies of the Board of Directors by preparing a skill matrix to consider both knowledge, expertise or experience in macro-management, specific field, and corporate governance or good corporate governance. It is evaluated from skill matrix assessment. The Company has a committee consisting of people who have knowledge about the Company's business, and expertise that is beneficial to the Company in all aspects.</p>	✓	

<p>2.5 The board of directors comprises of independent directors who are knowledgeable, reliable and truly independent in performing the duties. For example, the independent directors should have no business relationship with the company or any relationship that could influence their judgement and independent performance.</p> <p><u>Description</u> <i>The Board of Directors consists of three independent directors who are knowledgeable and competent in different fields, and are independent in performing their duties and using appropriate discretion in considering various matters, including no shareholding in the Company in the company.</i></p>	✓	
<p>2.6 The board of directors oversees the development and implementation of the internal control in the organization, including creating control environment, risk assessment, control activities, information and communication, and monitoring activities.</p> <p><u>Description</u> <i>The Board of Directors is responsible for supervising and managing the Company's accounting system, reliable financial reporting, transparent internal control system with sufficient and appropriate level, as well as taking care of risk management to cover the entire organization. In addition, the Audit Committee, which is a sub-committee, is mainly responsible for ensuring that the Company has an adequate internal control system with an international standard. It also supervises to have a reliable accounting system and financial reports, and review the Company to comply with the law, regulation or legal requirements related to the Company's business.</i></p>	✓	

3. Management establishes, with board oversight, structures, reporting line, and appropriate authorities, and responsibilities in the pursuit of objectives.

Questions	Yes	No
<p>3.1 Top management set up the organizational structure which supports the pursuit of the company's objectives by considering appropriateness of business functions and legal requirement. There is, also effective internal control function. For example, there is a separation of duties in important business units which would result in check and balance; there is an internal audit unit which reports directly to the audit committee; there is a clear line of report..</p>	✓	

<p><u>Description</u> The Company has set up an organizational structure both at the organizational and department level appropriately. There is a clear chain of command and report where each department will have a consistent work relationship to achieve the objectives of the Company with a division of duties, making checks and balances between departments.</p>		
3.2 Top management establishes reporting line by considering appropriateness of authorities, responsibilities and communication.	✓	
<p>3.3 Authorities and responsibilities among the board of directors, top management, management and employees are appropriately defined and assigned.</p> <p><u>Description</u> The Company defines the duties and responsibilities of the Board of Directors. Each sub-committee, executives and employees of the Company are defined and identified in their charter and Job Descriptions respectively, which are appropriately prepared and approved by the authority. It also includes the establishment of approval authority for operations both at the organizational and operational level. It was officially announced for work reference.</p>	✓	

4. The organization demonstrates its commitment to attract, develop and retain competent individuals in alignment with objectives.

Questions	Yes	No
<p>4.1 The company has policies and practices to recruit, develop and retain competent employees and regularly reviews such policies and practices.</p> <p><u>Description</u> The Company has an annual manpower plan, as well as written process and procedure for recruiting and hiring personnel used as a tool for selecting employees having knowledge, competence and experience suitable for the job position as specified in the Job Description. It also includes planning and training employees at all levels according to the annual employee development and training plan in order to develop potential knowledge and ability of employees to be able to work efficiently.</p>	✓	

