



Annual Report 2024 (Form 56-1 One Report)

Neo Corporate Public Company Limited

Innovation from Core to **Care**





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Innovation from Core to **Care**



Annual Awards 2024

Neo Corporate Public Company Limited

2020
–
2024

The Thailand Trust Mark (T Mark) award for 2024 serves as a symbol of confidence in the quality of products and services recognized globally. Managed by the Department of International Trade Promotion, Ministry of Commerce, this award assures consumers that they will receive value from trusted products sourced from companies committed to quality, environmental sustainability, social impact, and fair labor practices.



2019

2021
–
2024

The HR Asia Best Companies to Work for in Asia 2024 award presented by Business Media International—a leading media company in Asia—marks for the fifth year that Neo Corporate Public Company Limited has received this honor. This recognition solidifies its position as one of Thailand's top employers.



2024

IAA Awards: AWARDS FOR LISTED COMPANIES 2024

Neo Corporate Public Company Limited was honored with **three prestigious awards** at the IAA Awards for Listed Companies 2024 in the consumer goods industry category. These awards are based on votes from analysts and Securities Analysts Association (SAA), organized by the Securities Analysts Association Thailand. The awards include:

1. **Outstanding CEO Award** for exhibiting a vision “to be Asia’s innovative FMCG company who aims to uplift consumers’ quality of life via product innovations”.
2. **Outstanding CFO Award** for exemplary financial management that has fostered robust business growth under all circumstances.
3. **Outstanding IR Award** for reaffirming the commitment to create value for all stakeholders and building trust among analysts and investors.



Neo Factory Company Limited

2024

Green Industry Level 4 Award for Green Culture 2024

Neo Factory Company Limited has been honored with the Green Industry Level 4 Award for Green Culture 2024. This recognition highlights the company’s dedication to environmentally friendly practices in every facet of its operations, including the development of eco-friendly products and production processes designed to minimize greenhouse gas emissions. The company also emphasizes social responsibility and community engagement, solidifying its reputation as an organization with a green corporate culture committed to sustainable development in line with the principles of the Department of Industrial Works, Ministry of Industry.



Our Brands

3 Main Product Categories

8 Brands



Household Products



Personal Care Products



Baby and Kids Products



Our History





...Amidst this challenging landscape, NEO is pushing beyond its limits to seize new opportunities and is committed to driving sustainable growth. The Company focuses on creating innovative products through robust strategies that enhance product appeal and increase market share...



Message from the Chairman

In 2024, global economic uncertainty has escalated due to various factors, including widespread geopolitical conflicts, inflationary pressures on businesses, and constraints on global economic growth. In Thailand, the gradual recovery of the Gross Domestic Product (GDP) growth rate is projected at 2.5%, driven by the expansion of the domestic private sector, a resurgence in tourism, and increased domestic consumption.

Operating in the consumer goods sector presents unavoidable new challenges. For instance, Thai society is rapidly aging, resulting in complex economic, social, and cultural changes. Additionally, the rapid and severe changes in global climate, as well as global warming, are significantly impacting supply chains in diverse ways and across multiple levels.

Amidst this challenging landscape, NEO is pushing beyond its limits to seize new opportunities and is committed to driving sustainable growth. The Company focuses on creating innovative products through robust strategies that enhance product appeal and increase market share. This includes strengthening all product brands through comprehensive marketing communications and activities, while emphasizing efficiency throughout the supply chain—from raw material sourcing and production to

distribution. As a result, we have increased our market share and maintained leadership in several product categories, including baby and kids products, personal care products, and fabric care products.

NEO places a high priority on sustainable organizational development and actively supports partners in taking responsibility for economic, social, and environmental issues. We are committed to cultivating a corporate culture that fosters knowledge and supports initiatives benefiting communities and the environment. This includes developing new environmentally-friendly products and leveraging technology for effective environmental management. Our achievements are reflected in receiving the Green Industry Level 4 award, underscoring our dedication to sustainability. Additionally, we are proud to have secured three awards at the IAA Awards for Listed Companies 2024: Outstanding CEO, Outstanding CFO, and Outstanding IR. These recognitions affirm our commitment to governance across all sectors, particularly among investment analysts. Furthermore, receiving the HR Asia Best Companies to Work for in Asia 2024 award for the fifth year from Business Media International—a leading media company, highlights that NEO is recognized as one of Thailand's top employers.

In closing, on behalf of the Board of Directors and the management team of Neo Corporate Public Company Limited, I would like to extend my heartfelt gratitude to all shareholders, customers, and business partners for their unwavering support over the past year and for trusting us with opportunities for growth. I also want to thank all executives and employees for their dedication and hard work. The success of our company is a source of pride for us all. As we move into 2025, we look forward to new opportunities to innovate for consumers, advancing confidently to meet every challenge and to create a sustainable future for both our organization and society.

Mr. Virapan Pulges

Chairman of the Board of Directors

Message from the Chief Executive Officer

The past year has presented numerous opportunities for growth within the consumer goods industry, fueled by evolving consumer priorities that emphasize hygiene, convenience, and diverse lifestyles. This shift has led to an increasing demand for specialized health and beauty products, as well as convenience items. These changes have also created new contexts for the consumer goods sector in Southeast Asia, motivating businesses to continuously innovate and develop products that meet rising consumer expectations. As a result, the industry has experienced strong and sustained growth.

Despite heightened competition in the consumer goods industry and a slowing economy in Thailand, NEO could consistently deliver improved performance in 2024. Our roll-on products, liquid soap products, and baby and kids product lines have outperformed the market. Additionally, new offerings, such as products for the elderly and body lotion, have garnered positive feedback from consumers. NEO's ability to overcome challenges can be attributed to our robust strategic planning, which positions our brands alongside international competitors. We have broadened our portfolio to appeal to a diverse range of consumers, from the mass market to premium mass segments. Our dedicated research and development teams focus on creating innovative products that cater to consumer needs, supported by a strong manufacturing

base that ensures efficient cost management. These elements collectively drive NEO toward the successful realization of its goals.

In driving business in 2025 towards sustainable growth, both domestically and internationally, NEO identifies exciting opportunities in the markets for household products, personal care products, and baby and kids products. We are committed to advancing innovation and developing new offerings that enhance consumer satisfaction every day. Our strategy of "Innovation-led Premiumization" focuses on introducing products that are not only innovative and distinctive but also create significant value, improving the quality of life for consumers of all genders, ages and backgrounds across various dimensions. Moreover, we aim to establish a New S-Curve in the market, positioning NEO as a pioneer in groundbreaking innovations that promote sustainable growth.

In terms of sustainable business practices, NEO operates under a comprehensive ESG framework that addresses environmental, social, and governance dimensions. Our environmental initiatives are guided by the principle of "Innovation from Core to Care," emphasizing thoughtful design throughout every step of the process—from selecting raw materials to developing eco-friendly formulas, designing production processes, and utilizing

recyclable or natural packaging to minimize waste. Our goal is to achieve a 20% reduction in greenhouse gas emissions by 2030, contributing to a cleaner world and a sustainable future. Additionally, NEO prioritizes enhancing the quality of life for employees, consumers, and the broader community, while also elevating the organization to create internationally competitive products that sustainably increase happiness for everyone.

NEO takes pride in creating several Thai brands that have grown into leading names internationally in the consumer goods industry. Over the past 35 years, we have consistently delivered high-quality, distinctive, and innovative products, maintaining our market leadership across various categories. This impressive track record supports NEO's strong growth trajectory. Today, we are ready to leverage our experience and expertise to deliver new innovations and products that enhance everyday life, ensuring greater convenience and improved quality of life. Our mission is to uplift the essentials for everyday betterment, driving us toward becoming the innovative FMCG company of Asia that fosters sustainable growth.

Mr. Suthidej Thakolsri
Chief Executive Officer



...NEO's ability to overcome challenges can be attributed to our robust strategic planning, which positions our brands alongside international competitors. We have broadened our portfolio to appeal to a diverse range of consumers...



Board of Director



Mr. Virapan Pulges

Chairman of the Board of Directors / Independent Director / Chairman of the Nomination and Remuneration Committee



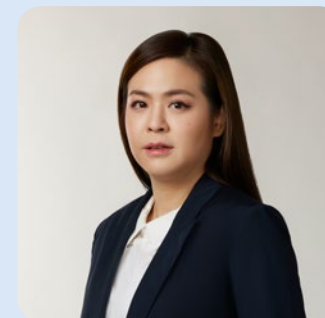
Mr. Suthidej Thakolsri

Vice Chairman of the Board of Directors / Chairman of the Executive Committee / Chief Executive Officer



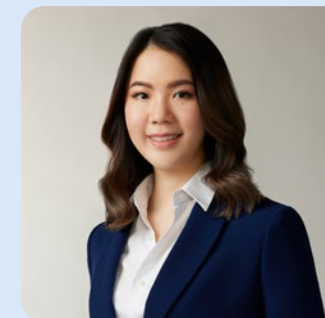
Mrs. Patama Thakolsri

Director / Vice Chairman of the Executive Committee / Deputy Chief Executive Officer – Commercial



Miss Nitchamon Thakolsri

Director / Member of the Executive Committee / Deputy Chief Executive Officer – Business Innovation



Miss Nissara Thakolsri

Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee / Deputy Chief Executive Officer – Operations



Mr. Wutthichai Tankuranand

Director / Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee



Mr. Amornsak Pimarnthip

Director / Independent Director / Member of the Audit Committee



Mr. Udomdej Phiromsawat

Director / Independent Director / Member of the Audit Committee

Executive Committee



Mr. Suthidej Thakolsri

Vice Chairman of the Board of Directors / Chairman of the Executive Committee / Chief Executive Officer



Mrs. Patama Thakolsri

Director /
Vice Chairman of the Executive Committee / Deputy Chief Executive Officer - Commercial



Miss Patchanok Worasakyotin

Member of the Executive Committee / Chief Finance Officer



Mrs. Metta Siramongkholkarn

Member of the Executive Committee / Chief Logistic Officer



Mr. Thanet Chonlakheth

Member of the Executive Committee / Chief Manufacturing Officer



Miss Nitchamon Thakolsri

Director /
Member of the Executive Committee / Deputy Chief Executive Officer - Business Innovation



Miss Nissara Thakolsri

Director /
Member of the Executive Committee / Member of the Nomination and Remuneration Committee / Deputy Chief Executive Officer - Operations

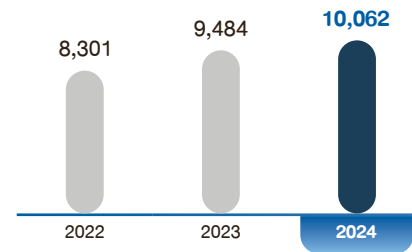


Mrs. Sirisupa Ajsonjorn

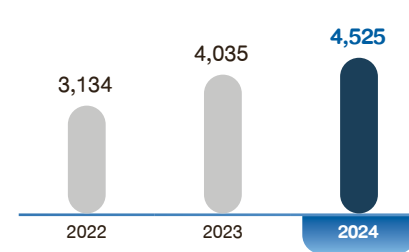
Member of the Executive Committee / Chief Marketing Officer

Key Figures

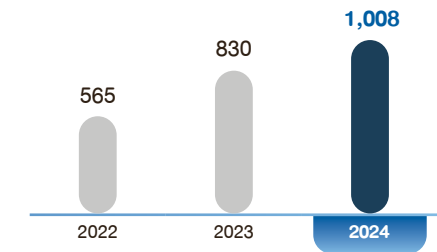
Operating Revenue
(Million Baht)



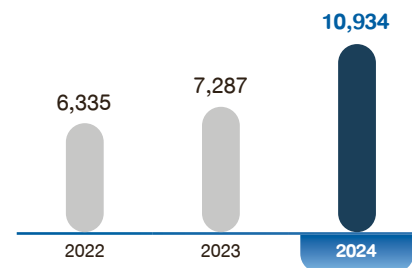
Gross Profit
(Million Baht)



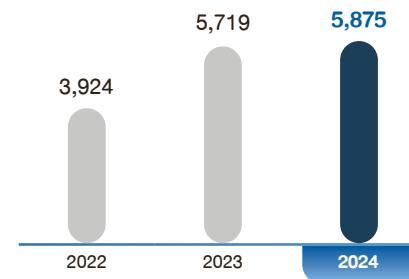
Net Profit Attributable to the Parent Company
(Million Baht)



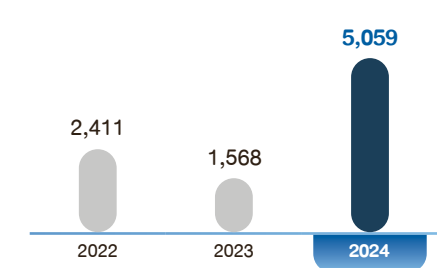
Total Assets
(Million Baht)



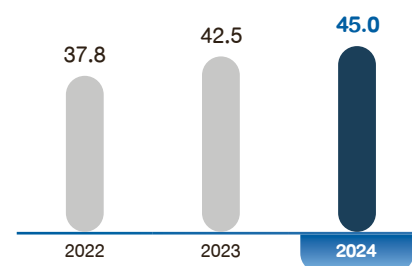
Total Liabilities
(Million Baht)



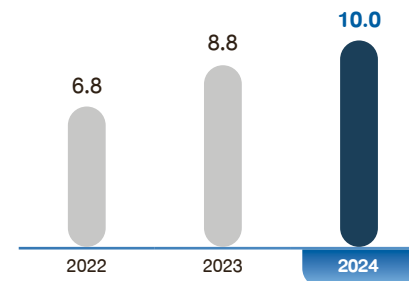
Total Equity
(Million Baht)



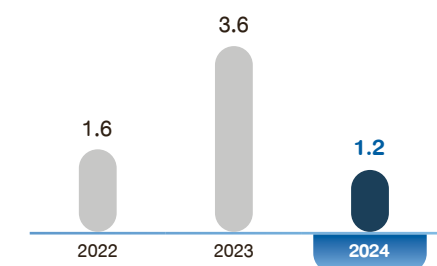
Gross Profit Margin
(%)



Net Profit Margin Attributable to the Parent Company
(%)




D/E Ratio
(times)




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Section 1:

Business Operations and Performance

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1. Structure and Operations of the Company

1.1 Policies and Business Overview

Neo Corporate Public Company Limited (“the Company” or “NEO”) is a leading marketer, manufacturer, and distributor of consumer products in the country. The Company’s main product categories include household products, personal care products, and baby and kids products. Since its inception, NEO has been dedicated to understanding the needs and preferences of consumers in their daily lives. The Company is committed to developing and offering high-quality, diverse products at reasonable prices, providing consumers with a wide range of choices. As a result, NEO boasts a distinctive product portfolio that combines quality and appealing scents, effectively meeting the varied demands of daily life. The Company is home to several successful brands, including Fineline, D-nee, BeNice, Eversense, TROS, Vivite, Smart, and Tomi. These products are designed to enhance convenience and improve the quality of life for individuals, ultimately uplifting the essentials for everyday betterment.

Currently, the Company markets and distributes products under a total of eight brands, as follows:

(1) Household Products: This category includes fabric care items under the Fineline and Smart brands, as well as cleaning products under the Tomi brand.



The premier brand for comprehensive fabric care—covering washing, softening, and ironing—is characterized by its high-quality products that effectively eliminate musty odors at their source. It also boasts a distinctive and captivating fragrance that sets it apart from competing brands.



A brand of fabric care products that specializes in antibacterial protection, offering a range of laundry detergents and fabric softeners.



A brand of surface cleaning products designed for the home, renowned for its effective formulas that save time and effort while ensuring user safety. The product line features a unique fragrance and includes floor cleaners, bathroom cleaners, and cleaning sprays.

(2) Personal Care Products: This category features skin care and cleansing items, as well as fragrances and deodorants, along with hair styling products. These are offered under the BeNice, TROS, Eversense, and Vivite brands.



A brand of skin cleansing products distinguished by its formulation with concentrated fruit extracts. These products not only nourish the skin effectively but also feature a unique fruity fragrance, highlighting ingredients sourced from natural extracts.



A leading brand of all-in-one personal care products for men, featuring a comprehensive range that includes cologne, roll-on deodorants, cooling powder, fragrances, and hair gel. These products are specifically formulated to suit the climate and skin conditions of Thai men.



A brand of fragrance and deodorant products for women, characterized by a unique scent that boosts confidence for young women and those just starting their careers.



A brand of fragrance and deodorant products for women, highlighting the use of natural ingredients (Natural Extracts) and effective whitening properties. These products are infused with delightful scents derived from floral extracts (Natural Essential Oils).

(3) Baby and Kids Products: This category features fabric care items, skin care and cleansing products, dishwashing essentials, Silver age products and other necessities for children, all available under the D-nee brand.



A brand of products designed for everyone in the family, meeting international quality standards and rigorously tested to prevent allergies and irritation. Known for its gentle formulation, it also offers a diverse range of delightful fragrances.



1.1.1 Vision and Business Strategies

1.1.1.1 Vision

Passion to be Asia's innovative FMCG company who elevates quality of life with people-centric approach.



1.1.1.2 Business Strategies and Approaches

The Company is dedicated to enhancing its standards to better serve consumers, with the aim of creating products that enrich the daily lives of individuals across all ages and lifestyles. The Company believes that its strategies will empower the organization and its business to successfully achieve these goals.

(1) Marketing strategy to enhance product popularity and expand market share

The Company believes that providing high-quality products with distinctive features, along with strategic marketing initiatives to enhance brand popularity, are crucial factors in driving the ongoing increase in the popularity and market share of its products. Furthermore, the Company has established marketing goals aimed at expanding its market share by promoting products with significant potential and growth opportunities.

(1.1) Ongoing Development of High-Quality Products to Sustain Consumer Popularity and Demand

The Company operates with a product development strategy that consistently addresses consumer needs, delivering high-quality products that meet established standards for all ages, from infancy to adulthood. It focuses on new product development (NPD) that is unique and competitive, while also enhancing existing products (relaunch) to improve their features without compromising quality. Recently, the Company has prioritized the creation of products featuring natural extracts that are gentle across all categories, aligning with consumer trends. It has also expanded its offerings to include premium mass and premium mass products that boast superior qualities compared to standard options. For example, the BeNice shower cream not

only provides effective cleansing but also nourishes the skin, ensuring lasting hydration, smoothness, and a delightful fragrance. Additionally, the Company has introduced products designed to enhance cleaning efficacy by effectively eliminating bacteria and viruses, meeting the heightened consumer demand that emerged during the COVID-19 pandemic.

(1.2) Enhancing the Strength and Resilience of Each Product Brand

The Company has developed clear concepts and market positioning, along with branding strategies for each product line, ensuring a comprehensive response to consumer needs.

Moreover, the Company utilizes a diverse range of marketing communications and promotional activities tailored to the specific target audiences for each brand. This includes broad channels such as television and out-of-home (OOH) advertising, as well as more targeted methods like social media engagement and point-of-purchase communications.

(1.3) Enhancement of Market Share and Ranking for High-Potential Products and Opportunities

The Company establishes annual marketing strategies and objectives aimed at boosting market share for products with significant growth potential.

In 2024, the Company aims to further narrow the gap with market leaders by refining its strategies for both laundry detergents and roll-on products, similar to 2023. This includes expanding availability through convenience store channels and introducing larger packaging options in the liquid laundry market, which have demonstrated consistent high sales growth.



(2) Supply chain optimization strategy

Effective management of production processes and supply chains is essential for maintaining the Company's competitive edge and operational efficiency. The Company is committed to enhancing every aspect of the process, from sourcing raw materials and manufacturing to delivering finished products, ensuring optimal cost and expense management.

(2.1) Developing Efficient Management of Raw Material and Packaging Continuity

The Company efficiently manages the continuity of raw materials and packaging by sourcing from multiple suppliers for each type of material. Each supplier is able to provide high-quality raw materials and packaging that meet the Company's established standards. This strategy helps mitigate risks associated with dependence on a single supplier. For high-demand raw materials and packaging, including fragrances and surfactants, the Company enters into 3, 6, or 12-month supply contracts, which specify the order quantities and prices in advance. These agreements also include provisions for suppliers to reserve the required quantities of materials, reducing the need for the Company to hold large inventories. This approach not only ensures a reliable supply but also helps the Company optimize inventory management, reducing storage costs and freeing up working capital. In addition, should a primary supplier be unable to meet the required delivery quantities or deadlines, the Company can rely on backup suppliers to ensure continuity. The Company continuously seeks to identify new raw materials and packaging options that offer better quality

or equivalent performance at a lower cost, providing alternative solutions for replacing existing materials or packaging in use.

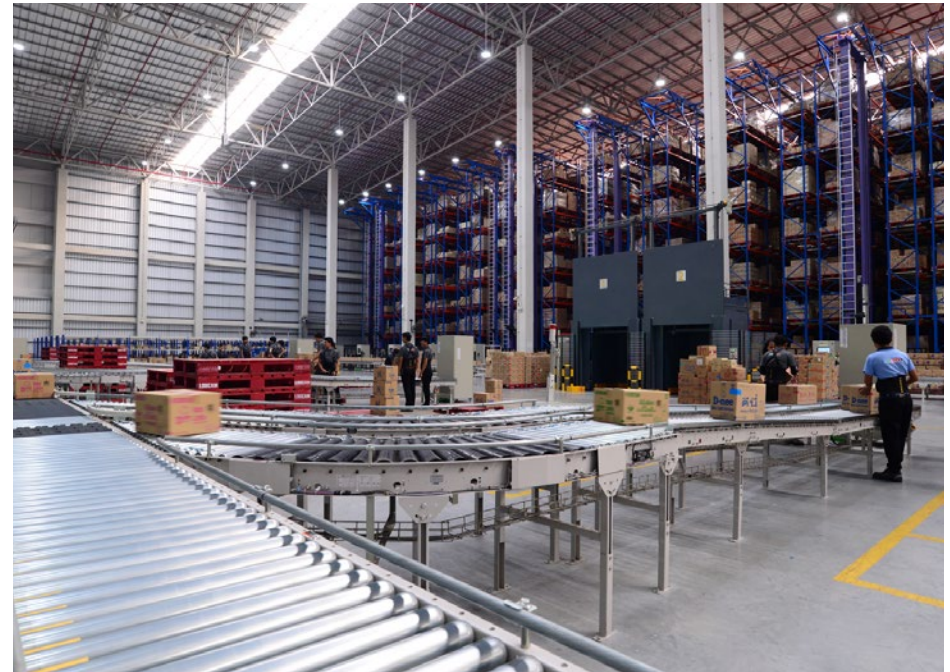
(2.2) Enhancing Production Process Efficiency and Resource Utilization

The Company places a strong emphasis on continuous investment in advanced manufacturing technologies, including computer-controlled production systems and automated machinery. These innovations ensure a seamless production process while minimizing potential errors. Furthermore, the Company conducts in-depth analyses to improve production processes (Process Improvement). For instance, in 2021, the Company successfully increased its overall production capacity by approximately 55% compared to 2020. This achievement includes systematic management of production line staffing (Line Balancing) to optimize labor use and strategic production planning to minimize idle time.