<p>4.2 The company has evaluation process, incentives or rewards to employees with good performance, and management measures for employees who do not achieve the targets. Such processes are well informed to executives and employees.</p> <p><u>Description</u> <i>The Company has established guidelines and criteria used in the annual performance appraisal for both executive and employee levels. There is a process of clarifying and notifying the results of the assessment for employees to sign and acknowledge in writing, including reviewing and approving the assessment results from the official authority.</i></p>	✓	
<p>4.3 The company has process of timely solutions and preparation when lacking competent employees.</p> <p><u>Description</u> <i>The Company has established a succession plan policy in order to prepare in a timely manner for the lack of competent personnel. The job positions that are important to the organization are defined such as C-Level positions and Manager levels of each department, including positions and employees in subordinate order suitable for succession to such important positions clearly to be prepared if important positions become vacant and then can continue working in a timely manner.</i></p>	✓	
<p>4.4 The company has process of recruitment, development and retention for executives and employees such as providing mentoring system and trainings.</p> <p><u>Description</u> <i>The Company determines job positions and identifies employees who are suitable for succession in important positions, including adding topics for development and training to enhance skills and prepare for the succession in each important position in the Individual Development Plan (IDP). In addition, the Human Resources Department provides training for employees at all levels, both internal and external in order to develop knowledge and skills of employees on a regular basis, along with recording the training history of employees.</i></p>	✓	
<p>4.5 The company has a succession plan for important positions.</p> <p><u>Description</u> <i>The Company has a written succession plan policy which has been reviewed and approved by the Board of Directors in order for the Company to have</i></p>	✓	

<p>a guideline for the replacement and succession plan for retirement and talent management or job positions targeted by the market or competitors, and to reduce the rate of loss of personnel who have with knowledge and experience. There is a clear, transparent recruitment process, including an assessment of efficiency and potential, and encouragement to develop suitable knowledge and skills. As a result, the employees are motivated to work, able to succeed in the position which will make continuity of the operations.</p>		
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5. The organization hold personnel accountable for their internal control responsibilities in the pursuit of objectives.

Questions	Yes	No.
<p>5.1 The board of directors and executives have procedures and communication tools to enforce all employees to take responsibilities in internal control and to provide corrective measure for such procedure, if necessary.</p> <p><u>Description</u> The Company has established process and instilled employees to comply with policies, rules, regulations and guidelines/ procedures in various fields in order to perform their duties to the same standard. There is a representative selected from the management to monitor the ISO compliance on a regular basis. In addition, the Board of Directors supervises and monitors the results of internal control assessment through external auditors on a quarterly basis.</p>	✓	
<p>5.2 The board of directors and executives set suitable indicators for performance appraisal, incentives and rewards with regard to code of conduct, and the company's short-term and long-term objectives.</p> <p><u>Description</u> The Company has set and communicated key performance indicators (KPIs) of each department and the performance indicators are evaluated every quarter, as well as creating incentives and rewards for employees who perform as the specified goals. For example, it determines the incentive payment criteria to continuously stimulate sales for sales staff.</p>	✓	

5.3 The board of directors and executives continuously assess the incentives and rewards by focusing on the connection between success of the performance and the compliance with the internal control .	✓	
<p>5.4 The board of directors and executives do not put excessive pressures on each personnel duties.</p> <p><u>Description</u> <i>The Company has set KPIs for use as a tool to measure and evaluate the performance of each department. This covers necessary internal control activities. Such indication is based on historical data. As a result, the standard values are set reasonably, which does not put too much pressure on the employees.</i></p>	✓	

Risk Assessment

6. The organization specifies the objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.

Questions	Yes	No
<p>6.1 The company is able to comply with the generally accepted accounting principles which is suitable to the business at that time by presenting that transactions in financial statements exist, complete, correctly show the rights or obligations of the company, have the right value as well as properly disclosed.</p> <p><u>Description</u> <i>The Company complies with generally accepted accounting standards and financial reporting standards related to business. The Company's financial statements have been reviewed/audited by certified auditors every quarter and every year who expressed an unreserved opinion on such financial statements.</i></p>	✓	
6.2 The company determines materiality of the financial statement by considering key factors including financial report users, transaction sizes, and business trends.	✓	

<p>6.3 Financial statements reflect true business operation activities of the company.</p> <p><u>Description</u> <i>The Company prepares financial reports in full compliance with generally accepted accounting principles. It has been audited/reviewed by an auditor approved by the SEC, who has expressed an unreserved opinion on the Company's financial reports.</i></p>	✓	
<p>6.4 The board of directors or the risk management committee approves and communicate risk management policy to executives and all employees. The policy is acknowledged and accepted for practices as a part of the organization's culture.</p> <p><u>Description</u> <i>The Company has formulated a risk management policy prepared as a guideline for executives and employees to apply in order to manage risks appropriately. Such policy has been formally reviewed and approved by the Board of Directors in accordance with the resolution of the Board of Directors meeting No. 4/2023 held on July 21, 2023.</i></p>	✓	

7. The organization identifies risks to the achievement of the objectives across the entity and analyses risks as basis for determining how the risk should be managed.

Questions	Yes	No
<p>7.1 The company identifies all risks which may affect business operation at levels of organization, business unit, departments, and working functions.</p> <p><u>Description</u> <i>The Company has identified and analyzed all types of risks that may arise from both internal and external factors and considered together with other companies' risk factors in the same industry in order to develop an overall risk management framework in line with business goals, strategies and future operations. It considers impacts on business operations both at the organizational level and various departments, covering risks in various areas such as strategies, operations, customer, finance, and law and compliance.</i></p>	✓	
<p>7.2 The company analyzes all risks that could come from both internal and external factors, including risks from business strategies, operations, reporting, compliance with law and regulation, and information technology.</p>	✓	

<p><u>Description</u> The management has analyzed the overall risk of the Company by considering risks from both internal and external factors. These include strategic risks, operational risks, customer risks, financial risks, Environmental, Social and Governance (ESG) risks, and compliance risks in order to assess and impacts the risk, current risk control and clearly define risk management methods in each aspect.</p>		
<p>7.3 Executives at all levels participate in risk management.</p> <p><u>Description</u> The Company has established a risk management working group, comprised of main representatives who own the risks in each area and related function. There was an official letter establishing a risk management and a crisis management working group in order to follow up on risk control measures, update the impact value and likelihood of the event to be up to date. It also adds list of new risks (if any), together with report of risk management results to the Secretary of the Risk Management Committee to present to the Risk Management Committee respectively.</p>	✓	
<p>7.4 The company assesses the significance of risks by considering the likelihood and the possible effects.</p> <p><u>Description</u> The risk management working group joins a meeting to assess the importance of risks. It considers both impact and likelihood of the event and is constantly reviewed.</p>	✓	
<p>7.5 The company has measures and operational plans to handle risk by either accepting, reducing, avoiding or sharing risks.</p> <p><u>Description</u> The Risk Management Committee has considered measures to manage each risk to be at an acceptable level. There are clearly defined indicators and acceptable risk levels for timely monitoring and reporting of risk management results.</p>	✓	

8. The organization considers the potential for fraud in assessing risks to the achievement of the organization's objectives.

Questions	Yes	No
<p>8.1 The company assesses the potential for fraud covering all types of fraud including fraudulent financial reporting, losses of assets, corruptions, management override of internal controls, manipulations on important financial information, unauthorized acquisition or disposition of assets etc.</p> <p><i>Description The Company has considered risks covering fraud risks by identifying events and assessing the likelihood and impacts in the process of a risk registration in order to determine management measures such as the risk from account manipulation, misappropriation of property/loss of property, abuse of power or credibility of the Board of Directors or Executives, the use of inside information not yet publicly been disclosed for securities trading, and the risk of corruption.</i></p>	✓	
<p>8.2 The company carefully reviews the operational objectives, considering possibility of achieving the goals. Also, incentives and rewards granted to the employees should be reasonable and would not instigate wrong doing. For example, The company does not set expected sales much higher than its capabilities so that it will lead to sales manipulation.</p> <p><i>Description The Company has set operational goals and annual budget plans for 2023 which mainly consider the feasibility of the goals and business growth opportunities. The management has presented the goals and annual budget to the Board of Directors for consideration and approval before applying to the management respectively.</i></p>	✓	
<p>8.3 The audit committee considers and inquires executives in accordance with the potential for fraud and measures that the company establishes to prevent or correct the frauds.</p>	✓	
<p>8.4 The company communicates to all employees to understand and comply with the policies and guidelines.</p>	✓	

<u>Description</u> The Company has a channel to communicate policies, operation manuals and guidelines through the Company's Share Point where executives and employees at all levels can access.		
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9. The organization can identify and assess changes that could have impacts on the system of internal control.