(2.3) Efficient Management of Finished Goods Storage

Recognizing the critical importance of effective finished goods management, the Company has invested in an Automated Storage and Retrieval System (ASRS). This system fully automates the storage of finished goods, integrating various steps of the warehouse management process. It handles the receipt of finished products from production, the storage of these products in the warehouse, and the retrieval and shipment of goods to diverse distribution channels in a systematic manner. This investment has significantly reduced issues related to inefficient inventory turnover, enhancing both the quality and shelf life of finished products.

In addition to improving operational efficiency, the Company is deeply committed to personnel development through training programs that enhance employee skills and knowledge. It promotes a culture of planning, collaboration, and problem-solving within the organization. Additionally, the Company has implemented a modern Enterprise Resource Planning (ERP) system, specifically SAP S/4HANA, which facilitates systematic and efficient organizational planning and data management, further enhancing overall productivity.

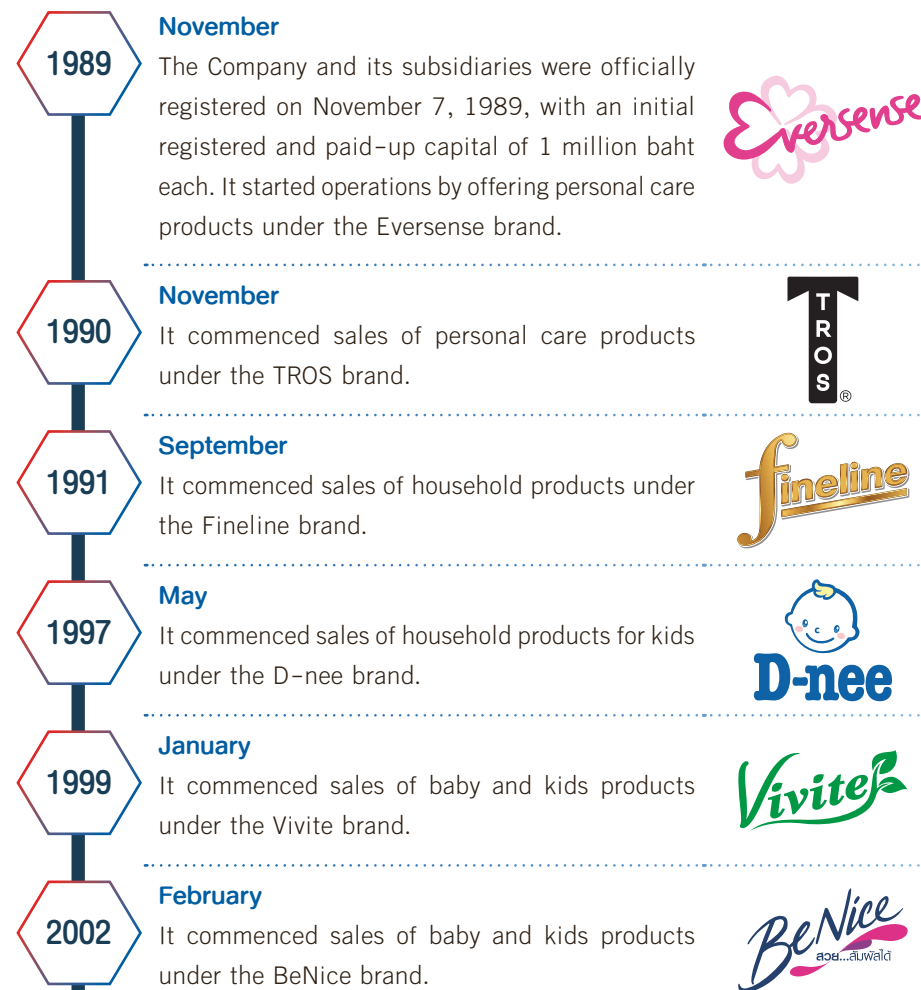


(3) Prioritizing Sustainable Organizational Development

The Company has set clear goals and established a comprehensive framework for its sustainability initiatives (Sustainability Direction & Framework) to cultivate a sense of responsibility towards the economy and society, while fostering innovation in resource and environmental management. This commitment spans several key dimensions: (1) Personnel Development – For example, the Company emphasizes raising awareness and understanding of environmental issues among employees, actively supporting initiatives that benefit the community, society, and the environment; (2) Procurement Processes – For example, the Company prioritizes partnerships with environmentally responsible suppliers and encourages the use of local labor, products, and services; (3) Creating Shared Value – For example, the Company harnesses its resources, expertise, and innovative thinking to tackle critical challenges, resulting in the development of new products that prioritize environmental sustainability; (4) Green Technology – For example, the Company adopts advanced technologies to manage resource usage efficiently; (5) Circular Economy – For example, the Company investigates methods for recycling plastics to enable reuse and extend their lifecycle. Currently, the Company is actively managing 26 projects across these dimensions to drive sustainable organizational development.

In addition, the Company aims to establish a sustainability brand by creating environmentally friendly products and packaging. This includes formulating products with 100% natural extracts or biodegradable ingredients, as well as designing packaging that reduces plastic usage and incorporates recycled materials, etc.

1.1.2 History and Key Developments



2003

January

It adopted the SAP Enterprise Resource Planning (ERP) system to enhance business operations and effectively manage the increasing sales volume.

2005

January

It commenced sales of household products under the Smart brand.



2007

September

It expanded the business into international markets to meet the increasing demand for products from overseas consumers.

2008

June

It commenced sales of baby and kids products under the D-nee brand.



2010

February

It commenced sales of household products under the Tomi brand.



2016

April

It adopted SAP HANA, the most advanced ERP system available at the time, enabling fast and efficient data processing for optimal data management across the organization.

October

It commenced construction of a new manufacturing plant and warehouse in Khlong 13, Lam Luk Ka District, Pathum Thani, to boost production capacity in line with rising sales. The facility also incorporates an Automated Storage and Retrieval System (ASRS) to expand storage for finished goods and improve inventory management efficiency.

2018

September

The new manufacturing plant and warehouse located in Khlong 13, Lam Luk Ka District, Pathum Thani, officially began commercial operations.

2023

August

The Company was restructured from a limited company to a public limited company under the name “NEO Corporate Public Company Limited”.

2024

April

Successfully listed on the Stock Exchange of Thailand, with the securities ticker symbol “NEO.”

September

- It was awarded the Green Industry Level 4 – Green Culture in 2024 by the Ministry of Industry.
- It was named one of HR Asia’s Best Companies to Work for in Asia 2024, marking the 5th consecutive year the Company has been honored by Business Media International, a leading communications group in Asia.
- It received three prestigious awards at the IAA Awards for Listed Companies 2024 in the Consumer Goods Industry category: Outstanding CEO, Outstanding CFO, and Outstanding Investor Relations (IR).

1.1.3 Utilization of Proceeds from the Initial Public Offering (IPO) as of December 31, 2024

Regarding to Neo Corporate Public Company Limited (the “Company”)’s initial public offering (IPO) during 28 – 29 March 2024 and 1 – 2 April 2024 of 78.00 million newly-issued shares at the offering price of 39.00 baht per share, in which the Company has received the net proceeds of 2,936.22 million baht (after deducting all related expenses in the offering). The Company reported the utilization of proceeds from IPO as of 30 June 2024 as follows:

(Unit: Million Baht)

Use of Proceeds	Total Amount (Estimated)	Actual proceeds spending until 30 June 2024	Remaining amount as of 30 June 2024
1. Investment in production capacity expansion of Household Products including warehouse of raw material and packaging expansion, and warehouse management system and/or	1,960.00	–	1,960.00
2. Repayment of loans to financial institutions and/or	500.00	500.00	–
3. Working Capital	476.22	476.22	–
Total	2,936.22	976.22	1,960.00

However, after the IPO, during the period awaiting the execution of production capacity expansion of Household Products including warehouse of raw material and packaging expansion, and warehouse management system, the Company trusts that the portion of IPO proceeds deposited in financial institutions can be utilized to fund the production capacity expansion of Personal Care Products to reduce the interest burden arising from the production capacity expansion of Personal Care Products, and to manage the IPO proceeds for the utmost benefit to the Company and its shareholders, the Board of Directors' meeting No. 6/2024, held on 29 November 2024, resolved to approve the change of objectives and schedule for using the IPO proceeds by allocating a portion of the IPO proceeds originally allocated for the production capacity expansion of Household Products to production capacity expansion of Personal Care Products including warehouse of raw material and packaging expansion, and warehouse management system, amounting to 450 million baht, thereby reducing the potential interest burden. This reallocation is considered as an insignificant change in accordance with the Notification of the Office of the Securities and Exchange Commission No. SorJor. 63/2561 Re: Change in objectives of the utilization of proceeds under registration statement for the offering of securities and draft prospectus (the "Notification No. SorJor. 63/2561"), as the reallocation pertains to business-related objectives that have already been disclosed in the registration statement for the offering of securities (the Filing) and the Company's prospectus and the reallocation amount does not exceed 30 percent of the total amount of the IPO proceeds. The details regarding the amount, objectives, and schedule of proceeds utilization that the Company intends to reallocate and/or change of the proceeds will be indicated in the table below.

Objectives of Proceeds Utilization	Unit: Million Baht				Estimated Schedule of Proceeds Utilization (Former)	Estimated Schedule of Proceeds Utilization (New)
	Estimated Amount	Amount Already Utilized	Remaining Amount Before the Change as of 31 October 2024	Remaining Amount After the Change as of 31 October 2024		
1. Investment in production capacity expansion of Household Products including warehouse of raw material and packaging expansion, and warehouse management system and/or	1,960.00	–	1,960.00	1,510.00	2024–2027	2024–2027

Objectives of Proceeds Utilization	Unit: Million Baht				Estimated Schedule of Proceeds Utilization (Former)	Estimated Schedule of Proceeds Utilization (New)
	Estimated Amount	Amount Already Utilized	Remaining Amount Before the Change as of 31 October 2024	Remaining Amount After the Change as of 31 October 2024		
2. Loan repayment to financial institutions and/or	500.00	500.00	-	-	2024	2024
3. Working Capital and/or	476.22	476.22	-	-	2024	2024
4. Investment in production capacity expansion of Personal Care Products	-	-	-	450.00	-	2024-2025
Total	2,936.22	976.22	1,960.00	1,960.00		

The Company believes that the change in the purpose of the IPO proceeds is appropriate for the current cash management situation. Moreover, production capacity expansion of Household Products including warehouse of raw material and packaging expansion, and warehouse management system, can be managed with the proceeds from the IPO, together with cashflow from operations and reliable sources of loans. To comply with Notification No. SorJor.63/2561, the Company will report such changes to the shareholders for acknowledgement at the Company's next shareholders' meeting.

As of 31 December 2024, the Company would like to report the utilization of proceeds from IPO as follows:

(Unit: Million Baht)

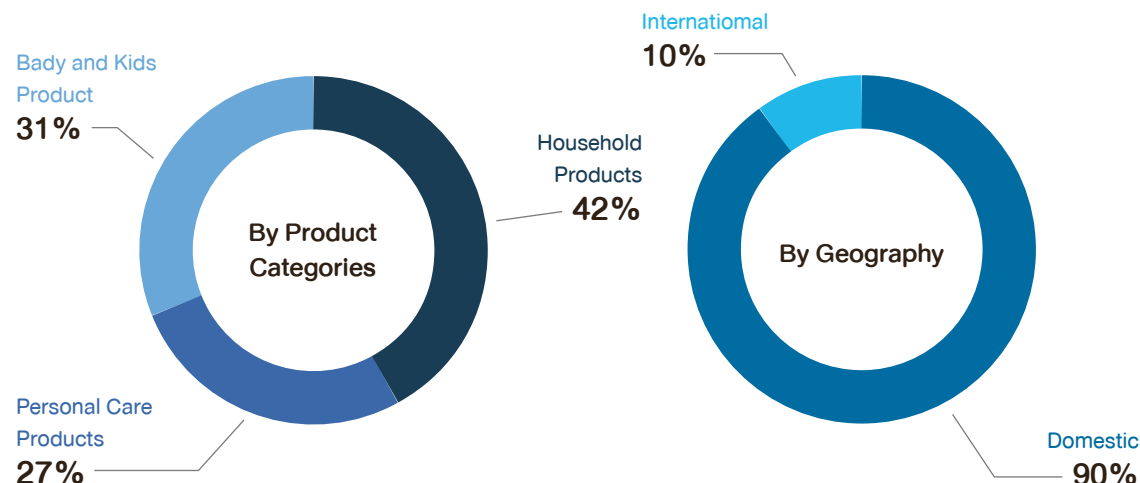
Use of Proceeds	Total Amount (Estimated)	Actual Proceeds Spending until 31 December 2024	Remaining Amount as of 31 December 2024
1. Investment in production capacity expansion of Household Products including warehouse of raw material and packaging expansion, and warehouse management system and/or	1,510.00	-	1,510.00
2. Repayment of loans to financial institutions and/or	500.00	500.00	-
3. Working Capital and/or	476.22	476.22	-
4. Investment in production capacity expansion of Personal Care Products	450.00	420.00	30.00
Total	2,936.22	1,396.22	1,540.00

1.2 Nature of Business

1.2.1 Revenue Structure

The Company markets its products under a total of eight distinct brands, categorized as follows:

- (1) **Household Products:** This category includes fabric care products offered under the Finline and Smart brands, along with cleaning products marketed under the Tomi brand.
- (2) **Personal Care Products:** This segment features a range of skin care and cleansing products, fragrances and deodorants, and hair styling products, all available under the BeNice, TROS, Eversense, and Vivite brands.
- (3) **Baby and Kids Products:** This group comprises fabric care products, skin care and cleansing items, dishwashing products, silver age products (D-nee Deluxe) and various other baby and kids' necessities, all branded under D-nee.



The revenue structure of the Company for 2022, 2023, and 2024, broken down by product group, can be summarized as follows:

By Product Categories	2022		2023		2024	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
● Household Products	3,498	42	4,127	44	4,179	42
● Personal Care Products	2,071	25	2,287	24	2,748	27
● Baby and Kids Products	2,732	33	3,070	32	3,135	31
Revenue from Operations	8,301	100	9,484	100	10,062	100

The revenue structure of the Company for 2022, 2023, and 2024, categorized by domestic and international sales, can be summarized as follows:

By Geography	2022		2023		2024	
	Million Baht	Percent	Million Baht	Percent	Million Baht	Percent
● Domestic Sales	7,145	86	8,238	87	9,105	90
● International Sales	1,156	14	1,246	13	957	10
Revenue from Operations	8,301	100	9,484	100	10,062	100

1.2.2 Product Information

1.2.2.1 Product Characteristics

The Company offers a diverse range of consumer products designed to meet the everyday needs of consumers. These products include (1) Household Products, (2) Personal Care Products, and (3) Baby and Kids Products. The Company is dedicated to delivering high-quality items at competitive prices, while continuously developing and enhancing its offerings to respond to the evolving preferences and behaviors of consumers.

(1) Household Products

• Fineline Brand Products

The Fineline brand focuses on fabric care, encompassing three key product categories: laundry detergents, fabric softeners, and ironing aids. Launched in 1991, Fineline is positioned as “the premier brand for comprehensive fabric care—covering washing, softening, and ironing for the clothes you cherish.” The primary target audience includes working women and homemakers aged 25 to 45 who manage their family’s clothing, as well as modern female students and young professionals aged 18 to 28 who take care of their own garments. These consumers are not only interested in fashion but also value dressing as a means of expressing their individuality.

The Fineline brand has achieved remarkable popularity among consumers, with its ironing aids maintaining the number one market share for 13 consecutive years. The laundry detergent segment has also experienced continuous growth, driven by the product’s exceptional quality, which effectively eliminates musty odors at the source. Its unique and captivating fragrance further distinguishes it from competitors. The Company consistently introduces innovative products, including the concentrated Deluxe Perfume, Miracle Perfume or Extra Fresh laundry detergents, which target sweat



odors, as well as a concentrated fabric softener designed to minimize lint adherence. These offerings are perfectly aligned with the evolving preferences of target consumers, resulting in sustained sales growth for all Fineline product categories, both in domestic and international markets.

● Smart Brand Products

The Smart brand specializes in fabric care products, featuring two main categories: fabric softeners and laundry detergents. Launched in 2005, Smart was initially positioned as a “budget-friendly fabric care brand,” catering to consumers who sought quality at an affordable price. In 2022, the Company revitalized the brand by repositioning it as “a fabric care brand with specialized functions.” This strategic shift recognized the growing consumer demand for products that go beyond basic cleanliness, focusing on those that provide enhanced protection against various pollutants. To align with this new direction, the Company has introduced innovative offerings, including concentrated laundry detergents specifically formulated to combat dust and environmental contaminants, as well as antibacterial fabric softeners.



● Tomi Brand Products

The Tomi brand specializes in household surface cleaning products, featuring three primary categories: floor cleaners, bathroom cleaners, and spray cleaners. Launched in 2010, Tomi positions itself as a Thai brand with a Japanese aesthetic, branding itself as “the expert in safe home cleaning.” The brand focuses on delivering effective solutions that not only save time and effort but also cater to modern lifestyles. For example, the Tomi floor cleaner not only provides a thorough clean and dries within 25 seconds, but it also boasts pleasant fragrances and the ability to eliminate unwanted odors, such

as mustiness and pet smells. Additionally, Tomi products are recognized for their user safety and come with distinctive, appealing scents. The target consumer group for Tomi includes homemakers and working women aged 25 to 45 who are meticulous about maintaining clean floors and bathrooms. It also appeals to residents of condominiums or apartments who prioritize convenience and efficiency in their cleaning routines.



(2) Personal Care Products

● BeNice Brand Products

The BeNice brand specializes in skin cleansing products, offering 4 categories that includes Beauty Shower Cream, Health Shower Cream, Intimate Wash, Body Moisturizer, and bar soap. Launched in 2002, BeNice aims to be “the expert and leader in comprehensive skin care innovations that cater to all consumer needs.” The brand presents a vibrant, cheerful, and energetic image, targeting women aged 18 to 35.

BeNice products are notable for their rich formulations featuring concentrated fruit extracts (Fruit Essence), which help promote radiant skin while providing delightful fruity fragrances. Additionally, they excel in skin nourishment, enhancing smoothness and firmness through Double Firming technology, utilizing natural ingredients such as Wheat Protein and Micro Collagen. The brand has garnered numerous awards, including

the EVEANDBOY BEST SELLING AWARDS 2023 for Best Shower Cream, the KONVY Best of Beauty Honor Awards 2023 for Best Body Wash, and the WATSONS Health, Wellness & Beauty Awards (HWB) 2024 for Best Selling Shower Cream, underscoring its status as a top choice among consumers.

Additionally, BeNice products are celebrated for their gentle formulations, focusing on natural extracts. The Intimate Wash has been tested by gynecologists to ensure its mildness, earning the EVEANDBOY BEST SELLING AWARD 2023 for Best Feminine Wash for Sensitive Skin. Recently, it also received recognition from the Watsons HWB Award in the category of Best-Selling Intimate Wash 2024, highlighting its status as a top-selling liquid soap for intimate cleansing.



Building on the positive feedback for its skin cleansing line, BeNice has launched a new body care range aimed at delivering radiance and a beautiful glow. This collection features a two-step skincare routine that begins with a shower and continues with a new body serum and lotion. The result is visibly smooth and beautiful skin, enhanced by a long-lasting fragrance that rivals high-end counter brands, lasting up to 24 hours.

● TROS Brand Products

TROS is a distinguished brand specializing in men's personal care products, offering a diverse range that includes colognes, roll-ons, scented cooling powders, hair styling products, and shower gels. Launched in 1990, TROS was among the first brands in Thailand to specifically target male consumers. Positioned as “the leader in innovative, all-encompassing personal care solutions for men, which understands and addresses the unique needs and preferences of Thai men,” the brand leverages Artificial Intelligence (AI) technology to enhance product development and fragrance selection, ensuring alignment with consumer desires. Targeting modern men aged 18 to 35 who are adventurous and seek new experiences, TROS provides a complete line of self-care products that cover everything from hair care to body care.



Recently, TROS has introduced an exciting new line of products under the sub-brand TROS PRO, highlighting premium quality through comprehensive research and development. This collection features carefully crafted formulas and selected ingredients that address various consumer needs, all rigorously tested by experts to ensure exceptional quality from production to consumer. The range includes innovative hair styling products developed in collaboration with professional barbers, ensuring top-tier performance and effectiveness. It also offers a roll-on deodorant specifically designed to tackle common concerns for men, such as sweat and unpleasant body odor.

throughout the day. With enhanced features and superior protection, this deodorant provides three layers of defense and lasts up to 72 hours, delivering lasting freshness and skin care. Furthermore, TROS's shower gel products have garnered prestigious awards, including KONVY's BEST BODY CARE FOR MEN 2023 and EVEANDBOY's BEST MEN SHOWER GEL 2024.

● Eversense Brand Products

Eversense is a line of feminine fragrances and deodorants, featuring three main product categories: powders, colognes, and roll-ons. Launched in 1989, Eversense was the first personal care brand introduced by the Company, positioned as “a brand that enhances the inherent charm of every woman, empowering her confidence.” Known for its distinctive scents, Eversense aims to elevate a woman's allure and target teenagers and young women aged 15 to 25 who embrace their unique beauty.