Questions	Yes	No
<p>9.1 The company assesses changes of external factors which could affect the business operations, internal control, and financial reporting. Moreover, the company launches measures to deal with the changes sufficiently.</p> <p><u>Description</u> The Company evaluates changes in external factors that may affect the business operations of the Company through various meetings such as weekly meetings of the Production Planning Department (Planning), together with the Supply Chain Department to plan and acknowledge the plan and the period of time that the Company will receive the products from the contractor in order to manage the delivery of products to customers on time. There are weekly internal meetings of Global Sales and Marketing Department, and monthly meetings of the Executive Committee, etc., as well as policies and procedures to meet changes appropriately.</p>	✓	
<p>9.2 The company assesses changes in business models which could affect business operations, internal control, and financial reporting. Moreover, the company launches measures to deal with the changes sufficiently.</p> <p><u>Description</u> Through the Board of Directors' meetings, the Company assesses business models that may affect business operations in order to plan and formulate strategies for doing business each year. In addition, the Company has the Intellectual Property Committee to perform analytical thinking and assess the business, as well as driving innovation and various technologies together with intellectual property of the Company that are constantly changing through planning and adjusting corporate strategies in line with the market and business. The</p>	✓	

committee will meet with the Chief Executive Officer (CEO), Chief Technology Officer (CTO) and Chief Research Officer (CRO) every quarter.		
<p>9.3 The company assesses changes of the organizational leaders which could affect the business operation, internal control, and financial reporting. Moreover, the company launches measures to deal with the changes sufficiently.</p> <p><u>Description</u> The Company has formulated a succession plan policy with emphasis on executive positions (C-LEVEL) as well as director and manager levels in order to enable continuation of business operations. Currently, the Company has created a Successor Candidate/ Potential Successor that clearly specifies qualifications, skill, experience and responsibilities used as a criterion for recruiting successors to replace important executives. It also includes appointing executives who will replace in the event of force majeure or executives are unable to perform their duties (Emergency Replacement), both short-term and long-term, until a suitable successor can be recruited respectively. This is to reduce the impact on business operations and personnel shortage problems which may affect the Company.</p>	✓	

Control Activities

10. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of the objectives to the acceptable levels.

Questions	Yes	No
10.1 The company's control measures are suitable to the risks and specific characteristics of the organization such as the environment; the work complexity, the characteristics of work, the scope of the operations, and other specific condition	✓	
10.2 The company has written internal control measures covering all procedures appropriately. For example, the company has policies and procedures in regard to financial transactions, procurement, and general administration. The company also gives clear scope of authorities and approval hierarchy of each management level to prevent fraudulence. For example, the company establishes: chart of authority approval	✓	

<p>to each management level to limit amounts of expenditures; project/investment approval manual; procurement and vendors selection manual; decision making on procurement process manual; or equipment/tools disbursement manual. Therefore, following procedures are provided:</p> <p>10.2.1 Collection on information of major shareholders, directors, executives and related persons, as well as connected persons benefits for monitoring and reviewing on related transactions or transactions with conflict of interests. The collection will be consistently up-to-date.</p> <p>10.2.2 In case that the company has already approved transactions or entered into the contracts with long term obligations such as purchasing and selling contracts, lending, guaranteeing, the company monitors whether the conditions of the agreements are followed through the contracts periods. For example, monitoring compliance with loans repayment agreement or the contracts are regularly reviewed for appropriateness.</p> <p><i>Description The Company has clearly defined the scope of authority and the approval process in each level for the approval authority, both executive and operational levels, in writing. It has been announced to all employees and requires that the suitability be reviewed regularly, including internal control measures written. There are also policies and operation manuals covering every process as a guideline for those involved in various functions to follow correctly. In addition, the Company also considers related transactions which has been approved by the Audit Committee and the Board of Directors respectively on a quarterly basis.</i></p>		
<p>10.3 The company sets up suitable varieties of internal control such as manual and automated controls or preventing and monitoring controls.</p> <p><i>Description The Company has designed an internal control system, defined as a part of the operation manuals. It also includes the control of information access and various transactions approval, both in the form of protection and detective control, for example,</i></p> <p><i>1) Designate budget control for research and development projects through the ERP system, with a system to prevent orders or budget exceeding the approved budget or changes in price per unit on an approved purchase order. It also includes requiring that the allocation be checked and cost recorded by the Accounting Authority on a monthly basis.</i></p>	✓	

<p>2) <i>Designate control and monitoring of product development projects every week (Gate Review) so that each development process can be tracked or problems (if any) can be solved in a timely manner. It also reduces potential impacts in case the product has already been developed and significant errors are found later, for example.</i></p>		
<p>10.4 The company builds internal control throughout all level of the organization such as the group of companies, business unit, function, department, division or process.</p> <p><u>Description</u> <i>The Company has established internal control at all levels of the organization, for example, the authorities and responsibilities of the Board of Directors, Chief Executive Officer, an organizational structure, departmental structure to determine appropriate lines of command and authority to approve transactions. There is a clear separation of duties to ensure mutual checks. The Department Manager is mainly responsible for ensuring that the internal control system is complied with.</i></p>	✓	
<p>10.5 The company conducts segregation of duties to the 3 parts as followed for check and balance purposes:</p> <ul style="list-style-type: none"> (1) Authorization; (2) Recording accounting entries and information and; (3) Custody of assets. <p><u>Description</u> <i>The Company has clearly separated important duties and responsibilities such as</i></p> <p>1) <i>Before recording the receipt of goods into the accounting system and the warehouse, the Inventory Division is responsible for inspecting the goods and QC section is responsible for checking the quality of the products before making a record and storing products in the warehouse. The accounting officer will inspect the accuracy and completeness of the supporting documents for entries before proceeding with debt collection records. The Account Manager approves all debt transactions, including requiring the Accounting Department to randomly check inventory together with the Inventory Division on a monthly basis.</i></p>	✓	

<p>2) In order to create a sales order in the ERP system, the Sales Department must deliver customer demand information to the warehouse department to verify and confirm the availability of inventory before issuing an invoice every time. When the invoice is issued, it will be sent to logistics staff to prepare products, packaging and transportation companies respectively. In this regard, the sales invoice must be examined in terms of quantity and unit price by the Accounts Receivable Officer before submitting to the authorized person according to the established authority in order to approve the sales invoice every time. In addition, the Accounting Manager is the chief in the Accounting Department to approve all accounts receivable.</p>		
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11. The organization selects and develops general control activities over technology to support the achievement of objectives.

Questions	Yes	No
<p>11.1 The company should define relationship between uses of information technology in the operation process and the general control of the information technology system.</p> <p><u>Description</u> The Company uses the Microsoft 365 program (MS365) for its key operations in sales, purchasing, raw material and inventory control, budget control, payment and accounting records, etc. There is sufficient control for such systems such as setting data access rights in the system and processing, including safe storage. In addition, the Company has a policy to maintain the security of information technology systems, including IT regulations clearly written. This has been communicated to employees and executives at all levels through orientation for new employees and presented as a monthly report to the management regarding the system security which may be at risk.</p>	✓	
<p>11.2 The company should define suitable control measures for infrastructure of technology system.</p> <p><u>Description</u> For the management of information technology systems, the Company has established policies and complete and important operating regulations in writing</p>	✓	

<i>to ensure that the Company's information is secure. There is reliable processing and ready to use in a timely manner.</i>		
<p>11.3 The company should define suitable security control for the technology system.</p> <p><u>Description</u> <i>The Company has limited the right to access the information system which will be classified according to the authority and responsibility of each job position. Physical and logical access controls are provided sufficiently and appropriately.</i></p>	✓	
11.4 The company should define suitable control measures on process of procurement, development, and maintenance of the technology system.	✓	

12. The organization deploys control activities through policies which establish what is expected and procedures that put the policies into action.