Eversense has consistently resonated with its audience, particularly in convenience stores. The brand recently unveiled new premium mass products, such as the Eversense Made My Day Collection Perfume Mist, which includes three scents that can be layered to create six unique fragrances, enhancing both aroma and luxury. Additionally, Eversense has launched innovative roll-on products, including the Eversense Intensive Bright Roll-On. This product features PHA

to exfoliate dull skin and effectively address common skin concerns. Enriched with vitamins C, E, and B3, it promotes a brighter complexion. The Eversense Intensive Protection Roll-On provides double the sweat protection with Duo Anti-Odor technology, ensuring long-lasting freshness. Its lightweight, quick-drying formula is gentle on the skin and free from alcohol.

● Vivite Brand Products

Vivite is a line of feminine fragrances and deodorants launched in 1999, encompassing three main categories: roll-ons, perfumes, and skincare products. The brand positions itself as “a line that gently nurtures the skin with natural ingredients while prioritizing environmental safety.” Vivite stands out for its commitment to using natural extracts, delivering effective whitening results. Its products feature floral essential oils sourced from premium growing regions, with flowers harvested at their peak to ensure a long-lasting and vibrant fragrance. Targeting working women aged 27 to 40 who are meticulous about self-care, Vivite appeals to those seeking gentle, nature-based solutions in their beauty routines.



(3) Baby and Kids Products

The Company markets a range of baby and kids products under the D-nee brand, organized into four main categories: (1) Fabric Care Products for Children – This category includes baby laundry detergent and fabric softener, both of which have consistently held the number one market share for over seven years; (2) Skin Care and Cleansing Products for Children – This range features baby wash and shampoo products, baby powder, cotton pads, wet wipes, and skin moisturizers; (3) Dishwashing Products for Children – This includes baby bottle cleaners, which have maintained the leading market share for six consecutive years, as well as dishwashing liquids for baby utensils; (4) Additional Products – This category encompasses floor cleaners and play mats for children, cleaning sprays for toys and baby items, washes for fruits and vegetables, etc.

The Company launched the D-nee brand in 1997, aiming to be “the leading provider of the best products for all ages, meeting international quality standards and rigorously tested to ensure they are hypoallergenic and non-irritating.” The primary target audience for D-nee includes mothers of newborns to toddlers who prioritize high-quality products and standards, always seeking the best for their children. The brand also appeals to teenagers and families looking for effective yet gentle products.

In 2024, D-nee introduced a new line called D-nee Deluxe, specifically designed for the growing elderly market. This new range addresses the unique needs of seniors and includes three main categories: laundry detergent, lotion, and liquid soap, all emphasizing gentleness and featuring innovative Japanese technology to neutralize unpleasant odors, ensuring users feel fresh and confident throughout the day.



D-nee offers a diverse array of products that meet the needs of every family member, including both household and personal care products for children. The product portfolio has expanded to encompass offerings for teenagers, families, and seniors who seek gentle solutions. Each D-nee product is characterized by its high quality, natural ingredients, and gentle formulations, with a balanced pH that is safe for children’s skin. Additionally, all products have passed rigorous hypoallergenic testing by a leading dermatology institute, confirming that it is free from allergens and irritation. This commitment to quality has earned D-nee the trust of modern mothers and consumers with sensitive skin alike.

1.2.2.2 Relevant Laws and Licenses for Business Operations

The Company's operations are governed by several key laws, including:

(1) Factory Operating License

The Company secured its factory operating license (Form Ror. Ngor. 4) from the Department of Industrial Works in 2018. While this license typically requires renewal every five years, the Factory Act (No. 2), B.E. 2562 (A.D. 2019), has established that such licenses no longer have an expiration date. Consequently, the Company is not obligated to renew the license. However, it continues to pay the annual fees as required.



(2) Cosmetic Product Registration Certificate

The Company is a licensed manufacturer of personal care products in the cosmetics category, compliant with the Cosmetics Act, B.E. 2558 (A.D. 2015). This legislation mandates that anyone wishing to produce cosmetics for sale must register their product details with the Food and Drug Administration ("FDA") to ensure safe production and distribution in the market, thereby protecting consumers from potentially harmful cosmetics. The Company has meticulously registered all its products with the FDA and consistently renews each product's registration every three years, in accordance with legal requirements.

(3) License Under the Hazardous Substances Act

In accordance with the Hazardous Substances Act, B.E. 2535 (A.D. 1992) (including amendments), the company's products classified as Type 1 hazardous substances include household items such as laundry detergents, bottle cleaning solutions, floor cleaners, and standard bathroom cleaners. Additionally, the Company's products categorized as Type 3 hazardous substances encompass antibacterial laundry detergents, antibacterial floor cleaners, and antibacterial bathroom cleaners.

(4) Health Hazard Business Operation License

The Company has secured a health hazard business operation license for soap production, along with the manufacturing and packaging of cosmetics and toothpaste, from the Bueng Kho Hai Subdistrict Administrative Organization in Pathum Thani Province. This license is renewed annually to ensure compliance.

Below is a summary of the key licenses required for the Company's operations:

Key Business Operation Licenses of the Company

No.	License	Licensing Authority	Date of License Issuance	License Expiration Date
1.	Factory Operation License (Ror. Ngor. 4)	Department of Industrial Works	September 24, 2012 Commenced operations on September 21, 2018	No specified expiration date.
	Annual fee payment (to be paid every year)	Pathum Thani Provincial Industry	September 21, 2024	September 21, 2025
2.	Certificate of Notification for Cosmetic Production	Food and Drug Administration	According to the registration date of each product, with renewal due every 3 years.	
3.	Notification of Facts Regarding Hazardous Substance Type 1	Food and Drug Administration	No specified expiration date.	
4.	Certificate of Registration for Hazardous Substances (for Hazardous Substance Type 3)	Food and Drug Administration	According to the registration date of each product, the registration certificate will be valid until December 31 of the sixth year from the year of issuance.	
5.	License to Manufacture Hazardous Substances (for Hazardous Substance Type 3)	Food and Drug Administration	According to the application date of each product, the license will be valid until December 31 of the third year from the year of issuance.	
6.	License for Operations that are Hazardous to Health (AorPhor. 2) for Soap Production	Bueng Koh Hai Subdistrict Administrative Organization	October 19, 2023 Commenced operations on October 18, 2018	October 20, 2025 Renewed annually
7.	License for Operations that are Hazardous to Health (AorPhor 2) for the Packaging of Cosmetics and Toothpaste	Bueng Koh Hai Subdistrict Administrative Organization	October 19, 2023 Commenced operations on October 18, 2018	October 20, 2025 Renewed annually

No.	License	Licensing Authority	Date of License Issuance	License Expiration Date
8.	License for Operating a Facility for Oil Storage, Type 3	Department of Energy Business, Pathum Thani	February 16, 2024 Commenced operations on June 25, 2019	December 31, 2025 Renewed annually
9	License for Electric Power Generation (Solar Roof)	Department of Energy Affairs	January 4, 2021	January 4, 2026
10	License for Controlled Energy Production (Generator)	Department of Renewable Energy and Energy Conservation	October 15, 2021	October 14, 2025
11	License for Land Use for Pipe Installation and Water Pumping from Irrigation Canals	Royal Irrigation Department, Rangsit-South Water Delivery and Maintenance Project	February 4, 2024 Commenced operations on February 3, 2021	February 3, 2027 Renewed every 3 years

(5) Price Control for Regulated Products

The Price of Goods and Services Act, B.E. 2542 (A.D. 1999), established a Central Committee on Prices of Goods and Services (“Central Committee”) to oversee controlled products, aimed at preventing unfair pricing practices. This includes monitoring and regulating pricing adjustments for these items. Suppliers of regulated products are required to report their costs, selling prices, and product details to the Central Committee. Any adjustments to selling prices must receive prior approval from the committee. The Company’s products categorized as controlled items include four types: laundry detergents, shower creams, shampoos, and dishwashing liquids. The Company has consistently adhered to these regulations and has diligently reported information regarding its controlled products to the Central Committee.

1.2.2.3 Quality Standards and Certifications Received by the Company

The Company is committed to enhancing product quality and sustainable operational standards. This commitment involves continuous improvements to manufacturing processes to meet international standards, ensuring alignment with the needs of customers both locally and globally. Below are the international quality standards and certifications obtained from recognized institutions:

Standard/Certification	Description	Validity
TLS 8001-2020	Certification of basic Thai labor standards from the Department of Welfare and Labor Protection, Ministry of Labor.	June 2024 – June 2026
ISO 9001:2015	Certification of the Quality Management System (QMS) for research and development and the production of household and personal care products (SGS).	October 2022 – October 2025
ISO 14001:2015	Certification of the Environmental Management System (SGS).	December 2023 – December 2026
ISO 45001:2018	Certification of the Occupational Health and Safety Management System (SGS).	September 2023 – September 2026
Good Manufacturing Practice (GMP) for Cosmetics	Certification of Good Manufacturing Practices for cosmetic production from the Food and Drug Administration.	May 2022 – May 2025
Good Manufacturing Practice (GMP) for Hazardous Substances	Certification of Good Manufacturing Practices for the production of hazardous substances from the Food and Drug Administration.	December 2022 – December 2025
Green Industry Level 4	Certification of Environmental Management Systems from the Ministry of Industry.	June 2024 – June 2027
ECO Factory	Certification of Environmental and Social Management Systems from the Federation of Thai Industries.	June 2023 – June 2026

1.2.2.4 Investment Promotion Card

– None –

1.2.2.5 Business Innovation Development



Research and development are vital to the Company's business, as a significant portion of its sustained success comes from its ability to innovate and respond to consumer demands and market trends. The Company is committed to ongoing research and development of both product formulations and packaging. This includes creating and diversifying new products (New Product Development) and introducing innovative solutions to ensure the Company's offerings stand out and remain competitive. Additionally, the Company focuses on improving existing products (Relaunch) to enhance their features, align with market trends, meet consumer needs, and reduce costs while maintaining high quality.

Research and development expenses encompass costs related to consumer research, salaries of R&D staff, product testing fees, and depreciation of R&D assets. In 2022, 2023, and 2024, the Company's total research and development expenses were 127.9 million baht, 147.2 million baht, and 181.0 million baht, respectively. Additionally, expenses for research and innovation collaborations with external agencies in 2022, 2023, and 2024 amounted to 6.5 million baht, 8.8 million baht, and 7.6 million baht, respectively.

Over the past three years, the Company's R&D efforts have primarily focused on new product development and formulation adjustments, with an emphasis on (1) enhancing cleaning efficacy to effectively eliminate bacteria and viruses, including COVID-19, in response to the pandemic; (2) creating products that utilize natural extracts and are gentle on consumers, reflecting the growing trend towards such offerings; and (3) expanding its product line to include premium mass and premium segments, catering to consumers willing to pay higher prices for superior quality.

The key research and development initiatives of the Company from 2022 to 2024 can be summarized as follows:

Years	Key Research and Development
2022	<p><u>Household Products</u></p> <ul style="list-style-type: none"> • Fine Line Fabric Care Products: The Company has enhanced the fabric care products by changing the fragrance and incorporating Encapsulation Technology in the concentrated formula, resulting in a longer-lasting freshness for fabrics. <p><u>Personal Care Products</u></p> <ul style="list-style-type: none"> • Tros AI Series Roll-On, Cologne, and Body Wash: This innovative product line is the first in the Asian region to utilize AI technology for scent selection. It features PeptAlde 4.0, an ingredient selected by AI for its beneficial properties for skin and hair. Additionally, the formula provides 100% enhanced effectiveness, helping to reduce yellowing and white stains on clothing.
2023	<p><u>Household Products</u></p> <ul style="list-style-type: none"> • Smart Fabric Care Products: The Company's concentrated Hygienic Clean formula effectively eliminates 99.9% of bacteria and the SARS-CoV-2 virus, the cause of COVID-19. • Tomi Floor Cleaner for Pets: This specially formulated product removes unpleasant odors from pets while its cleaning agents effectively tackle dust, stains, and dirt. It has been rigorously tested to ensure it is non-irritating. <p><u>Personal Care Products</u></p> <ul style="list-style-type: none"> • Eversense Roll-On: With the 5X Whitening Complex and Double Protection formulas, this roll-on provides superior odor control while promoting smooth, luminous underarm skin.

Years	Key Research and Development
2024	<p><u>Household Products</u></p> <ul style="list-style-type: none"> • Fineline Fabric Softener introduces an innovative solution that reduces pet hair cling on clothes and minimizes dust accumulation on fabrics. • Fineline Laundry Detergent featuring Malodor Control technology helps release a fresh scent when clothes come into contact with external elements such as heat and humidity. <p><u>Personal Care Products</u></p> <ul style="list-style-type: none"> • BeNice Perfumed Shower Gel with Blooming Bomb technology provides a long-lasting fragrance for up to 24 hours, similar to the effect of wearing perfume. <p><u>Baby and Kids Products</u></p> <ul style="list-style-type: none"> • D-nee Deluxe Laundry Detergent, Lotion, and Shower Cream are the first in Thailand to incorporate Japanese persimmon extract to help eliminate unwanted odors, especially for the elderly.

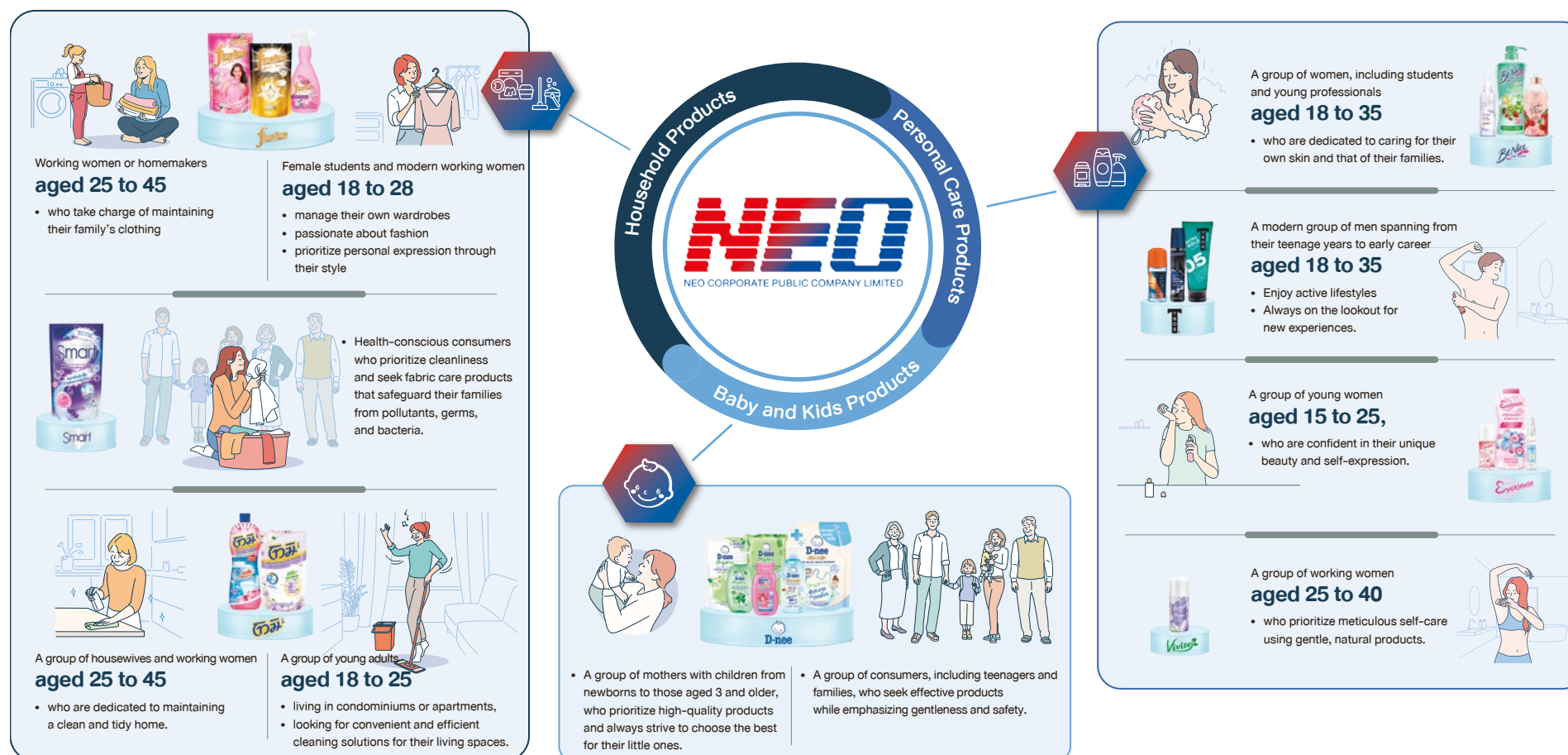
In 2020, the Company established a Research and Development (R&D) Center to accelerate the exploration and development of new innovations and technologies. The Company has formed strategic partnerships with external organizations, such as universities and research institutes, to foster knowledge creation and translate it into high-performance products that meet consumer needs. Most recently, on January 23, 2025, the Company collaborated with Chiang Mai University to research and develop innovations in FMCG products tailored to the lifestyles of modern consumers, focusing on specific groups like Young Old (Yold) and Gen Beta (young children). This partnership also aims to support Thai researchers by providing practical applications for their work, aligning with the concept of “From Bookshelf to Store.”

The R&D Center plays a pivotal role in developing the product pipeline through in-house technology, serving as a key driver of future growth. Additionally, it contributes to the creation of new business units, products, and services, ensuring the Company's long-term sustainability.

1.2.3 Marketing and Competition

1.2.3.1 Target Consumer Groups

The Company primarily targets mass consumers who buy its products through a diverse distribution network. Each brand within the Company is tailored to specific consumer segments, taking into account factors such as gender, age, behaviors, and lifestyle choices. This targeted marketing strategy ensures that each brand's positioning is aligned with the unique needs and preferences of its intended audience.



The Company's success in the mass consumer market has led to the strategic expansion of its product offerings into premium mass and premium mass segments for select brands. This initiative targets consumers who prioritize quality, functionality, and distinct branding at higher price points than standard products. The Company aims to increase revenue from premium mass and premium product sales to meet the growing demand in these segments, thereby enhancing future growth opportunities and profitability.

For example, the D-nee brand has evolved its target demographic from primarily mothers with newborns to include those with children aged three and older, introducing the sub-brand D-nee Kids. Recently, D-nee has expanded its product portfolio to cater to teenagers and families seeking gentler options, as well as seniors concerned about unwanted odors. The new D-nee Deluxe line features advanced odor-neutralizing technology utilizing Japanese persimmon extract. For example, fabric care products specifically formulated to tackle a variety of unpleasant odors, including mustiness, body odor, sweat, urine, massage oil, and hair oil. They also boast powerful stain-fighting capabilities against six tough stains: food, tea and coffee, saliva, oil, urine, and feces.

Moreover, TROS has also introduced a new product line under the sub-brand TROS PRO, designed to deliver a premium experience through extensive research and development. This line features specially formulated products and meticulously selected ingredients that address a variety of consumer needs. Each product undergoes rigorous testing and evaluation by experts to ensure consistent quality at every stage, right up to the point of delivery. This launch is aimed at catering to the diverse lifestyles of modern consumers who demand more effective solutions.

1.2.3.2 Customer Characteristics and Distribution Channels

The Company distributes its products both domestically and internationally, primarily through outright sales. Within the domestic market, the Company focuses on a broad network of customers, including both modern trade retailers and traditional trade outlets. These retailers and distributors purchase products from the Company to resell to smaller retail shops and consumers. In addition to retail customers and distributors, the Company also serves business clients who order directly, including laundries, hotels, restaurants, and hospitals that utilize its products in significant volumes. Furthermore, the Company offers direct sales to consumers through online channels.

In the international market, the Company's customers consist of distributors in various countries who buy products from NEO and manage marketing and distribution through their designated sales channels. The primary export markets for the Company are Vietnam, Cambodia, Laos, and Myanmar.

1. Domestic Distribution Channels

(1) Modern Trade Retail Channels

The modern trade retail channel is the Company's primary distribution method, leveraging a vast network of stores to reach consumers widely across the country. Currently, the Company distributes its products through over 20,000 modern trade outlets, primarily large retail chains. Sales through these modern trade channels can be categorized into several types of stores:

- **Large Retailers:** This category includes hypermarkets and supermarkets that specialize in selling consumer goods in bulk with a wide variety of choices. Notable examples are Big C, CJ-Express, Foodland, Gourmet Market, Lotus's, MaxValu, and Tops.
- **Wholesale Retailers:** These modern retail outlets focus on bulk sales, catering to traditional stores and consumers who purchase large quantities. A prime example is Makro.
- **Department Stores:** These retail establishments offer a diverse array of products organized into distinct departments. The Company sells its baby and kids products through leading department stores, including Central and Robinson.
- **Convenience Stores:** These small retail outlets are strategically located throughout urban areas and communities, emphasizing fast-selling everyday items with a high turnover rate. Many operate 24 hours a day, including TD Shops, 7-Eleven, Jiffy, and Lawson 108.

(2) Traditional Trade Channels

The traditional trade channel is a crucial distribution method for the Company, representing significant market value, second only to modern trade outlets. Traditional stores are extensively distributed across the country, often situated near residential areas or major tourist attractions, ensuring easy access for consumers. This channel effectively serves as a primary means of distributing products to reach local consumers and diverse communities.

(3) Sales to Business and Industrial Customers ("Special Channel")

The Company distributes products to specialty stores that focus on specific categories, such as cosmetics, skincare, and pharmaceutical items. Notable

examples include Boots, Lab Pharmacy, Matsumoto Kiyoshi, Tsuruha, and Watsons. Additionally, the Company directly supplies products to business clients in various sectors, including laundries, hotels, restaurants, and hospitals, which use its products in substantial volumes.

(4) Online Channels

The Company provides its products through a variety of online channels, allowing consumers to easily and quickly make purchases. These channels include social media platforms like Facebook, Line Shopping, and TikTok, as well as popular e-commerce platforms such as Konvy, Lazada, and Shopee. This strategy effectively caters to the rapidly expanding e-commerce market in Thailand.