Questions	Yes	No
<p>12.1 The company has strict policies to monitor that transactions made by major shareholders, directors, executives, or the related persons must be passed through approval procedures as defined in , for example, by the articles of corporation, the regulation of the Stock Exchange of Thailand and SEC etc. This is to prevent exploitation of company benefit against the use for personal gains.</p> <p><u>Description</u> <i>The Company has a written policy on related party transactions reviewed and approved by the Board of Directors at No.4/2023 on July 21, 2023, and has set guidelines for future transactions. It also includes the process of collecting transaction information in writing in order for such transactions to be approved and disclosed accurately and completely. In addition, the Company is aware of the importance of duties and responsibilities of the Board of Directors in disclosing information and ensuring the accuracy of information in the Company's statement to SEC. The Company Secretary will inquire and coordinate with each committee member to confirm names and transactions with related companies or individuals.</i></p>	✓	

<p>12.2 The company has a policy that a transaction must be approved by the person who has no personal interests in such transaction.</p> <p><u>Description</u> <i>The Company's policy on related party transactions determines that a person who may have conflicts of interest or has conflicts of interest in the transaction will not have the right to vote in approving the transactions between them.</i></p>	✓	
<p>12.3 The company has a policy to approve transactions by considering the company's best interests, and consider the transactions as at arm's length basis.</p> <p><u>Description</u> <i>The Company's policy on related party transactions determines the principles for transaction approval similar to those for general customers. The Company has considered comparing product or service prices with the external ones under similar product or service conditions. The consideration of the related party transactions will be proceeded by the Audit Committee meeting to provide opinions on the reasons and necessity of such transactions on a quarterly basis.</i></p>	✓	
<p>12.4 The company has monitoring process for operations of subsidiaries or associated companies including setting guidelines to the person who is appointed as a director or an executive in the subsidiaries or associated companies. (Answer this question is not required if the company does not invested in the subsidiary or associated companies)</p> <p><u>Description</u> <i>The Company has established investment policies and guidelines for supervision of subsidiaries, associated company or joint venture which was reviewed and approved by the Board of Directors at No. 4/2023 on July 21, 2023. The policy has taken into account important requirements such as the appointment of a person as a director in a subsidiary or associated company, operational supervision and the approval authority before making transactions, in order to make the operations of the group more flexible and in the same direction.</i></p>	✓	
<p>12.5 The company assigns roles and responsibilities that executives and employees are to implement the policies and procedures in their operation.</p>	✓	
<p>12.6 The company's policies and procedures are timely implemented by competent personnel including the process of operation correction.</p>	✓	

<p><u>Description</u> Policies and operational processes of each work process have been communicated to employees for acknowledgment in order to apply the same standard. There are channels for policy communication and operational manuals through SharePoint, where executives and employees at all levels can access.</p>		
<p>12.7 The company regularly reviews its policy and procedures.</p> <p><u>Description</u> The Company arranges meetings to communicate policies and operational procedures between department executives and employees regularly or when there is a change.</p>	✓	

Information & Communications

13. The organization obtains or generates and uses relevant and quality information to support the functioning of internal control as intended.

Questions	Yes	No
<p>13.1 The company specifies information required for business operations. The information should be from both internal and external sources, which are quality and related to the company business.</p> <p><u>Description</u> The Company has prepared a manual for each work process, including clearly specifying information or supporting documents that are required in the work process from both internal and external sources. For example, it requires documents for approval and registration of new customers in the customer database in the accounting system, and determines the supporting documents for the consideration of recording and month-end closing quarterly and annually, etc.</p>	✓	
<p>13.2 The company reviewed cost and benefit to gain the information, including quality and accuracy of such information.</p>	✓	
<p>13.3 The company provides the board of directors with essential and sufficient information for their decision-making. Examples of essential information include details of the proposed agenda, reasons and impacts on the company, and alternatives</p>	✓	

<p>available.</p> <p><u>Description</u> <i>The Company specifies the names of documents and information delivered together with the meeting agendas to the Board of Directors and sub-committees to acknowledge. This will be sent to the directors in advance of the meeting to communicate and provide sufficient information to make decisions on important matters.</i></p>		
<p>13.4 The company provides the board of directors with the invitations to the board of directors' meetings and documentation for the meetings which contain necessary and sufficient information for consideration. The documents should be delivered before the meeting date at least as minimum requirement period by the regulations.</p> <p><u>Description</u> <i>Referred to 13.3</i></p>	✓	
<p>13.5 The company provides minutes of board of directors meeting with sufficient details in order to be used for subsequent audit on appropriateness of each director's responsibilities; such as: records of directors' questions; directors' views and remarks of the issues; their opposing views and reasons against the proposed agenda etc.</p> <p><u>Description</u> <i>The Company records the minutes of the meetings of each committee, namely the Board of Directors, Audit Committee, Risk Management Committee, and Nomination, Remuneration and Corporate Governance Committee regarding the agenda and resolutions of the meeting, with the secretary of each committee prepare and record the details of each meeting in writing in order to be able to verify retrospectively about the suitability of the performance of duties of each committee.</i></p>	✓	
<p>13.6 The company has the following procedures:</p> <p>13.6.1 Filing and Classification with completeness on important documents.</p> <p>13.6.2 In case of report of deficiency found by the external auditor or internal auditor on deficiencies in internal control, the company fix the deficiency thoroughly.</p>	<p>✓</p> <p>✓</p>	

14. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.

Questions	Yes	No
<p>14.1 The company has effective process of internal communication and appropriate channels of communication to support internal control.</p> <p><i>Description There are many channels of information communication between related departments within the Company such as department meeting, weekly meeting, monthly management meeting, company email, announcement board, the central Share Point, and Town Hall Meeting on a quarterly basis in order to support a system of communication and internal control on a regular basis.</i></p>	✓	
<p>14.2 The company regularly reports important information to the board of directors. The board of directors has access to information sources that are vital to the operations or to review any transactions as required. For example, the company assigned contact personnel for providing other information except those received from management; requesting information from external auditor and internal auditor; arranging meetings between the board of directors and executives as requested by the board of directors; conducting other meetings for the board of directors and executives except the regular board of directors' meetings etc.</p> <p><i>Description The Company assigns the Company Secretary to report important information to the Board of Directors and act as a coordinator between the Board of Directors, auditors and internal auditors to gather information to support the Board of Directors.</i></p>	✓	
<p>14.3 The company establishes whistle-blower hotline in order that personnel could safely inform information or traces of frauds or corruptions to the company.</p> <p><i>Description The Company has a policy to notify clues or complaints of misconduct or fraud in writing and communicated to executives and employees through orientation and annual training. Thus, personnel within the Company can report, make complaints, express opinions or clues about wrongdoings. There are many channels for receiving complaints both from outside and within the Company; for example, for within the Company, notifying directly through supervisors or</i></p>	✓	

<p>executives, Human Resources and through the SIC Alert line. It also includes channels for notification from stakeholders and outsiders through the topic of Investor Relations – Corporate Governance (complaint channels) on the Company's website, and requires an email connection to the Chairman of the Audit Committee, Company Secretary and the Secretary of the Chairman of the Audit Committee directly, including via postal channels or telephone according to the current information of the Company, etc.</p> <p>In addition, the Company has set a process to proceed when receiving complaints or clues, measures to consider the facts, as well as reporting the results of operations to independent directors or Audit Committee within a specified period after the actions taken. There are measures to protect whistleblowers or complainants safely.</p>		
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15. The organization communicates with external parties about matters affecting the functioning of internal control.