(5) Other Channels

The Company directly sells its products to consumers at trade shows and various events, including the Baby Fair and Roadshows at workplaces, markets, shopping malls, etc.

2. Distribution Channels Abroad

The Company started exporting its products internationally in 2007, granting marketing and distribution rights for specific brands and products to designated distributors based on assigned sales territories. In certain countries, the Company may appoint multiple distributors as needed. Currently, its products are distributed through various distributors and partners across 23 countries, with primary export markets including Vietnam, Cambodia, Laos, and Myanmar.

1.2.3.3 Pricing Policy

The selling price of products is a critical factor in consumers' purchasing decisions, particularly in the highly competitive consumer goods market where options abound. Consequently, the Company emphasizes the importance of establishing appropriate selling prices but does not primarily adopt a pricing strategy focused solely on competition.

For new products, the Company determines the recommended retail selling price (RSP) based on several key factors: (1) the cost of goods and the anticipated profit margin, (2) brand and product positioning to ensure the price reflects the product's image, characteristics, and target consumer group, and (3) competitive conditions. The Company conducts price surveys of existing competitors in the market to set prices that provide a competitive edge and facilitate the achievement of targeted market share.

For products already in the market, the Company seldom adjusts the recommended retail selling price (RSP). Instead, it focuses on promotional activities, such as buy-one-get-one-free offers, discounts, or giveaways, which can be changed more frequently than price adjustments. When determining promotional strategies, the Company considers several factors, including competitive conditions, the pricing and promotional activities of competitors, economic conditions, product popularity, and the product life cycle.

For international sales, the Company establishes four pricing structures based on delivery terms: (1) Ex-Works (EXW) pricing, applicable when customers pick up products directly from the factory; (2) Free on Board (FOB) pricing, which includes shipping costs from the factory to the port of origin, while customers handle the

shipping line selection and costs from the port of origin to the destination; (3) Cost and Freight (CNF) pricing, which covers shipping costs to the destination port but excludes insurance; and (4) Cost, Insurance, and Freight (CIF) pricing, which includes shipping costs to the destination port along with insurance coverage. Typically, the Company primarily sells its products to international customers using the Free on Board (FOB) pricing model.

The Company has set payment terms (Credit Terms) for its customers based on several factors, including the duration of their business operations and their purchasing history with the Company. For domestic customers, the payment terms range from 15 to 75 days. For international customers, payments can be made either through an advance wire transfer for the total amount or via a Letter of Credit (L/C), with payment terms ranging from 20 to 60 days.

1.2.3.4 Marketing Communication and Sales Promotion

The Company places a strong emphasis on effective marketing activities and sales promotions, recognizing these as essential tools for building consumer awareness and generating demand for its products. This focus significantly influences the Company's sales performance.

1. Marketing Communication

The Company is dedicated to showcasing its diverse range of brand products through effective marketing communications aimed at raising consumer awareness of each product's unique features and identity. This approach not only enhances brand image but also attracts consumers to make purchasing decisions. Furthermore, the Company places a strong emphasis on cultivating engagement between its brands and consumers, fostering long-term brand loyalty. Each product brand is equipped with tailored marketing strategies and plans designed to effectively reach and resonate with its specific target audience.

The Company employs a wide variety of marketing communication channels to effectively reach consumers. This includes broad outreach through television, online media, out-of-home advertising, etc. In addition, the Company utilizes targeted strategies for specific consumer segments, such as television commercials (TVC), radio advertisements, various out-of-home media, social media engagement, and point-of-purchase promotions.

Furthermore, each product brand collaborates with well-known brand ambassadors whose images align with the brand's identity. This partnership enhances brand recognition and builds consumer confidence in both the brand and its products.

2. Sales Promotion Activities

The Company actively engages in sales promotion activities alongside its marketing efforts to stimulate consumer demand for its products. These promotions take various forms, including discounts, giveaways, and complimentary gifts, and are regularly updated to maintain consumer interest. The Company strategically selects sales promotion activities that align with the product category, market positioning, competitive landscape, and product life cycle. In terms of product categories and market positioning, the Company prioritizes promotional activities for mass market products more frequently than for premium mass or premium products. This focus is driven by the fact that target consumers in the mass market tend to prioritize price and appealing promotional offers when making purchasing decisions. When it comes to competition, the Company concentrates its promotional efforts on categories with intense market rivalry to maintain competitiveness and protect market share. Additionally, with respect to the product life cycle, the Company emphasizes promotional activities for new product launches, aiming to generate consumer interest and encourage trial purchases.

1.2.3.5 Industry Landscape and Competition

1. Domestic market

The Fast-Moving Consumer Goods (FMCG) market in Thailand for 2024, particularly in the product categories that Neo Corporate Public Company Limited operates in, is showing strong growth trends. Both household and personal care product categories are experiencing positive growth, with increases in both market value and consumption volume across all segments. However, competition within the industry has intensified compared to the previous year. This is evident from the reduction in average prices per unit across key product categories, such as liquid laundry detergents, concentrated fabric softeners, cleaning products, and body wash.

Regarding consumer behavior trends that impact key markets, such as liquid laundry detergents, it is clear that the consumption share of liquid products has risen. Liquid laundry detergents now represent 45.22% of the total market value, showing an increase of 3.86% compared to the previous year. As a result, in 2024, liquid laundry detergents are projected to experience a strong value growth of 14.35%.

- **Household Products Segment**

The household products industry, which includes liquid laundry detergents, fabric softeners, ironing aids, floor cleaners, and bathroom cleaners, is highly competitive, with numerous local and international players. Neo Corporate Public Company Limited stands out as a leading player in Thailand's household products market. In 2024, competition is expected to intensify significantly compared to 2023. A notable trend this year is the increased use of promotional strategies, particularly the introduction of Special Packs, which offer lower prices per unit volume compared to regular products.

This tactic aims to drive higher sales at retail outlets, resulting in robust market growth. For example, liquid laundry detergents have seen a 14.35% growth, with a 1.52% reduction in price per unit volume. Household cleaning products have experienced a 1.14% growth, accompanied by a 2.27% decrease in price per unit volume, while concentrated fabric softeners have grown by 9.90%, with a 2.49% decrease in price per unit volume. Additionally, there has been strong growth in large refill packages (1,000–2,000 ml), with liquid laundry detergents growing by 33.31% and fabric softeners increasing by 32.80%. This suggests a shift in consumer behavior, with an increasing preference for larger product sizes, which in turn is contributing to positive market growth compared to the previous year. Additionally, online sales channels on various platforms and traditional trade through distributor partner channels are key factors driving the growth of the company's household products segment, with sales growth rates of 23.8% and 22.0%, respectively.

The household products segment is poised for continued positive growth, driven by several key factors. A major contributing factor is the ongoing increase in the number of households in Thailand, along with broader macroeconomic and societal trends. These include rising disposable incomes, improved education levels, and the growing prevalence of smaller family units. Furthermore, urbanization remains on an upward trajectory, as more people migrate to larger cities for employment and choose to live in compact spaces such as apartments and condominiums. This shift is expected to drive higher demand for household products such as liquid laundry detergents, floor cleaners, and bathroom cleaning products.

● Personal Care Products Segment

The personal care industry is highly competitive, with a diverse range of both domestic and international players. In addition to major global health and beauty retailers such as Watsons, Boots, and Tsuruha, many dermatologists and beauty clinics now offer proprietary personal care products that directly compete with established brands. This heightened competition benefits consumers by offering a greater variety of products in terms of quality and pricing. To remain competitive, businesses must focus on creating differentiated and innovative products that appeal to their target audiences. The Company offers a comprehensive lineup of five product categories within the personal care sector, including shower creams, powders, roll-ons, colognes, and intimate cleansing products. The brands BeNice, Tros, Eversense, and Vivite are recognized as leading names in the domestic market. In 2024, the Shea Butter Peachy Peach Shower Cream from the BeNice brand received the Best Body Wash award at the Konvy Best of Beauty Awards 2024. Additionally, the Company's personal care product segment saw strong growth in both online and offline sales channels, with growth rates of 22.0% and 19.5%, respectively, leading to an overall sales growth of 20.2%.

The levels of pollution and the COVID-19 pandemic have significantly impacted public health and transformed consumer behavior. As a result, individuals are placing greater emphasis on health and hygiene, leading to an increased demand for premium personal care products that prioritize safety and natural ingredients. In response, businesses in the consumer goods sector are concentrating on developing products that not only address the shifting preferences of consumers but also build trust in their quality and safety.

Consumers are becoming more discerning in their choices of personal care products, leading to increased competition in product development and targeted marketing strategies. Brands that can effectively adapt their identity, values, and product purposes while offering a comprehensive and contemporary range tailored to their target audience are likely to build long-term sales from a loyal customer base. Moreover, as Thai consumers enjoy higher disposable incomes and greater awareness of personal care products, alongside an increasing focus on personal hygiene, the market for personal care products in Thailand is anticipated to continue its steady growth.

● Baby and Kids Products Segment

The baby and kids products industry is characterized by intense competition, with numerous players from both domestic and international markets. Among them, the Company and Osotspa stand out by offering a comprehensive range of six essential product categories: baby laundry detergent, baby fabric softener, baby dishwashing liquid, baby body wash and shampoo, baby powder, and baby skin care products. The Company is a leader in the segments of baby laundry detergent, fabric softener, and dishwashing liquid. Between 2018 and 2024, its D-nee brand has earned significant trust among consumers, reflected in several prestigious awards. Notably, in 2024, D-nee was recognized with the Best Natural & Organic Laundry Detergent and Best Natural & Organic Head To Toe Wash For Kids at the Amarin Baby & Kids Awards, as well as the Parent's Choice Award for Most Safe For Kids Liquid Detergent and Most Organic Gentle Baby Wash from The Asianparent.

The D-nee brand has achieved the leading market share in the baby and kids products category since 2021. This category encompasses six product types: baby laundry detergent, baby fabric softener, baby dishwashing liquid, baby body wash and shampoo,

baby powder, and baby skin care products. As of 2024, D-nee commands a market share of 40.18%. Furthermore, according to Nielsen Company (Thailand)'s report the growth rate for D-nee products in 2024 is 9.66%, significantly surpassing the overall growth rate for the baby and kids products market, which stands at 3.97%.

The retail market for baby and kids products in Thailand is projected to continue its positive growth, fueled by consumer confidence in the economy's recovery post-COVID-19. In addition, there is a noticeable shift toward greater focus on hygiene, with parents becoming more conscientious about the health and well-being of their children. As disposable incomes rise, parents are increasingly opting for premium, safe products, including those made with natural and organic ingredients. Despite the ongoing decline in Thailand's birth rate, adult consumers with sensitive skin continue to seek out gentle products that are free from harmful chemicals, allergens, and irritants, as well as baby care items. This demand is contributing to a consistent growth in the retail market value of baby and kids products in Thailand. Parents are increasingly prioritizing the well-being and development of their children, demonstrating a willingness to invest in safe and suitable products for their little ones. Additionally, online sales channels on various platforms have been a key factor driving the growth of the Company's baby and kids product segment, with online sales growing at a rate of 17.9%

2. International Market

● Growth Trends in the Industry

The economies of the CLMV countries (Cambodia, Laos, Myanmar, and Vietnam) are experiencing steady growth, with continued expansion anticipated in line with the economic development plans of each nation. The increasing population and urbanization are driving higher demand for consumer goods, particularly essential daily-use products like liquid laundry detergents and body wash. In addition to this, urbanization is influencing changes in consumer behavior. As access to information on hygiene and personal care improves, consumers are shifting from traditional products, such as bar soap, to liquid soap, and from powder laundry detergents to liquid alternatives. The rising disposable income in CLMV countries is also expected to boost demand for non-essential products such as fabric softeners, fabric fresheners, fabric speed starch, body powders, roll-ons, colognes, and intimate hygiene products. Governments in the CLMV region are promoting both domestic and foreign investments, which is likely to spur the construction of modern retail outlets and shopping malls. This will expand consumer access and further fuel the growth of the consumer goods sector. For years, Thai manufacturers have been exporting products to the CLMV countries, establishing a strong market presence with their trusted brands. Thai products are recognized for their high quality and competitive pricing, enabling them to successfully compete with global brands. As a result, consumer goods from Thailand continue to be in high demand within the CLMV region.

The economies of the CLMV countries are projected to experience growth similar to Thailand's, driven by a youthful and expanding population that is becoming a key economic force, alongside growing urbanization and rising household incomes. As a result, the

consumer goods industry in this region is expected to see sustained positive growth over the next five years. There remains significant untapped market potential in each country, creating ample opportunities for competition and attracting more companies to enter the market. Thai companies are anticipated to have a competitive edge in the consumer goods industry due to their extensive experience in exporting products to the CLMV markets. These companies have built strong brands that are well-regarded by consumers for their quality and affordability. Furthermore, the Thai government aims to expand exports to the CLMV countries, which is motivating businesses in the consumer goods sector to increase their export efforts. Consequently, the outlook for companies in the consumer goods industry within the CLMV region is optimistic.



1.2.4 Product and Service Sourcing

1.2.4.1 Manufacturing Facilities and Production Capacity



The Company's manufacturing operations are managed by Neo Factory Co., Ltd. (NEO-F), the subsidiary located in Khlong 13, Lam Luk Ka District, Pathum Thani Province. The facility spans a total area of approximately 229 rai, 3 ngan, and 56.2 square wah. It includes the following key sections: (1) Household products manufacturing plant to produce the Company's entire range of household products, with the exception of bathroom cleaning products; (2) Personal care products manufacturing plant dedicated to the production of the Company's most of personal care products; (3) Bathroom cleaning products manufacturing plant; and (4) Finished goods warehouse.

The Company's manufacturing facility boasts a total production capacity of 268,063 tons per year. This capacity is allocated as follows: 221,938 tons per year for household products (including Baby and Kids products) and 46,125 tons for personal care products (including Baby and Kids products). Between 2022 and 2024, the increase in production capacity across these categories primarily stemmed from enhancements in the manufacturing processes, complemented by strategic investments in additional machinery. Below are the details of the production capacity and actual output from 2022 to 2024:

Table displaying the production capacity and actual output of the Company's manufacturing facility.

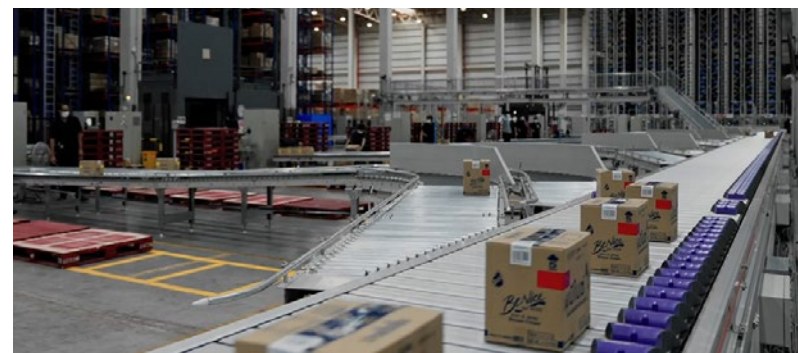
	For the Year Ending December 31		
	2022	2023	2024
Household Products (Including Adult and Baby and Kids products)			
Production Capacity (tons/batch)	190,400	195,886	221,938
Actual Production (tons/batch)	149,827	165,396	161,617
• Adults (tons/batch)	122,041	134,959	131,825
• Children (tons/batch)	27,786	30,437	29,792
Capacity Utilization Rate (%)	78.7	84.4	72.8
• Adults (tons/batch)	64.1	68.9	59.4
• Children (tons/batch)	14.6	15.5	13.4

	For the Year Ending December 31		
	2022	2023	2024
Personal Care Products (Including Adult and Baby and Kids products)			
Production Capacity (tons/batch)	38,896	38,896	46,125
Actual Production (tons/batch)	29,062.1	26,730	34,681
• Adults (tons/batch)	24,251.0	21,658	28,727
• Children (tons/batch)	4,811	5,072	5,954
Capacity Utilization Rate (%)	74.7	68.7	75.2
• Adults (tons/batch)	62.3	55.7	62.3
• Children (tons/batch)	12.4	13.0	12.9
Total			
Production Capacity ¹ (tons/batch)	229,296	234,782	268,063
Actual Production (tons/batch)	178,889	192,127	196,298
Capacity Utilization Rate (%)	78.0	81.8	73.2

Note: ¹Production Capacity is calculated based on the assumption of working hours for 2 shifts, with each shift being 7.5 hours per day.

The Company places great emphasis on production efficiency. Over the years, the Company has continually enhanced and optimized its production lines by integrating advanced technologies. This includes implementing computer systems for monitoring and controlling production processes, using automated machines, and introducing robotic systems for packaging.

In addition, the Company has invested in an Automated Storage and Retrieval System (ASRS) for its finished goods warehouse. This system streamlines and automates various aspects of warehouse management, enabling efficient and accurate storage of finished products. The ASRS can accommodate higher volumes of finished goods, reducing reliance on human labor, and significantly enhancing the speed and accuracy of warehouse operations. As a result, the Company has been able to reduce the time spent searching for products, minimize errors, and lower the risk of product loss. Currently, the automated finished goods warehouse has the capacity to store approximately 45,700 pallets. The Company plans to invest in expanding its storage facilities for raw materials and packaging, along with implementing a warehouse management system. This investment aims to support the Company's growth and future production capacity expansion projects. The implementation will be carried out in two phases as follows. Phase 1: By 2027, the project will increase the storage capacity for raw materials and packaging to 16,290 pallets, up from 11,402 pallets as of December 31, 2024. Phase 2: By 2030, the storage capacity will further increase to 22,910 pallets.



1.2.4.2 Procurement of Raw Materials for Production

The Company sources raw materials and packaging from over 150 domestic suppliers. However, the raw materials and packaging used consist of both imported materials and domestically produced materials. In its procurement process, the Company places a strong emphasis on obtaining raw materials and packing that meet established standards. Purchases are made only from suppliers whose products have successfully passed production and functionality testing according to the Company's specifications.

In addition to prioritizing quality, the Company focuses on effective inventory management for raw materials and packaging. This ensures that inventory levels align with production needs, enhancing working capital efficiency and reducing storage costs. The Company sets appropriate minimum inventory levels (Safety Stock) for each type of raw material and packaging, taking into account monthly usage rates, lead times, and market conditions.



Key details regarding the procurement of the Company's primary raw materials and packaging are summarized as follows:

(1) Chemicals and Fragrances

Chemicals and fragrances are essential raw materials in the Company's production process. The Company utilizes a variety of chemicals, including surfactants, acid-base compounds, thickeners, etc.

The majority of these chemicals are sourced from domestic manufacturers and import agents, with approximately 70 distributors operating within Thailand. For surfactants—one of the Company's primary raw materials—the Company procures them from two main suppliers, which together account for about 40% and 30% of the total value of surfactant purchases, respectively. For chemicals that are needed in large quantities, the Company provides suppliers with monthly purchase forecasts and weekly inventory requests. It also enters into purchase agreements for raw materials with terms of 3, 6, or 12 months, allowing for the pre-establishment of order volumes and pricing based on the duration of the contract. Furthermore, the Company maintains reserves of certain chemicals, determining minimum safety stock levels based on monthly usage rates, lead times, and prevailing market conditions for those chemicals.

The Company primarily sources fragrances from leading international manufacturers through approximately 15 import agents and distributors based in Thailand. It purchases fragrances from two key developers, which account for about 40% and 30% of the total fragrance procurement value, respectively. To create distinctive and appealing scents that resonate with consumers, the Company maintains ongoing collaborations with each fragrance manufacturer. During the product development process, the Company clearly defines and communicates its desired fragrance characteristics to multiple developers,



order quantities and pricing in alignment with the contract terms. This strategy ensures a reliable supply of fragrances that aligns with the Company's production schedule.

(2) Packaging

The Company primarily utilizes packaging materials such as roll film, plastic bottles, caps, and pumps. It sources most of its packaging from approximately 60 domestic suppliers, ensuring a diverse supply chain without dependence on any single vendor. Additionally, the Company imports certain packaging components, like pumps and spray bottles, because their production is primarily based overseas. For high-volume packaging needs, the Company provides its suppliers with monthly order forecasts and weekly delivery schedules. It also establishes purchase agreements with durations of 3, 6, or 12 months, which outline order quantities and prices in advance based on the contract terms. To ensure a smooth production process, the Company maintains safety stock levels for imported packaging, typically sufficient to cover production needs for 15 to 45 days, depending on the lead time for the specific packaging materials.

allowing them to innovate and refine the scents. The Company then selects the manufacturer that best meets its requirements and, once chosen, places exclusive orders with that manufacturer for the product. Therefore, maintaining strong relationships with fragrance developers is a top priority for the Company. For each fragrance formulation, confidentiality agreements are established, ensuring that the fragrance formula is sold exclusively to the Company and cannot be disclosed or produced for others. Typically, the Company places orders for fragrances on an as-needed basis (by Purchase Order), with a delivery timeframe of approximately 45 to 60 days. The Company requires manufacturers to prepare products in advance, approximately 1 to 2 weeks before the scheduled delivery date. However, the Company has begun entering into fragrance purchase agreements with select suppliers for an average contract duration of about 3 months, allowing for predetermined



1.2.4.3 Production Process

(1) Production Planning

The Company prepares an annual budget at the end of each year. The sales and marketing departments collaborate to develop sales and promotional plans, which are then used by the planning department to generate monthly demand forecasts for each product category for the entire year. This forecast serves as a foundational input for various departments in their annual planning, including production capacity planning, raw material procurement, and machinery acquisition. Each month, the planning department meets with the sales and marketing teams to adjust the demand forecast based on changes in product demand, which may arise from promotional activities or shifts in market conditions.

After updating the demand forecast each month, the planning department prepares a two-month forward production plan that aligns with the revised forecast. This is followed by the creation of detailed weekly and daily production schedules. When developing these schedules, the planning department takes into account factors such as production capacity, machinery (Capacity & Machine), available manpower (Manpower), current finished goods inventory, and the required quantities of raw materials and packaging. The department also works closely with other relevant departments, including production, quality control, procurement, and warehousing, to ensure the production process is well-prepared and seamless.

(2) Procurement of Raw Materials and Packaging

For the procurement of raw materials and packaging, the planning department prepares an annual purchasing forecast and procurement plan based on the demand forecast.

For raw materials or packaging items that are required in large quantities throughout the year, the Company sends monthly purchase estimates to suppliers to inform them of the expected order volumes in advance. Each month, the planning department reviews and adjusts the procurement plan based on updated demand forecasts for each product category, which are revised according to changing market conditions. The adjustment also takes into account the remaining inventory of raw materials and packaging, minimum stock levels (Safety Stock), lead time for orders, and minimum order quantities (MOQ) for each item. This ensures that procurement from suppliers aligns with the Company's master production plan.

During the inspection process, the quality control department conducts random sampling to verify that raw materials and packaging meet the Company's quality standards before they are stored in the inventory. Hazardous or flammable materials, such as alcohol, are stored separately, and materials that require temperature control, such as stickers, films, and plastics, are kept in air-conditioned rooms to preserve their quality. This is done to prevent degradation or damage before the materials enter the production process, in compliance with GMP standards.

(3) Raw Material Preparation and Mixing Process

For each production batch, the production department issues the required raw materials for the mixing process, following the specified formulas and production procedures. During the raw material preparation phase, the warehouse department weighs each material before it is introduced into the mixing process.

Once the mixing process is complete, for certain product types, the production department transfers the mixed product (bulk) into storage tanks and allows it to stabilize for a specified period before proceeding to the packaging stage. For other

products, the mixture can be immediately transferred to the packaging process after mixing. Throughout both the preparation and mixing phases, the quality control department conducts random inspections to ensure the quality of the raw materials and the cleanliness of the equipment used. Additionally, product samples from the finished mixture are taken for quality testing to ensure they meet the Company's defined standards.

(4) Packaging of Finished Products and Wrapping

Once the mixed product (bulk) has passed quality inspection, it is transferred into various types of packaging containers, depending on the product and packaging requirements. The Company uses a range of machinery tailored to the specific product, with automated filling machines being employed to package the products. This automation streamlines the process, reduces production time and costs, and minimizes the risk of errors during filling. After the products are packaged as finished goods, a final quality inspection is conducted to ensure that no packaging is damaged, such as leaks or tears, before the items are wrapped. This inspection step helps reduce the likelihood of product returns after distribution to sales channels. Once cleared in the final inspection, the finished products are then wrapped and prepared for distribution to various sales channels. Packaging also facilitates easier storage in warehouses and simplifies transportation logistics.

(5) Storage in the Finished Goods Warehouse

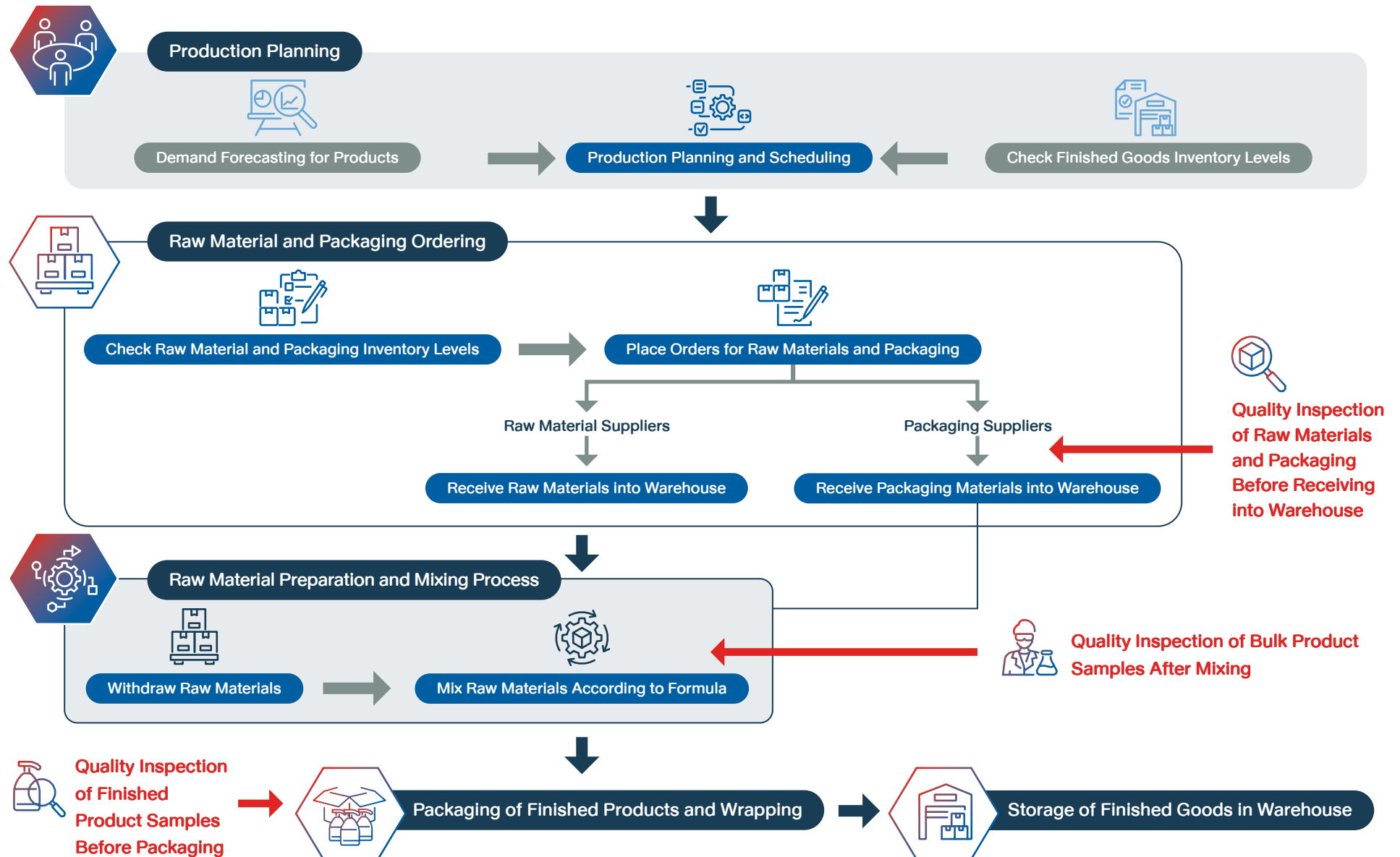
Finished goods that are properly wrapped are placed on pallets and transferred via an automated conveyor system to the Company's finished goods warehouse. Upon arrival, the pallets are scanned using the Automated Storage and Retrieval System (ASRS), which allocates the products to designated storage racks. Products such as acids or

items with gallon-sized containers are separated and stored in a selective rack system. This is to prevent potential damage to other products in case the packaging of these items is compromised. The ASRS system also aids in efficient inventory management by supporting order fulfillment based on the First-In, First-Out (FIFO) principle. This ensures that older stock is shipped first, helping maintain optimal inventory turnover and preventing stock from becoming obsolete or stagnant in the warehouse.

(6) Management of Residual Raw Materials and Production Waste

Leftover mixed products (bulk) and waste generated from product testing are collected and sent to certified disposal contractors for proper recycling or disposal. This process helps minimize the environmental impact. Damaged packaging materials are also collected and sent to a recycling company for sorting and resale to plastic pellet manufacturers. In addition, wastewater generated from cleaning and sanitizing production equipment is treated through the factory's wastewater treatment system, which utilizes both chemical and biological methods, and then recycled and reused in the Company's manufacturing processes.

Flowchart of Key Production Steps



1.2.5 Assets Used in Business Operations

(1) Primary Fixed Assets Utilized in Business Operations

The Company holds primary fixed assets essential for its operations, with a net book value reported in the consolidated financial statements of 5,329.01 million baht as of December 31, 2024. The details of these primary fixed assets are as follows:

Description	Type of Ownership	Net Book Value (Million Baht)	Obligations
Land and land improvements	Owned	669.81	Partially guaranteed with financial institutions
Buildings and building improvements	Owned	1,624.18	Partially guaranteed with financial institutions
Machinery and equipment	Owned	711.45	Partially guaranteed with financial institutions
Fixtures and fittings	Owned	212.83	None
Vehicles	Owned	4.44	None
Assets under construction and installation	Owned	2,106.30	Partially guaranteed with financial institutions
Total		5,329.01	

The land, buildings, machinery, and equipment secured against financial institutions are assets associated with the Company's factories, raw material and packaging storage facilities, and finished goods warehouses. As of December 31, 2024, their net book value stands at 3,866.34 million baht.

(2) Right-of-Use Assets

The Company holds right-of-use assets utilized in its operations, with a net book value reflected in the consolidated financial statements of 76.93 million baht as of December 31, 2024. The details are as follows:

Item	Description	Net Book Value (Million Baht)
Land	Land used as a parking space for the Company, rented from an individual who may have a conflict of interest. ¹	0.18
Equipment	Photocopier, rented from an external party.	0.25
Vehicles	Car, rented from an external party.	76.50
Total		76.93

Note ¹For further details, please refer to the section on related party transactions in Section 2-9: Internal Controls and Related Party Transactions.

(3) Software Assets

The Company possesses intangible assets, specifically software and software currently under development, with a net book value of 49.43 million baht as recorded in the consolidated financial statements as of December 31, 2024. (For additional details, please refer to Appendix 4: Assets Used in Business Operations.)

1.2.6 Work in Progress

– None –

1.3 Shareholding Structure of the Group

1.3.1 Shareholding Structure of the Group

The current shareholding structure of the group
(as of December 31, 2024)



Engaged in marketing and distribution
of consumer goods.

97.14%



Engaged in the production of
consumer goods.

Note: ^{1/}The Company purchases almost all goods from Neo Factory Co., Ltd.

Details of the Subsidiary

Company Name	NEO Factory Company Limited (NEO-F)
Nature of Business	Manufactures consumer products, including household items, personal care products, and baby and kids products, under its own brand. These products are sold to the Company for marketing and distribution purposes.
Head Office Address	168 Moo 5, Bueng Kho Hai Subdistrict, Lam Luk Ka District, Pathum Thani Province
Phone Number	02 014 9999
Paid-up Capital	210.00 million baht
Total Number and Types of Issued Shares	2,100,000 ordinary shares with a par value of 100.00 baht each
Shareholding Proportion and Voting Rights	97.14% ^{1/}

Note: ^{1/}The remaining shares in NEO-F are held by Ms. Nichamon Thakolsri and Ms. Nissara Thakolsri, who are family members of Mr. Suthidej. Each holds a 1.43% stake in NEO-F, representing 1.43% of the total issued and paid-up shares.

Investment Policy in the Subsidiary and Associates

The Company's investment policy is closely aligned with its overarching objectives, vision, and strategic goals for growth. The focus is on expanding the Company's performance and profitability, or investing in businesses that offer synergy to enhance its competitive edge. The goal is for the Company to become a leader in its core business. In addition, the Company, its subsidiary, and/or associates may consider investing in related businesses that present strong potential for growth, have complementary capabilities, or offer strategic business expansion opportunities. These investments should deliver

positive returns while contributing to the overall business performance of the group. When evaluating investments, the Company follows a comprehensive due diligence process that includes an analysis of the investment's feasibility, potential returns, associated risks, and financial impact. The Company also assesses the expected profitability, risk exposure, and financial position before making investment decisions. The investment analysis process must be conducted in an appropriate manner and requires approval and/or consent from either the Board of Directors or the shareholders' meeting of the Company (as the case may be). Furthermore, any requests for investment approval and the disclosure of relevant information must adhere to the regulations set forth by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Corporate Governance Policy for the Subsidiary and Associates

The Company has implemented a governance policy for its subsidiary and/or associates, with the objective of establishing both direct and indirect measures and mechanisms. This policy ensures effective oversight and management of the operations of its subsidiary and/or associates, as well as monitoring their compliance with the defined measures and mechanisms. All actions must align with the Company's policies and adhere to relevant laws, regulations, and guidelines issued by the Securities and Exchange Commission, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. This framework aims to safeguard the Company's investment interests in its subsidiary and/or associates, and the following actions have been taken to support this objective:

- (1) The Company appoints representatives to the Boards of Directors of its subsidiary and/or associates based on its ownership stake and/or mutual agreements in associates. These representatives must possess the necessary qualifications, industry experience, and be free from any conflicts of interest with the subsidiary and/or associates. Their role is to oversee and manage the subsidiary and associates in accordance with the Company's policies and relevant legal requirements.
- (2) If any transaction or action by the subsidiary involves the acquisition or disposal of assets and/or related transactions as defined by relevant laws and regulations concerning securities and the stock market, which would necessitate the Company to obtain approval from its Board of Directors and/or its shareholders' meeting (as applicable) or from relevant authorities before proceeding, the subsidiary may only execute the transaction or action once it has received the necessary approvals from the Board, the shareholders, and/or the relevant authorities (as applicable).

Additionally, if a transaction or specific events involving the subsidiary require the Company to disclose information to the Stock Exchange of Thailand in accordance with applicable regulations, the representative director of the subsidiary must promptly inform the Company's management as soon as they become aware of the subsidiary's plans to undertake such a transaction or that such events have occurred.
- (3) The Board of Directors and management of each subsidiary and/or associate will have defined powers, responsibilities, and obligations in accordance with applicable laws. This includes the requirement to disclose information regarding financial status and operational performance to the Company. They will follow relevant announcements from the Capital Market Supervisory Board and the Securities and Exchange Commission of Thailand as appropriate. Additionally, they must disclose their interests and those of related parties to

the Board of Directors, outlining their relationships and transactions with the Company, the subsidiary, and/or associates that could lead to potential conflicts of interest. Steps will be taken to avoid transactions that might create such conflicts.

- (4) The Company will implement necessary plans and actions to ensure that the subsidiary and/or associates properly disclose information about their performance and financial status. The Company will monitor these entities to ensure they maintain adequate and effective information disclosure systems and internal controls for their operations.
- (5) The Company will closely track the performance and operations of its subsidiary and/or associates, ensuring proper data collection and accounting practices are upheld. It will present analytical results, along with insights or recommendations, to the Board of Directors and the boards of the respective subsidiary and/or associates. This information will support policy formulation or improvements aimed at fostering the continuous development and growth of the subsidiary and/or associates.

1.3.2 Individuals who may have a conflict of interest due to holding shares in the subsidiary or associates exceeding 10% of the total voting shares of the respective company:

– None –

1.3.3 Relationship with the Major Shareholder's Business Group

The family of Mr. Suthidej is the major shareholder in the Company, owning 65.29% of the total paid-up shares.

1.3.4 Shareholders

1.3.4.1 List of Shareholders of the Company

Major Shareholders

The names of the top 10 shareholders of the Company as of December 31, 2024, are as follows:

No.	List of Shareholders	Number of Shares	Shareholding Proportion (%)
1	Mr. Suthidej Thakolsri's Family	195,864,500	65.29
2	Finansa Fund Management Limited	8,871,600	2.96
3	The Bank of New York Mellon	5,159,800	1.72
4	Finansa Fund Management Co., Ltd.	5,000,000	1.67
5	Thai Life Insurance PCL	4,547,200	1.52
6	Mr. Tanpong Tansalarak	4,120,000	1.37
7	Mr. Noppadon Tansalarak	3,780,000	1.26
8	ABLTF	2,315,300	0.77
9	Mr. Pakin Vanijbhirom	2,300,000	0.77
10	Bangkok Life Insurance PCL by Bangkok Capital Asset Management Co., Ltd.	2,135,800	0.71

Source: List of major shareholders as of December 31, 2024, prepared by Thailand Securities Depository Company Limited.

The Company does not have any shareholding agreements among major shareholders that could affect its management.

1.4 Registered Capital and Paid-up Capital

As of December 31, 2024, the Company has a registered capital of 300.00 million baht, consisting of 300.00 million ordinary shares with a par value of 1.00 baht each. These shares are listed on the Stock Exchange of Thailand.

1.5 Issuance of Other Securities

– None –



1.6 Dividend Policy

1.6.1 Dividend Policy

The Company's dividend policy is to distribute dividends from its profits to shareholders at a rate of no less than 40% of the net profit, as shown in the Company's separate financial statements, after deducting corporate income tax and making any required allocations to legal reserves or other reserves as stipulated by applicable laws and the Company's regulations, as well as any financial obligations under contractual agreements (if any). The total dividend payment will not exceed the retained earnings reported in the Company's separate financial statements. In the event that the Company requires funds for investment or working capital purposes, the Board of Directors may propose an alternative dividend distribution for shareholder approval. However, the dividend payments may vary based on several factors, including operational performance, cash flow, financial liquidity, financial position, investment plans, reserves for loan repayments, and the need for working capital to support business operations and expansion. Additionally, economic conditions and other relevant factors may influence these decisions, as deemed appropriate by the Board of Directors.

Annual dividend payments require approval from the shareholders' meeting. This is except for interim dividends, as the Board of Directors may grant approval as needed when the Company has sufficient profits. In such a case, the Board will report the interim dividends at the next shareholders' meeting.

On February 25, 2025, the Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders, scheduled for April 2025, the approval of a dividend payment for shareholders based on the 2024 performance. The proposed dividend is 1.35 THB per share, totaling 405 million baht, representing a payout ratio of 45.86% of the Company's net profit according to the 2024 separated financial statements.

1.6.2 Subsidiary Dividend Policy

The Company ensures that its subsidiary distributes dividends from their profits to shareholders at a minimum rate of 40% of net profit as reflected in the subsidiary's separate financial statements, after deducting corporate income tax and making required allocations to any required allocations to legal reserves or other reserves as stipulated by applicable laws and the Company's regulations, as well as any financial obligations under contractual agreements (if any). However, the actual dividend payout rate will be determined based on various factors, including the subsidiary's operational performance, cash flow, financial liquidity, financial position, investment plans, reserves for loan repayments, and the need for working capital to support business operations and expansion. Additionally, economic conditions and other relevant factors may influence these decisions, as deemed appropriate by the Board of Directors' and/or shareholders' meeting.

Annual dividend payments require approval from the subsidiary's shareholders' meeting. This is except for interim dividends, as the Board of Directors may grant approval as needed when the Company has sufficient profits. In such a case, the Board will report the interim dividends at the next shareholders' meeting.

To ensure that the subsidiary's dividend distribution follows good corporate governance practices and maintains transparency and accountability, the Company's representatives who serve as directors, executives, or individuals with controlling authority (as applicable) in each subsidiary will prepare a report and present it to the Company's Board of Directors during the next Board of Directors' meeting.

2. Risk Management

2.1 Risk Management Policy and Plan

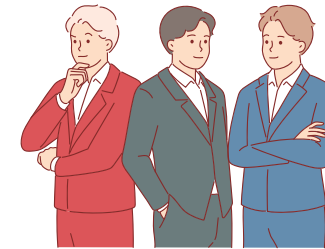
Neo Corporate Public Company Limited (“the Company”) and its subsidiary recognize the critical importance of risk management as an essential component of corporate governance. It plays a vital role in driving the Company’s growth and business expansion in a stable and sustainable manner. Additionally, it ensures a strong financial position and generates appropriate returns for shareholders, while adhering to best practices in governance, including effective checks and balances. In the rapidly changing competitive business environment that the Company currently faces—driven by both external and internal factors—there may be significant effects on its ability to achieve its goals and core mission.

The Company has implemented a robust risk management system within its operations to promote good governance and enhance confidence among shareholders and all stakeholders involved. This ongoing commitment aims to achieve the Company’s objectives and create added value. Accordingly, the Company has established a risk management policy, which can be summarized as follows:

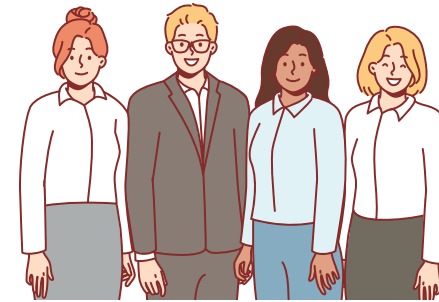
1. The Board of Directors is responsible for comprehensively understanding the key risks faced by the Company and for approving acceptable risk levels.
2. The Board will ensure that the Company systematically identifies risks by evaluating both external and internal factors that could impede the achievement of its objectives. It will also oversee the assessment of the potential impacts and opportunities associated with identified risks to prioritize them effectively. This will lead to the establishment of appropriate risk management strategies, creating a unified framework for all members of the organization.
3. Risk management is a shared responsibility among employees at all levels. Each employee must recognize the risks relevant to their specific operational areas and to the organization as a whole. The Company will emphasize the importance of managing various risks within a structured internal control system, ensuring that risks are maintained at adequate and appropriate levels.
4. The Company will implement a risk management process aligned with best practices and international standards to effectively address risks that may affect its operations. This approach will facilitate ongoing development and consistent application of risk management across the organization. The risk management system will be integrated into decision-making, strategic planning, and daily operations, focusing on achieving the Company’s objectives, vision, mission, and strategies to foster operational excellence and build stakeholder trust.
5. A comprehensive risk register will be established, categorizing risks according to their severity (Heat Map) to ensure that appropriate risk management measures are identified and implemented.
6. The Company will conduct regular reviews of its risk prevention and mitigation strategies to avoid potential damages or losses. This will include ongoing monitoring and evaluation of the effectiveness of the risk management processes.

7. The Company will promote the adoption of modern information technology in its risk management practices, ensuring that all personnel have access to relevant risk management information. Additionally, a reporting system will be established for the risk management team to efficiently communicate risk management activities to the Audit Committee.

Furthermore, the Company's Audit Committee is entrusted with overseeing and monitoring the implementation of the Company's risk management framework. This includes reviewing and providing recommendations on the risk management policies to ensure they are comprehensive, aligned with the Company's strategic goals, and responsive to the evolving business environment. To support the effective execution of these policies, the Company has established a dedicated Risk Management Task Force. This task force plays a crucial role in supporting the effective implementation of risk management policies, being responsible for monitoring risk issues promptly and appropriately, ensuring that risk management processes are effective. Additionally, they will provide quarterly reports on performance to the Audit Committee.