Questions	Yes	No
<p>15.1 The company has effective procedures of communication with external stakeholders and appropriate channels of communication to support internal control. For example, the company sets up an investor relations officers/center or compliant center etc.</p> <p><u>Description</u> The Company has a channel for stakeholders to send comments, questions, and complaints to the Company through the Company's address, website and email of the Audit Committee. The Company has specified that such email be linked to the Chairman of the Audit Committee, Secretary of the Audit Committee and Company Secretary directly. Currently, the Company has established a clear communication channel between the Company and external parties, including preparing information for investor relations at https://investor.sic.co.th/en as information and effective communication with stakeholders outside the organization.</p>	✓	

15.2 The company establishes whistle-blower hotline in order that external stakeholders could safely inform information or traces of frauds or corruptions to the company. Description refer to 14.3.	✓	
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Monitoring Activities

16. The organization monitors and evaluates to ascertain whether the components of internal control are completely present and suitably functioning.

Questions	Yes	No
16.1 The company has a process to monitor the compliance with code of conduct and prohibit the executives and employees from conducting themselves in a manner is likely to cause conflicts of interest. The company, for example, assigns each individual unit to monitor operation and report to the respective supervisors. Alternatively, the company assigns the internal auditor to monitor operation and report to the audit committee etc.	✓	
16.2 The company provides inspection on compliance with internal control procedures by self-assessment and /or by independent assessment of internal auditors. Description <i>The Company has employed an external independent internal auditor to examine and assess the adequacy of the internal control system for each activity in line with the annual plan approved by the Audit Committee and the Board of Directors. It also includes monitoring the progress in the operational process correction and improvement, and presents to the Audit Committee for acknowledgment through the Audit Committee meeting on a quarterly basis.</i>	✓	
16.3 Frequency of monitoring and assessment activities is suitable to the company's change.	✓	
16.4 The monitoring and assessment activities on the internal control are carried out by knowledgeable and competent personnel.	✓	
16.5 The company specifies that the internal control evaluation is directly reported to the audit committee.	✓	

<p><u>Description</u> The Company has established an organizational structure where the Internal Audit Department reports directly to the Audit Committee. The Audit Committee will be notified of the results of audit from the internal audit staff or any flaws in the internal control system found by the auditor in order to report to the Board of Directors promptly and regularly.</p>		
16.6 The company encourages the internal auditors comply with International Standards for the Professional Practice of Internal Auditing (IIA).	✓	

17. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

Questions	Yes	No
<p>17.1 The company evaluates and communicates internal control deficiencies and monitors for correcting immediately, in case that results of the performance significantly deviates from the target.</p> <p><u>Description</u> The executives of each department have regularly communicated and followed up on faults arising from the operations and the internal control system regularly through department meetings in order to solve them in a timely manner. In addition, the Company requires that the actual performance be monitored and reported in comparison with the set goals. This has been reported and communicated to the management through the Quarterly Review meeting, including reporting to the Executive Committee on a monthly basis.</p>	✓	
<p>17.2 The company has a reporting policy as follows :</p> <p>17.2.1 Management must report to the board of directors immediately if there is an incident or a suspicion of serious fraudulence, law violation, or other unusual actions that could significantly affect the reputation and financial position of the company.</p> <p>17.2.2 Significant internal control deficiencies including solutions (although the problems may have already been managed) are timely reported to the board of directors/the audit committee for consideration.</p> <p>17.2.3 The progress on remedies of the significant internal control deficiencies is</p>	<p>✓</p> <p>✓</p> <p>✓</p>	

<p>reported to the board of directors/the audit committee.</p> <p><u>Description</u> <i>The Company's executives report their performance to the Board of Directors through the Board of Directors' meeting every quarter, including having an independent internal auditor from outside to assess the internal control of the Company, suggest ways to improve/correct work process, and keep track of improvements every quarter for reporting to the Audit Committee.</i></p>		
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Silicon Craft Technology Public Company Limited

40 Thetsabanrangsannua Rd., Ladyao, Chatuchak,
Bangkok 10900 Thailand

Phone: (66) 2 589 9991 Fax: (66) 2 589 8881

SiliconCraftTH



investor.sic.co.th