The Board of Directors



Audit Committee



The Risk Management team

2.2 Risk Factors to the Business Operations

The Company has conducted a comprehensive risk assessment to identify and evaluate the key risks that could significantly impact its operations. These risks include strategic and business risks, management and operational risks, as well as financial risks. The following summarizes the key risk factors, their potential impacts, and the Company's risk management strategies to mitigate these risks:

Risks	Impacts	Risk Management Plans
Strategic and Business Operation Risks		
1. Risks Related to Distribution Channels / Dependency on Distributors (Concentration Risk) The Company is a leading marketer, manufacturer, and distributor of consumer products in the country, with a significant portion of its sales generated through the Modern Trade channel. However, this heavy reliance on Modern Trade as the primary sales channel exposes the Company to risks associated with having low bargaining power.	<ul style="list-style-type: none"> • Dependence on major distributors could negatively impact revenue if these distributors fail to meet their sales targets. • The Company may experience lower profit margins when distributing through the Modern Trade channel. • Operating costs may increase, e.g., higher expenses for promotional activities. 	<ul style="list-style-type: none"> • Establish clear sales targets for each distribution channel and track performance to ensure targets are being met, while actively increasing the share of sales from alternative channels. • Diversify distribution channels by expanding direct sales to business customers, including laundromats, hotels, restaurants, hospitals, and tapping into online marketplaces. • Leverage international distribution channels through partnerships with local distributors to effectively market and sell the Company's products in various global markets. • Continuously monitor market trends, competitor activities, and shifts in consumer behavior that may impact the performance of existing and potential distribution channels.

Risks	Impacts	Risk Management Plans
<p>2. Risks Associated with Expanding Production Capacity and Investment in Manufacturing and Warehousing</p> <p>The risks related to expanding production capacity or investing in additional manufacturing and warehousing facilities include the potential for these initiatives to fall short of planned objectives or fail to deliver the expected outcomes. There is also the risk of not being able to control project costs effectively, as well as the possibility that increased production capacity may not translate into corresponding sales growth.</p>	<ul style="list-style-type: none"> • Delays in project implementation may cause production to fall short of meeting demand, resulting in higher costs and a failure to align with the Company's strategic goals and objectives. • Sales growth may underperform relative to projections, and the return on investment may not meet the Company's expectations, rendering the investment less profitable. 	<ul style="list-style-type: none"> • Conduct a thorough risk assessment and develop investment strategies that align with the Company's growth objectives for sales and profitability. • Define the organizational structure, personnel roles, project governance framework, and authority for approving investment projects. • Establish and allocate the budget, ensuring it is reviewed and approved by authorized personnel, while maintaining strict oversight of budget control. • Define a clear process for contractor selection. • Outline a comprehensive project management framework, including stages for project planning, execution, monitoring and control, and final project closure. • Regularly monitor key strategic projects to ensure they align with the Company's objectives, adhere to relevant legal requirements, and minimize any adverse impacts on the community and environment. • Segment investments aimed at increasing production capacity and warehouse capabilities into three phases, allowing for adaptability in response to changing market conditions. • Develop strategies to boost sales.

Risks	Impacts	Risk Management Plans
<p>3. Risk from International Operations Dependent on the Performance of Foreign Distributors</p> <p>The Company distributes its products internationally, with a primary focus on the CLMV region. However, the Company does not directly handle sales in these markets. As a result, the success of the Company's international operations closely depends on the capabilities and performance of its foreign distributors.</p>	<ul style="list-style-type: none"> • The Company may not meet its performance targets or may experience lower-than-expected sales in international markets. 	<ul style="list-style-type: none"> • The Company actively monitors and analyzes competitive dynamics and market changes in international markets. This information is then used to adjust and optimize the Company's business plans to align with the consumer products industry in each country. • The Company conducts regular business reviews with distributors. • The Company plays an active role in addressing challenges and providing guidance to distributors, helping them implement strategies to meet their business targets and drive mutual success. • The Company thoughtfully evaluates and appoints distributors for its products in international markets, ensuring that appropriate contracts are established with each distributor. • The Company consistently seeks new product distributors by assessing their experience, industry knowledge, understanding of target customer needs, and their ability to effectively distribute the Company's products across diverse regions.

Risks	Impacts	Risk Management Plans
<p>4. Risk of Revenue Concentration in Certain Brands and Product Categories</p> <p>The Company markets products under a portfolio of 8 brands, with around 70% of its sales coming from the Fineline and D-nee brands. If these key brands face negative impacts or a decline in consumer demand, it could significantly affect the Company's ability to meet its revenue targets and impact overall business performance.</p>	<ul style="list-style-type: none"> • The Company's performance is largely driven by the sales of two key products. A failure to meet sales targets for these products could significantly affect overall business operations. 	<ul style="list-style-type: none"> • The Company is dedicated to developing and delivering high-quality, diverse products at competitive prices, while enhancing the strength of its brand across multiple dimensions, including a comprehensive product portfolio that meets consumer needs. • The Company actively targets new consumer segments to ensure its core brands and key product categories remain trendy and in demand, while also safeguarding against any negative factors that could impact the demand for the product brands and its key product categories. • The Company consistently tracks and analyzes consumer behavior to introduce products that effectively address evolving customer preferences. • The Company emphasizes sustainable business growth by offering products that align with current sustainability trends, reflecting the growing consumer focus on environmental responsibility. • The Company fosters the growth of its other in-house brands, ensuring they are competitive in the market and responsive to consumer demands.

Risks	Impacts	Risk Management Plans
<p>5. Risks from Economic Slowdown and Political Instability</p> <p>An economic downturn or contraction can reduce consumer demand and purchasing power. This could lead to a decline in the Company's revenue and adversely affect its overall performance.</p>	<ul style="list-style-type: none"> • Economic volatility may lead to fluctuations in costs and profits. • Business operations may be disrupted due to political instability or the onset of conflicts in certain regions. • Both domestic and international operations may underperform, failing to meet targets or deliver an adequate return on investment. 	<ul style="list-style-type: none"> • Continuously monitor the Company's overall performance, including export activities to international markets. • The Company actively monitors economic trends, political developments in export markets, and changes in legislation, implementing timely strategies to effectively manage or respond to these factors. • Investment projects are prioritized, and strategies are evaluated to identify opportunities for sales and profit growth that align with the Company's objectives. • The Company establishes and rigorously reviews budgets, analyzing the potential returns or feasibility of investments prior to decision-making, with all investments requiring approval from authorized personnel. Ongoing budget control is also a key focus. • The Company assesses risks and closely tracks international sales to ensure alignment with established targets and compliance with applicable regulations. • The Company stays informed about government policies aimed at promoting and stimulating domestic demand, adapting its business strategies as needed to leverage these initiatives.

Risks	Impacts	Risk Management Plans
<p>6. Risk from Changes in Consumer Behavior or Preferences and the Aging Population</p> <p>The transition toward an aging population, coupled with evolving consumer behaviors—such as declining birth rates and a rise in pet ownership—could result in decreased demand for specific products, particularly those targeted at children. Furthermore, consumers are increasingly favoring environmentally friendly products.</p>	<ul style="list-style-type: none"> Declining demand and sales for baby and kids products. The Company may lose market share to newer products that more effectively meet shifting consumer preferences and behavior, surpassing the Company's existing product offerings. 	<ul style="list-style-type: none"> Gather and analyze consumer behavior data to predict potential shifts in consumer preferences and evaluate their impact on the Company's product portfolio, enabling the creation of contingency plans. Conduct thorough market research to gain insights into consumer demand, satisfaction, and emerging social trends. This includes testing and evaluating market needs to refine products prior to their launch. Monitor overall sales performance, distribution channels, and shifts in consumer behavior. Identify root causes and implement corrective actions in the event of significant sales declines. Utilize advanced production technology in the Company's manufacturing facilities, ensuring flexibility and responsiveness to evolving consumer preferences and behaviors. Continuously innovate in marketing strategies and product development to align with consumer needs. Continuously monitor and enhance plans for developing new products to respond effectively to shifts in consumer behavior and preferences, particularly in light of the demographic transition towards an aging population. Focus on creating and expanding product lines specifically tailored for the Silver Age demographic.

Risks	Impacts	Risk Management Plans
Management and Operational Risks		
<p>7. Risk from Supply Chain Management and Volatility in Raw Material Prices</p> <p>The management of the supply chain, covering the entire process from raw material procurement to production, storage, transportation, and distribution, may experience disruptions or inefficiencies. Additionally, fluctuations in raw material prices can adversely affect the Company's cost structure, operational performance, and overall competitiveness. Furthermore, there is growing attention from stakeholders on the importance of sustainable supply chain practices, which take into account environmental impacts, social responsibility, and corporate governance across the entire supply chain.</p>	<ul style="list-style-type: none"> • Increased production costs due to substandard raw materials and inadequate storage conditions. • Disruptions in production, leading to product shortages, missed sales opportunities, and potential penalties for late deliveries. • Interruptions or delays in transportation, resulting in higher shipping costs. • Violations of human rights. • Community complaints. • The rising of cost of goods and reduced profitability have resulted in the Company's performance falling short of targets set. 	<ul style="list-style-type: none"> • Establish a comprehensive code of conduct for business operations, incorporating policies on good corporate governance and robust anti-corruption measures that encompass human rights, labor practices, environmental sustainability, community impact, legal compliance, safety and health standards, product quality assurance, and traceability. • Define clear procurement guidelines and outline the authority levels for approving, canceling, and modifying purchase orders. • Set rigorous criteria for sourcing and selecting suppliers who can deliver high-quality raw materials, products, and services that meet established standards, comply with relevant laws and regulations, and demonstrate accountability to the community and environment. Ensure fair procurement practices, avoiding discrimination and transactions with individuals or entities engaged in illegal or corrupt activities. • Implement a thorough evaluation process for new suppliers prior to order placement, with ongoing monitoring and annual review planning, along with clearly defined inspection criteria.

Risks	Impacts	Risk Management Plans
		<ul style="list-style-type: none">• Promote environmentally friendly procurement practices by expanding the network of suppliers and incorporating more eco-friendly raw materials, while regularly communicating these initiatives to stakeholders.• Ensure the Company can source raw materials from alternative manufacturers and distributors that provide materials with comparable specifications.• Develop purchase forecasts that align with the Company’s production and sales strategies, considering product demand forecasts, lead times, and market conditions for key raw materials.• Create comprehensive transportation plans and establish contracts with logistics providers.• The Company signs short and long term contract (3 months, 6 months, 12 months) with main manufacturers and distributors for prior agreement upon purchasing quantities and prices.

Risks	Impacts	Risk Management Plans
<p>8. Risks Related to Product Safety and Impact</p> <p>Concerns about the safety and potential effects of using products may arise for consumers. This includes the risk of product recalls in response to consumer complaints regarding the Company's products.</p>	<ul style="list-style-type: none"> • Consumer harm or injury. • Damage to the Company's reputation and brand equity. • Increased costs for compensating consumers or managing related issues. 	<ul style="list-style-type: none"> • The Company is committed to developing products that are free from potentially harmful ingredients. All personal care products are rigorously tested by internationally recognized dermatological experts. • The Company has obtained certifications for its production processes from several reputable organizations. This includes ISO 9001:2015, which verifies the Quality Management System for the research, development, and manufacturing of household and personal care products. Additionally, the Company holds Good Manufacturing Practice (GMP) certification for cosmetics, ensuring that hygiene and safety standards are upheld in cosmetic production as mandated by the Food and Drug Administration. It also possesses GMP certification for hazardous substances, confirming compliance with hygiene regulations for the production of hazardous materials, as set forth by the Food and Drug Administration, among others.

Risks	Impacts	Risk Management Plans
		<ul style="list-style-type: none">• A systematic procedure is in place for managing customer complaints, including a robust tracking and recall system for products already distributed. This system allows for traceability of sold products based on production batches identified by lot numbers, enabling prompt and effective product recalls and issue resolution.• The Company conducts thorough root cause analyses to identify problems, implement corrective actions, and establish preventive measures to avoid recurrence. Additionally, it ensures that consumers are promptly informed about the actions taken in response to their complaints.

Risks	Impacts	Risk Management Plans
<p>9. Health, Safety, Occupational Health, and Work Environment Risks of Personnel</p> <p>Employees may face risks that impact their ability to work due to unsafe working conditions, workplace accidents, or inadequate safety measures within the workplace or factory, as well as external environmental factors such as fires, flooding, air pollution (e.g., PM 2.5), and disease outbreaks.</p>	<ul style="list-style-type: none"> • Unsafe working conditions or factory hazards causing accidents or property damage, leading to operational disruptions. • Employee incapacity, resulting in interruptions to business operations. 	<ul style="list-style-type: none"> • The Company has established comprehensive policies on safety, occupational health, and the working environment, as well as clear guidelines for ensuring the health and safety of all employees. • The Company standardizes occupational health and safety procedures across the organization, focusing on managing safety in production processes, occupational health, and the work environment. These practices ensure that all work processes are carried out safely for both employees and stakeholders. • The Company generates reports and monitors the rectification of unsafe behaviors and conditions, conducting thorough analyses to identify root causes and improvement strategies. • The Company actively communicates safety measures and promotes awareness of work-related hazards to reduce accident rates. This includes a reporting system for unsafe behaviors and conditions, with a focus on identifying causes and enhancing preventive measures.

Risks	Impacts	Risk Management Plans
		<ul style="list-style-type: none">• The Company continuously assesses external environmental changes that could affect employee operations and implements timely corrective actions in response to incidents.• The Company provides training to promote good health practices among employees, ensuring that the workplace remains hygienic and safe at all times.• The Company develops comprehensive emergency response plans and conducts drills for various scenarios, including fires, floods, and health crises.• The Company actively campaigns to increase employee awareness of the importance of safety and fosters a strong safety culture throughout the organization.

Risks	Impacts	Risk Management Plans
<p>10. Reputation and Brand Image Risks/Social Media Impact</p> <p>Consumers increasingly turn to social media to quickly share opinions and experiences about products. If negative news or misinformation arises, it can significantly damage the Company's credibility, especially if responses are not timely. Furthermore, stakeholders may develop a negative perception of the organization, which can harm its overall image and reputation.</p>	<ul style="list-style-type: none"> • Decline in market share • Loss of product credibility, along with damage to the Company's reputation, which may affect customer satisfaction and lead to a decrease in revenue. 	<ul style="list-style-type: none"> • Establish principles of good corporate governance and policies that are communicated to directors, executives, and employees to ensure compliance. • Implement policies and practices for stakeholder engagement, creating opportunities for participation from groups affected by its operations. Identify and evaluate the significance of all stakeholder groups, assess their needs and expectations, and conduct engagement activities with key stakeholders, including employees, customers/consumers, partners, the community, etc. Outcomes of this engagement are reported to the Board of Directors. • Provide communication channels for stakeholders, enabling customers, consumers, and external parties to submit feedback, suggestions, or product complaints through various methods. • Conduct customer satisfaction surveys, presenting the findings to management and analyzing customer feedback/suggestions to enhance operations in line with customer expectations. Set targets for customer satisfaction levels.

Risks	Impacts	Risk Management Plans
		<ul style="list-style-type: none">• Have a system for whistleblowing and managing complaints, which includes measures to protect complainants, investigate issues, identify root causes, and outline corrective actions, with reports submitted to management.• Develop its production processes to comply with international standards and ensure product safety, overseeing everything from raw material sourcing to the delivery of finished products to consumers.• Engage in Corporate Social Responsibility (CSR) initiatives within the surrounding community.• Designate responsibility for monitoring product-related news on social media to effectively manage and respond to emerging issues.• Create a crisis communication plan that outlines roles and responsibilities for communication during crises, ensuring a prompt response to situations that may impact the brand.• Communicate with external stakeholders through various channels, including announcements on its Investor Relations website, etc.

Risks	Impacts	Risk Management Plans
<p>11. Digital Security Risks and Non-Compliance with Data Protection Laws</p> <p>Information technology systems may encounter disruptions or be threatened by cyber risks, such as data theft or the embezzlement of digital assets. If sensitive or confidential business information is compromised, it could lead to a significant loss of credibility for the Company. Additionally, the Company may face considerable expenses related to remediation and liability management.</p>	<ul style="list-style-type: none"> • Operational disruptions • Financial losses • Damage to the Company's reputation 	<ul style="list-style-type: none"> • The Company has assessed potential risks to its information technology systems and implemented robust IT security controls, such as defining and reviewing access rights to confidential data, as well as storing computer log files to enable future audits. • The Company has developed an IT emergency response plan and established a standardized data backup system, which is tested annually to prevent data loss and ensure business continuity during emergencies. • The Company continuously enhances its computer security and IT infrastructure to support business growth and adapt to evolving needs during each period. • The Company has established policies for personal data protection and formed a dedicated data protection team to ensure compliance with relevant laws. Additionally, the Company conducts an annual review of its data protection systems to ensure that personal data is managed in accordance with legal requirements.

3. Business Drive for Sustainability

3.1 Sustainability Management Policies and Targets



The Company is involved in the marketing, production, and distribution of consumer products, with a focus on household goods, personal care products, and baby and kids products. It is committed to developing products that effectively meet consumer needs at different times, while prioritizing the selection of natural, eco-friendly ingredients. This approach ensures that consumers can trust the cleanliness and safety of the products. The Company recognizes the importance of balancing business growth with environmental and social responsibility, and is dedicated to contributing to the United Nations' Sustainable Development Goals (SDGs) and the Bio-Circular-Green Economy (BCG) model, which has been declared a national agenda. In addition, the Company acknowledges the significance of human rights issues in its business operations and places great importance on stakeholders along its entire value chain who may be affected by the Company's activities. To address sustainability comprehensively across the environmental, social, and governance (ESG) dimensions, the Company has set the following vision:

Vision

Passion to be Asia's innovative FMCG company who elevates quality of life with people-centric approach.

Sustainability Goals and Strategy

The Company has established clear sustainability goals that align with its overall corporate objectives, expanding into societal and economic system targets in three main areas: environmental protection (Environment), social responsibility (Social), and good governance (Governance). To achieve these goals and promote sustainable development through innovation, the Company has embraced the guiding principle of "Innovation from Core to Care – Thinking Good for the World, Creating Good Innovation for You." This is communicated through the "NEO CARE" icon, which symbolizes the Company's commitment to conducting business responsibly in every aspect, including

environmental protection, community welfare, social progress, and corporate governance. The Company is committed to driving sustainable innovation that impacts the world inside and out—benefiting communities and society at large (sustainNEOvation)—while improving the quality of life and happiness for consumers every day.

To bring NEO CARE to life in a tangible way, the Company has established the Neo ESG Framework, designed to align and integrate three key objectives: business goals, sustainability targets, and the strategic priorities of both the nation and the United Nations. This framework is rooted in fostering a mindset of engagement and responsibility toward the economy, society, and the creation of new knowledge. It is structured around five core pillars:



(1) People

The Company believes that its employees are a key driver of sustainable business success. Therefore, employee development and holistic attention to personnel are central pillars of its sustainability framework, implemented through the following structures:

1. **The Executive Committee** is responsible for overseeing the organization's overall strategy, including operational and financial performance reporting.
2. **The Corporate Sustainability Committee** is tasked with overseeing sustainability strategy, policies and goals.
3. **The Neo ESG Champion Team** consists of representatives from various departments, bringing a wealth of knowledge and expertise to lead sustainability initiatives, coordinate related activities, and manage sustainability reporting within the organization to ensure alignment with company goals.
4. **The ESG Team** is responsible for monitoring and reviewing the Company's sustainability performance to ensure it meets established targets. They assess risks related to social and environmental issues as outlined in the Company's action plans and report their findings to the ESG Committee.
5. **Employees** play a vital role by incorporating sustainability objectives and policies into their daily work processes, ensuring alignment with the Company's overall direction and goals.



(2) Value Chain

The Company has designed its business value chain—encompassing both primary and supporting activities—on the foundation of sustainable development principles across all functions. Stakeholder interests, both internal and external, are prioritized. The Company monitors operations closely to ensure they align with corporate policies.

(3) Shared Value

The Company believes that creating shared value between internal teams and external stakeholders—including communities and the general public—is a powerful driver of success. This collaborative approach not only enhances the Company's sustainability efforts but also contributes to the collective benefit of society and the nation as a whole.

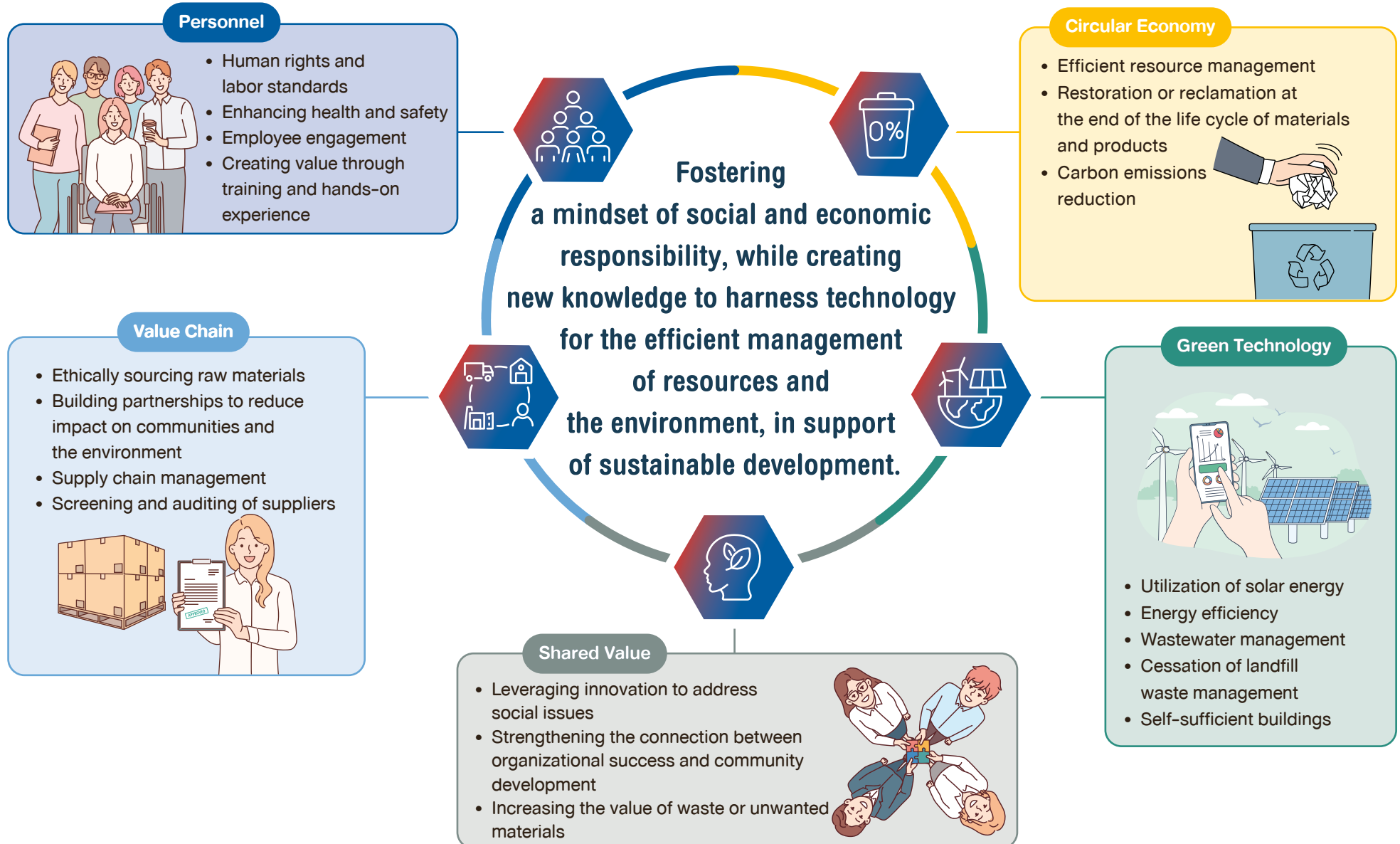
(4) Green Technology

The Company is committed to adopting advanced, environmentally-friendly technologies to optimize the use of limited environmental resources. Initiatives include renewable energy projects, such as solar power installations, the development of model eco-friendly factories, and process improvements aimed at minimizing waste throughout the supply chain.

(5) Circular Economy

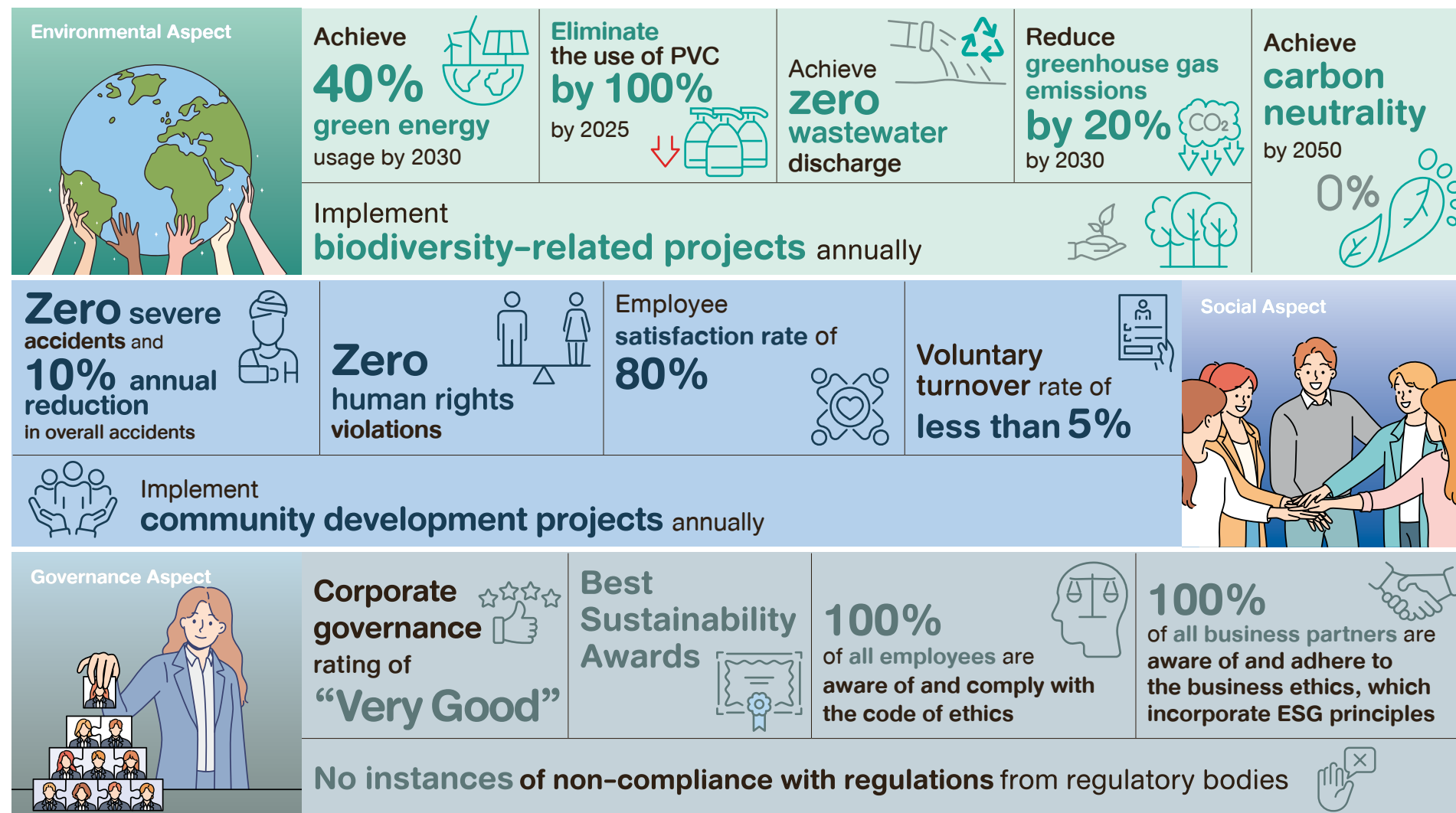
The Company embraces the principles of the circular economy by ensuring that resources are used in the most efficient and impactful way. From raw material sourcing to product design, and from production processes to consumer use, the Company focuses on maximizing resource value, minimizing waste, and reducing losses at every stage of the product lifecycle.

Sustainability Framework






















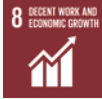









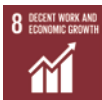





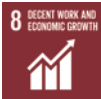

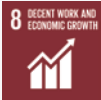

In addition to its sustainability strategy, the Company has established both short-term and long-term goals to ensure the ongoing achievement of sustainable outcomes. These goals are categorized into three key areas: Environmental, Social, and Governance (ESG), as follows:



ESG Goals



In 2024, the Company established and achieved key organizational sustainability goals as follows:

Sustainability Goals	Operational Approach	2024 Performance Results	SDG Alignment
Environmental Aspect			
<ul style="list-style-type: none"> Achieve 40% clean energy usage of total energy consumption by 2030. 	Expand the installation of solar rooftops to harness solar energy for converting into electricity and thermal energy in the production process.	The Company's clean energy usage accounts for 20.77% of its total energy consumption.	   
<ul style="list-style-type: none"> Eliminate 100% of PVC usage by 2025. 	<ul style="list-style-type: none"> Increase the use of Post-Consumer Recycled (PCR) plastic to 30% of BeNice packaging. Replace 80% of PVC shrink sleeves with PET. 	In 2024, the Company has replaced a total of 114 tons of virgin plastic with Post Consumer Resin.	  
<ul style="list-style-type: none"> Achieve zero waste discharge to the environment. 	<ul style="list-style-type: none"> Minimize waste generation throughout the production process. Manage waste by avoiding landfill disposal. Recycle and reuse wastewater within the production system. 	<ul style="list-style-type: none"> The Company does not engage in landfill disposal of waste. A fully integrated wastewater management system has been implemented, achieving 100% recycling and reuse. 	  
<ul style="list-style-type: none"> Reduce greenhouse gas emissions by 20% by 2030 and achieve carbon neutrality by 2050. 	Monitor and measure greenhouse gas emissions (Scope 1 and 2) at key points, in accordance with certification from a recognized greenhouse gas management organization.	The Company has reduced its greenhouse gas emissions (Scope 1 and 2) by 0.5%, compared to 2023.	   
<ul style="list-style-type: none"> Launch annual environmental development projects. 	Implement ongoing environmental sustainability initiatives.	<ul style="list-style-type: none"> It has been certified as an Eco Factory. The Company has earned a Level 4 Green Industry certification. The Company has been recognized with the CSR-DIW award. 	   

Sustainability Goals	Operational Approach	2024 Performance Results	SDG Alignment
Social Aspect			
<ul style="list-style-type: none"> Ensure workplace safety and reduce severe accidents. 	Adherence to workplace safety, occupational health, and environmental management standards.	No incidents of severe accidents were reported.	 
<ul style="list-style-type: none"> Prevent human rights violations. 	Address human rights complaints and ensure equal treatment and operational practices.	No complaints were received.	 
<ul style="list-style-type: none"> Employee satisfaction rate of 80% 	Promote fairness in employee treatment and foster continuous development and retention of talent.	Employee satisfaction score stands at 94.5% (demonstrating an increase, compared to 93.6% in 2023).	   
<ul style="list-style-type: none"> Voluntary employee turnover rate of less than 5% 	Retain key employees who are vital to the Company's success, exceeding industry norms.	The Company's voluntary turnover rate is 4.09% (industry average: 15.3%).	   
<ul style="list-style-type: none"> Annual community development programs 	Organize community engagement activities to support local initiatives and contribute to societal well-being.	<ul style="list-style-type: none"> Waste segregation activities in local communities and schools. Donation of essential goods to underprivileged individuals and flood victims. 	  
Governance Aspect			
<ul style="list-style-type: none"> Good corporate governance 	Complaints or practices not in accordance with good corporate governance principles.	No cases found	 
<ul style="list-style-type: none"> No instances of non-compliance with regulations from regulatory authorities. 	Complaints or practices not in compliance with applicable laws or regulations.	- No cases found	 
<ul style="list-style-type: none"> All employees are aware of and adhere to the Company's code of ethics. 	All employees are aware of and adhere to the Business Code of Conduct.	100%	 

Sustainability Goals	Operational Approach	2024 Performance Results	SDG Alignment
<ul style="list-style-type: none"> All business partners are aware of and adhere to the Business Code of Conduct, incorporating ESG principles. 	<ul style="list-style-type: none"> Key business partners are aware of and comply with the Business Code of Conduct. Increased support for purchasing environmentally friendly products. 	100%	 

3.2 Management of Impacts on Stakeholders in the Business Value Chain

3.2.1 Business Value Chain

The analysis of activities across the value chain and the management of stakeholder expectations are essential for identifying both risks and opportunities. This enables the Company to effectively manage operations and drive sustainable business development. The Company's value chain consists of both primary activities and supporting activities, which together contribute to achieving business objectives. These activities are as follows:

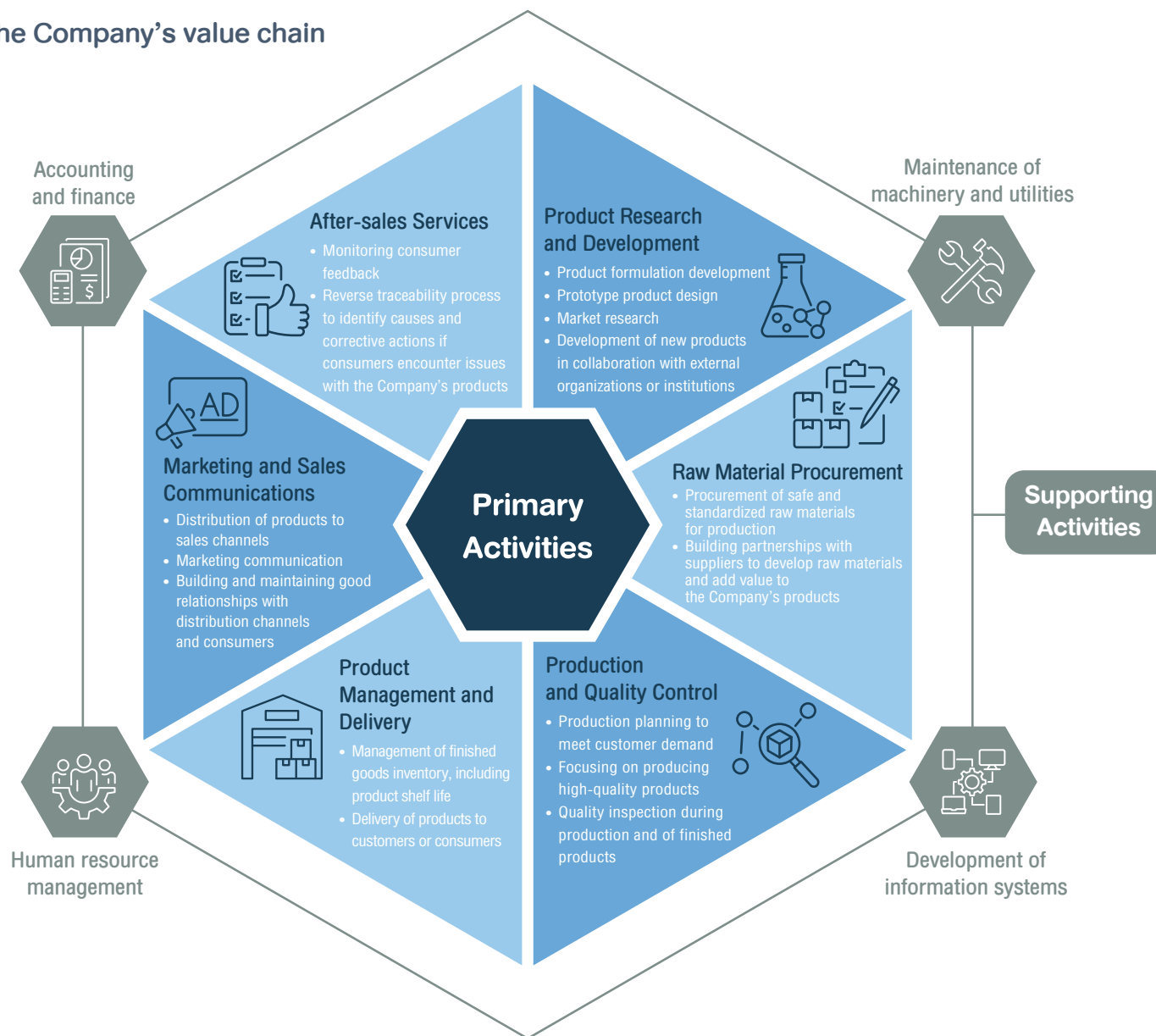
Primary Activities

- Activities related to raw material preparation, which begin with product research and development, followed by the procurement of high-quality raw materials and packaging. These materials are sourced from both domestic and international suppliers and undergo rigorous testing to meet the Company's standards. Additionally, there is a continuous quality verification process in place.
- Activities related to production, which include the preparation of raw materials, mixing, and transformation of materials and resources, as well as the preparation of packaging and the final packaging of products to ensure they are ready for sale with consistent quality.
- Activities related to distribution, including inventory management and the delivery of products to customers through key partners, both domestically and internationally.
- Activities related to marketing communication, sales promotion, and integrated communication strategies designed to engage and reach target consumers directly based on product categories.
- Activities related to after-sales service, which involve addressing complaints and inquiries from business partners via the sales team and consumers, ensuring their satisfaction after purchasing the Company's products, and using customer feedback to drive ongoing development and continuous improvement.

Supporting Activities

- Activities related to production planning, machinery maintenance, and utility systems to support the production process, ensuring efficient cost management.
- Activities related to information systems, designed to support efficient work processes and reduce management costs. This includes data storage, data backup, and data analysis to facilitate continuous improvement and process development.
- Activities related to human resources, from recruitment to performance evaluation, aimed at developing a workforce that shares a common NEO DNA.
- Activities related to accounting and finance, to oversee the Company's financial performance and position, ensuring financial stability and strength to support future growth.



The Company's value chain


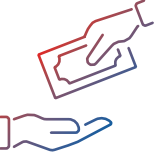





3.2.2 Stakeholder Analysis in the Business Value Chain

The Company regularly assesses the relationships between its business operations and stakeholders within the value chain, conducting a thorough analysis of their expectations at least once a year. This process allows the Company to develop targeted strategies to effectively meet the needs of each stakeholder group, minimize risks of potential disputes, and identify growth opportunities. By aligning its business practices with stakeholder expectations, the Company fosters sustainable development and strengthens long-term partnerships.

Stakeholders	Expectations of Stakeholders	Responses to Expectations of Stakeholders	Communications and Channels
Shareholders 	<ul style="list-style-type: none"> • Sustainable growth and consistent returns • Transparency, completeness, and accuracy of information • Good corporate governance • Continuous strong performance • Accurate, complete, and timely disclosure of information 	<ul style="list-style-type: none"> • Develop strategic business plans and effectively communicate and build confidence with shareholders. • Enhance internal control systems and manage risks efficiently. • Ensure transparent information disclosure through various channels, such as shareholders' meetings, annual reports, company website, etc. • Create sustainable long-term returns. • Conduct business in accordance with corporate governance principles, with transparency and efficiency 	<ul style="list-style-type: none"> • Annual shareholders' meetings • Company website: http://www.neo-corporate.com • Annual reports • Investor relations activities, including analyst meetings and the listed company's investor engagement events • News releases via SET portal • Communication channels: <ul style="list-style-type: none"> – Tel.: +66 0 2017 8900 #3429 – Email: ir@neo-corporate.com – Company website: https://investor.neo-corporate.com

Stakeholders	Expectations of Stakeholders	Responses to Expectations of Stakeholders	Communications and Channels
Employees 	<ul style="list-style-type: none"> • Stability • Equal treatment • Employee development • Appropriate compensation, benefits, and welfare • Positive work environment • Career advancement and growth opportunities 	<ul style="list-style-type: none"> • Fair compensation management • Opportunities for career advancement • Continuous learning and skill development for employees • Creation of a positive and safe work environment • Organization of recreational activities • Effective complaint reporting and management 	<ul style="list-style-type: none"> • Annual performance evaluation • Employee engagement survey • Email/social media/intranet • Public notice board • Human resources complaint channels • Annual town hall meetings
Customers/Consumers 	<ul style="list-style-type: none"> • High-quality, safe products that meet all standards • Excellent pre- and post-sales service • On-time product delivery • Fair pricing and promotional offers • Protection of customer confidential information 	<ul style="list-style-type: none"> • Continuous product and service development process • Rigorous quality control at every stage of production until delivery to customers • Appropriate pricing strategy • Customer site visits and comprehensive after-sales service • Actively listening to customer feedback and efficiently addressing complaints 	<ul style="list-style-type: none"> • Company sales staff • Communication channels: <ul style="list-style-type: none"> – Tel: +66 0 2017 8900 – Company website – Social media (e.g., Facebook/Line) – Email: customerservices@neo-corporate.com • Product launch events

Stakeholders	Expectations of Stakeholders	Responses to Expectations of Stakeholders	Communications and Channels
Partners 	<ul style="list-style-type: none"> • Transparent and fair procurement practices, with auditability • Continuous increase in order volume • Creating added value and fostering sustainable partnerships • Timely payment for goods and services • Adherence to contracts, agreements, and terms and conditions 	<ul style="list-style-type: none"> • Fair treatment of partners and ethical business conduct with transparency • Development of skills and capabilities of partners • Selection of partners with high standards • Conducting business with strong corporate governance • Ensuring stability of raw material supply in collaboration with partners • Fair and appropriate contractual agreements • Timely payments with efficient, rapid, and reliable payment systems 	<ul style="list-style-type: none"> • Partner meetings • Company website • Business Code of Conduct for Partners • Communication channels: <ul style="list-style-type: none"> – Company website – Tel: +66 0 2017 8900 (Contact procurement department) – Social media (e.g., Facebook, line) – Email: procurement@neo-corporate.com
Financial Creditors 	<ul style="list-style-type: none"> • Timely debt repayment • Compliance with loan agreement terms and conditions 	<ul style="list-style-type: none"> • Timely debt repayment and adherence to terms and conditions • Maintaining financial ratios in line with financial institution conditions • Prompt and accurate response to credit analyst inquiries 	<ul style="list-style-type: none"> • Tel.: +66 0 2017 8900 (Contact financial department) • Company website: http://www.neo-corporate.com

Stakeholders	Expectations of Stakeholders	Responses to Expectations of Stakeholders	Communications and Channels
Community, Society, and the Environment 	<ul style="list-style-type: none"> • Health, safety, and occupational health responsibility • Managing environmental impacts in the community, addressing issues such as waste, production by-products, and air pollution • Community economic development • Support for activities, problem-solving, and community and social development 	<ul style="list-style-type: none"> • Strict compliance with environmental laws • Preservation of the external environment and surrounding areas • Controlling and reducing environmental impact from business operations • Supporting and engaging with the community, such as vocational training initiatives • Field visits for community needs assessment, listening to complaints and suggestions 	<ul style="list-style-type: none"> • Community engagement activities at the factory • Factory visit programs • Tel.: +66 0 2017 8900 • Company website: http://www.neo-corporate.com • Community complaint box at company premises
Media 	<ul style="list-style-type: none"> • Provision of factual information and updates 	<ul style="list-style-type: none"> • Transparent disclosure of information and news for public verification 	<ul style="list-style-type: none"> • Communication channels (offline and online) • Company website: http://www.neo-corporate.com
Government Bodies 	<ul style="list-style-type: none"> • Compliance with laws, regulations, and guidelines • Participation in promotional programs, such as public commerce initiatives 	<ul style="list-style-type: none"> • Full compliance with relevant laws and regulations • Collaboration with government activities and initiatives 	<ul style="list-style-type: none"> • Workplace visit programs • Tel.: +66 0 2017 8900 • Company website: http://www.neo-corporate.com

3.3 Environmental Sustainability Management

3.3.1 Environmental Policies and Practices

The Company is dedicated to conducting its business sustainably, with a strong emphasis on environmental responsibility. It recognizes the importance of preventing and reducing the environmental impacts associated with its operations across all processes, from product research and development to sourcing raw materials, production, and distribution. Its goal is to continuously mitigate potential environmental effects. Consequently, its environmental policy is a top priority for achieving sustainable business practices. To that end, the Company has established the following environmental policies:

1. The Company manages and controls waste generated from various activities in a structured and efficient manner, adhering to the “3Rs” principles—Reduce, Reuse, and Recycle.
2. The Company fully complies with all applicable environmental laws and regulations governing its operations. It is committed to preventing and reducing the environmental impact and continuously working towards achieving the environmental objectives it set.
3. The Company communicates its environmental policy to all employees and fosters a culture of active participation in managing and overseeing environmental matters.

In addition, to align with the Company’s environmental policy, significant environmental practices have been seamlessly integrated into all aspects of business operations. This includes the adoption of an internationally recognized environmental management system and active participation in various environmental assessments, including:

ISO 14001 Certification (Environmental Management)

The Company understands the critical importance of sustainable environmental management and has embraced international principles to enhance its environmental performance and promote long-term sustainability. An environmental working group has been established to oversee and manage environmental issues, formulate and review policies, and ensure and monitor compliance with relevant laws and regulations. Specific environmental objectives have been set to drive initiatives and foster effective communication with stakeholders. Consequently, the Company has maintained its ISO 14001 certification since December 8, 2020, and continues to uphold these standards until today.

Green Industry Certification from the Department of Industrial Works

The Company is committed to transitioning into a green industry by prioritizing operations that are friendly to both the community and the environment. It strives to continuously enhance sustainable production processes and effective environmental management practices. This commitment was recognized when the Company received a Level 4 Green Industry certification from the Federation of Thai Industries on June 11, 2024. The Company is dedicated to ongoing improvements in its business practices to achieve even higher standards of green industry certification in the future, consistently monitoring and evaluating its performance, as well as reviewing its environmental management systems.

Eco Factory Certification from the Federation of Thai Industries

The Company is committed to integrated management practices that promote sustainable business operations. By incorporating eco-friendly industrial development guidelines into its environmental management system, it demonstrates a strong commitment to responsible environmental stewardship. This approach fosters sustainable development across five key dimensions: physical, economic, social, environmental, and management. As a result of these efforts, the Company received Eco Factory certification from the Federation of Thai Industries on June 6, 2023.



Carbon Footprint Verification by the Thailand Greenhouse Gas Management Organization (Public Organization) and ISO 14064-1 Standard

The Company acknowledges the urgent need to address environmental challenges, particularly climate change, which continues to escalate and impacts the economy, ecosystems, biodiversity, and the frequency of natural disasters. In its commitment to combating these issues, the Company has conducted a comprehensive greenhouse gas emissions assessment (CFO), which was subsequently verified by the Thailand Greenhouse Gas Management Organization (Public Organization) in accordance with the ISO 14064-1 standard. This process has enabled the identification of key sources of greenhouse gas emissions and the establishment of targeted reduction plans. Additionally, the Company is working with external partners to explore effective and community-beneficial carbon offset strategies.

3.3.2 Environmental Management and Performance

The Company has established comprehensive environmental management strategies to ensure alignment with its environmental policies and sustainability framework across various domains:

1. Energy Management

- **Objectives and Goals**

The Company recognizes the critical importance of reducing energy consumption and enhancing energy efficiency. To this end, an annual energy conservation plan has been implemented for production processes, aimed at decreasing energy use compared to previous consumption levels through a variety of conservation initiatives. The Company is committed to increasing the proportion of green energy to 40% by 2030. Key initiatives include the installation of solar panels on factory rooftops, which will reduce reliance on fossil fuels and further support the organization's efforts to lower greenhouse gas emissions. Additionally, the Company is actively planning future corporate-wide energy reduction targets.

- **Management and Operational Guidelines**

The Company has adopted an Energy Management System (EnMS) as a central mechanism for enhancing sustainable energy performance. A key feature of the EnMS is the active participation of all stakeholders, supported by a continuous commitment from senior management. The EnMS follows the Plan-Do-Check-Act (PDCA) cycle, which enables the Company to create more effective energy usage policies, align energy objectives and goals with these policies, make informed decisions based on data, monitor performance, review the effectiveness of policies

and objectives, and continuously improve energy management practices. This EnMS has been integrated into the operations of subsidiary companies (controlled factories) to ensure compliance with the Energy Conservation Promotion Act of Thailand, under the oversight of the Department of Alternative Energy Development and Efficiency (DEDE). The subsidiary has consistently prepared annual energy reports since 2018, which undergo external audits prior to submission to the DEDE. The EnMS process has provided substantial benefits to the company and is crucial for optimizing energy operations.

Current energy management initiatives emphasize enhancing energy efficiency across various systems within the factories. Key projects include improving compressed air systems and implementing temperature control systems in production facilities to reduce overall energy consumption. Additionally, the Company fosters employee engagement in energy conservation through diverse initiatives, promoting awareness among stakeholders about energy conservation efforts. This includes establishing an ESG Champion task force to develop environmental operational frameworks and providing suggestion boxes for employees to contribute feedback on environmental management issues, etc.

● Key Performance Indicators and Results

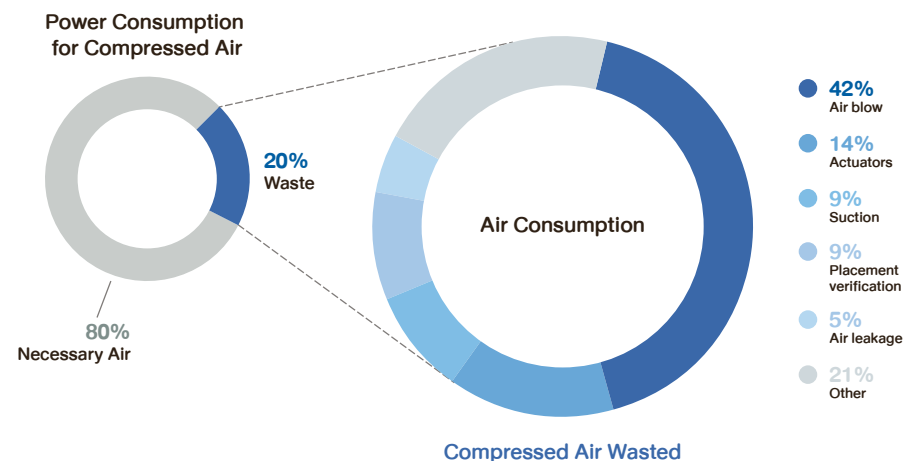
The Company is dedicated to advancing energy conservation initiatives and promoting energy reduction across its operations. As a result, in 2024, the total energy consumption at the Company's production facility amounted to 83,651,122 megajoules, with 50,549,062 megajoules used for electricity and 33,102,060 megajoules for fuel oil. The Company consistently monitors, evaluates, and reports on its energy performance to ensure that operations remain aligned with its Energy Management System and broader sustainability goals.

Energy Consumption Data from 2022 to 2024

Year	Energy Consumption (Megajoules)				
	Energy	%	Fuel Oil	%	Total
2022	45,279,637	47.33	50,397,600	52.67	95,677,237
2023	46,214,867	56.55	35,507,400	43.45	81,722,267
2024	50,549,062	60.43	33,102,060	39.57	83,651,122

Note: Energy consumption data from 2022 to 2024 shows an upward trend, which aligns with the increased production capacity driven by the Company's business expansion. As a result, the Company's production capacity has been growing steadily.

In addition to monitoring performance at the corporate level, the Company also tracks project-level outcomes to ensure that energy conservation measures are effectively and consistently achieved. For 2024, the Company has set an energy conservation target of 0.47% of total energy consumption at its production facility. As a result, the Company successfully saved 400,321.82 megajoules, which represents 0.94% of the total energy used at the facility. Moreover, the Company has implemented several key energy conservation projects, including the following:



Air Compression System Optimization Project

In 2024, the Company upgraded its air compression system by identifying and addressing leaks, as well as improving the pneumatic system at 25 points. This led to a reduction in electricity consumption of 387,234.43 megajoules per year.

2. Waste and Hazardous Waste Management

● Objectives and Targets

The Company is dedicated to efficient waste management based on the principles of Reduce, Reuse, and Recycle (3Rs) across all stages of its operations. The aim is to optimize resource use while minimizing waste generation. The Company has set a target to progressively reduce the amount of waste sent to landfills, with the ultimate goal of achieving Zero Waste to Landfill in the future.

● Management Approach and Implementation

The Company places a strong emphasis on efficient resource management, covering both the monitoring of resource usage in production processes and the establishment of measurable goals to reduce waste. These initiatives are designed to clearly reflect improvements in resource efficiency. In line with this, the Company has launched a resource efficiency enhancement program that continuously tracks and discloses data on waste management, in alignment with the 3Rs (Reduce, Reuse, Recycle) principles. The Company has also adopted digital technologies to optimize production processes and minimize the use of paper and other consumables, with the aim of achieving tangible waste reduction goals.

Beyond efficient resource management, the Company has integrated Circular Economy principles into its operations, focusing on designing products that prioritize the recycling of raw materials and resources, as well as the reuse of waste. This approach aims to reduce waste generation and the need for new resources. Recognizing the significant amount of packaging used in its consumer goods business — including general packaging, product content, labels, pump heads, and shipping cartons — the Company values partnerships that help improve waste recycling efficiency, particularly for materials like cardboard or protective paper inserts used inside the packaging to protect products. These materials often generate substantial paper waste. To address this, the Company collaborates with its partners to ensure that these waste materials are recycled back into the production process through Closed-loop Recycling, which allows them to be reused within the Company's operations.

Furthermore, the Company is committed to managing raw materials throughout their entire lifecycle, with a particular focus on managing packaging waste after use. The goal is to minimize plastic waste and reduce the amount of packaging sent to landfills, ideally aiming for zero waste. One example of this commitment is the BeNice Roadmap, a strategic initiative aimed at reducing the use of virgin plastic — a key contributor to the consumption of new resources in packaging production. As part of this initiative, the Company plans to replace 30% of its packaging materials with Post-Consumer Recycled Resin (PCR), sourced from recycled plastics. The target is to increase PCR usage to 10% of the Company's total packaging by 2030. Additionally, the Company is committed to Sustainable Packaging, which focuses on reducing the use of non-recyclable plastics. This effort also contributes to minimizing adverse environmental and health impacts. The Company actively engages its employees in waste management and reduction initiatives. To support these efforts, it has established a Sustainability Center, dedicated to researching innovative technologies and approaches for waste reduction. The Company is also developing eco-friendly cleaning products made from organic raw materials that are biodegradable and environmentally safe.



● Key Performance Indicators and Results

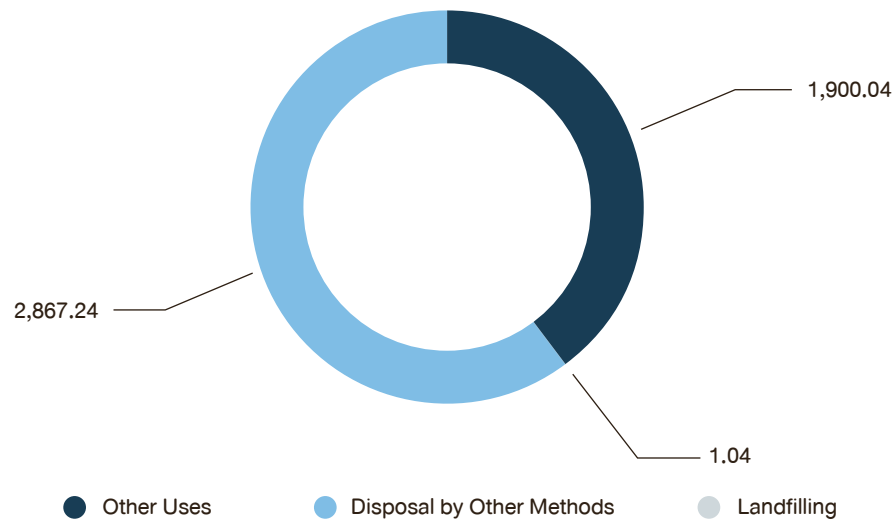
The Company is dedicated to continuously improving and monitoring its waste management practices to promote the efficient use of resources in the production process and has also established clear targets to consistently reduce waste generation each year.

Waste Generated from Production Processes in Relation to Sales (2022–2024)

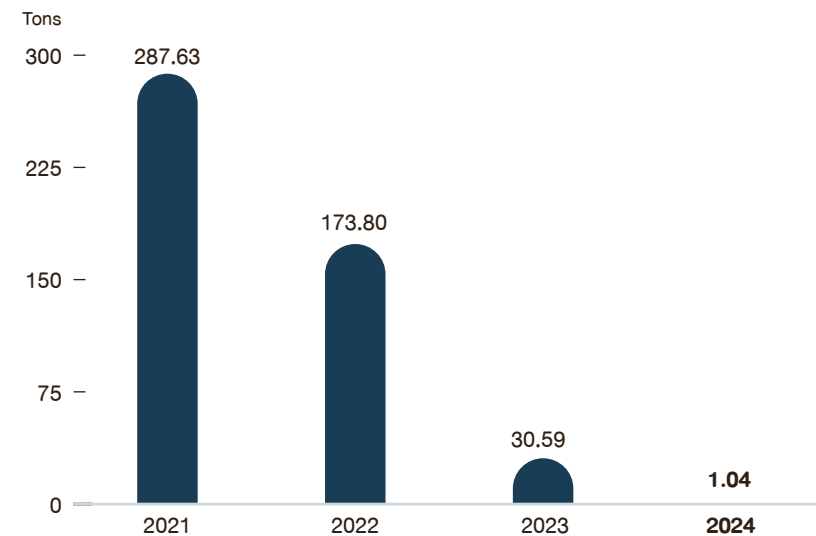
	Waste from the Production Process Compared to Sales (Percentage)		
	2022	2023	2024
Target	0.004	0.002	0.00181
Achievement	0.001	0.001	0.00085

In 2024, the Company generated a total of 4,768.62 tons of waste, consisting of 1.04 tons of waste disposed of through landfilling, 2,867.24 tons through alternative methods, and 1,900.34 tons repurposed for other uses. The Company has consistently implemented waste management practices, leading to a continuous reduction in the amount of waste sent to landfills since 2021, with further decreases observed in 2024.

Waste Management in 2024 (Ton)



Amount of Waste Disposed of by Landfilling



Additionally, the Company is dedicated to reducing its negative environmental impact, particularly in the post-use phase of its products. This is accomplished by integrating the principles of Extended Producer Responsibility (EPR), which encompasses both upstream and downstream activities across the entire product lifecycle. The aim is to raise awareness of environmental impacts through a comprehensive approach—from the design phase to material selection—thereby reducing plastic usage in packaging. As part of this effort, the Company has implemented measures to minimize the amount of plastic that ends up as waste after the product's lifecycle. Since 2020, the Company has prioritized the use of environmentally friendly packaging and has made significant progress. Between 2020 and 2024, the Company has achieved measurable reductions in plastic packaging waste, saving a total of 1,529 tons by 2024. Furthermore, the Company has launched several key initiatives, including the following:

Sustainable Packaging Initiative

The Sustainable Packaging program includes several sub-projects, such as Light Weight Talcum Phase 2 and Shipper KS. Additionally, the Company plans to phase out the use of PVC (PVC Elimination) in all packaging by 2025, aiming to reduce the environmental impact of PVC.



BeNice Roadmap Initiative

The weight reduction of BeNice product packaging (Weight Saving) in 80ml, 170ml, and 400ml sizes from 2020 to 2024 has led to a total reduction of 273 tons of virgin plastic, resulting in a decrease of 833 metric tons of CO₂ equivalent.

3. Air Pollution Management

● Objectives and Targets

The Company is committed to strictly adhering to legal regulations for air pollution control, supporting occupational health and safety standards, and minimizing environmental impact. Recognizing the potential for air pollution from its production processes, including emissions from boiler combustion and the use of chemicals, the Company has set a target to regularly monitor and manage air pollution levels. The goal is to ensure that emissions remain within legally defined limits every year.

- **Management Approach and Operations**

The Company complies with all legal air pollution control and treatment requirements. It maintains a detailed pollution inventory that identifies emission sources and the specific pollutants released, in line with the Ministry of Industry's Notification on Air Pollutant Emission Limits, B.E. 2549 (A.D. 1999). This includes particulate matter, sulfur dioxide, nitrogen oxides, carbon monoxide, opacity, hydrogen chloride, sulfuric acid, potassium hydroxide, and xylene.

- **Key Performance Indicators and Results**

The Company recognizes the importance of ensuring the quality of life for all stakeholders, both internal and external, with a particular focus on air quality, which directly affects the health of employees and the surrounding community. As part of its commitment to air pollution management, the Company has consistently monitored its air quality performance and conducted regular external assessments from 2020 to 2027. The results show that the average concentrations of nine key pollutants—namely total particulate matter, sulfur dioxide, nitrogen oxides, carbon monoxide, opacity, hydrogen chloride, sulfuric acid, potassium hydroxide, and xylene—have consistently remained within regulatory limits and met required environmental standards over the past five years. Moreover, no complaints related to air pollution have been received.

4. Water Management

- **Objectives and Targets**

Water is a fundamental resource in the Company's production process. Ensuring the availability of high-quality freshwater that meets production demands, especially amidst the challenges posed by climate change, is a critical issue that the Company addresses with great care. The Company has established comprehensive strategies to meet its water usage needs while minimizing any negative impact on other stakeholders, particularly local communities that share the same water sources. To this end, the Company is committed to maximizing water efficiency and reducing unnecessary water consumption. As part of its sustainability goals, the Company has set a target to decrease water usage per unit of production year over year. Furthermore, the Company is dedicated to achieving zero wastewater discharge in the future and also ensures full compliance with all legal requirements regarding wastewater treatment and control.

- **Management Approach and Operations**

The Company has implemented the 3Rs principles—Reduce, Reuse, and Recycle—to enhance water efficiency and foster awareness among employees. Water conservation measures have been integrated into operational procedures, with clear guidelines that all employees are expected to follow. Additionally, the Company conducts regular monitoring of both annual and monthly water consumption across its facilities, enabling early detection of any abnormal increases in water usage and prompt corrective action. High-water usage business units are also identified to explore opportunities for improvement. This approach ensures that the Company responsibly and effectively manages its water resources, contributing to sustainability efforts.

● Key Performance Indicators and Results

Driven by a strong commitment to optimizing the use of water resources, the Company strives to minimize the potential impacts of water shortages caused by climate change, while ensuring the sustainability of this vital resource for all sectors. In 2024, the Company used 4 cubic meters of water per ton of production and generated 1.04 cubic meters of wastewater per ton of production. The Company's water consumption is sourced primarily from surface water provided by the Royal Irrigation Department, accounting for 92.09%, and from the Provincial Waterworks Authority, accounting for 7.91%.

The Company's Water Usage from 2022 to 2024

Description	2022	2023	2024
Water Consumption (m ³)	332,947	461,090	748,066
Wastewater Entering the System (m ³)	59,738	84,929	204,669
Number of Production Units (Tons)	178,889	192,127	196,299
Water Used per Production Unit (m ³ /Ton)	1.86	2.40	3.81
Wastewater Generated per Production Unit (m ³ /Ton)	0.33	0.44	1.04

Note: When considering the volume of wastewater entering the system in 2024, there was a significant increase compared to 2023. This was due to the ongoing construction of a factory building to support production capacity expansion.

In addition, the water conservation initiatives implemented in 2024 resulted in a reduction of the Company's total water usage by 179,024 cubic meters annually. The Company has the following key projects:

Recycling Treated Wastewater for Potable Water Production

To maximize the use of water resources and minimize the discharge of wastewater, the Company has implemented a system that treats wastewater to meet quality standards, allowing it to be reused as potable water. This is achieved using Ultrafiltration (UF) technology, which enables the Company to reduce external water consumption by 174,000 cubic meters per year.



Improvement of Methods and Equipment for Tank Cleaning to Enhance Efficiency

The company recognizes the critical importance of maximizing water efficiency to mitigate the risks associated with limited water resources. As part of this commitment, it has upgraded the methods and equipment used for tank cleaning, resulting in improved cleaning efficiency and a reduction in water usage of up to 5,024 cubic meters per year.

5. Greenhouse Gas Emission Reduction Management

● Objectives and Targets

Climate change has far-reaching impacts on business operations, posing risks to ongoing business continuity. In response, the Company is committed to actively contributing to the reduction of greenhouse gas (GHG) emissions across its operations and supporting national GHG reduction targets. The Company is in the process of setting specific targets for reducing direct GHG emissions from production activities (Scope 1 and 2). Simultaneously, it is working on strategies to reduce indirect GHG emissions within its supply chain (Scope 3), focusing on initiatives such as reducing plastic packaging use. The Company aims to achieve a 20% reduction in GHG emissions from these initiatives by 2030. In addition, the Company has developed a strategic plan to achieve carbon neutrality by 2050. This initiative underscores its strong commitment to significantly reducing greenhouse gas emissions and advancing its readiness to become a leading organization in the transition to a low-carbon society.

● Management Approach and Implementation

The Company has established a comprehensive database to track its GHG emissions, in line with the reporting and calculation guidelines set by the Thailand Greenhouse Gas Management Organization (Public Organization) (“TGO”). In 2024, the Company plans to conduct a verification of its 2023 GHG emissions data, with the results to be disclosed in the 2024 Annual Report (Form 56-1 One Report), which will be released in 2025. Additionally, the Company reviews and updates its GHG reduction targets for Scope 1 and 2 annually, ensuring continuous improvement in emissions management within each scope as follows:



Scope 1

The Company addresses direct greenhouse gas emissions from its production processes through several initiatives. These include enhancing transportation efficiency by implementing an Automated Storage and Retrieval System (ASRS) powered by electricity, which replaces fuel-powered delivery trucks for finished goods. Additionally, the Company has transitioned to using BF2000 fire suppression agents in place of CO₂-based fire extinguishers, among other measures.

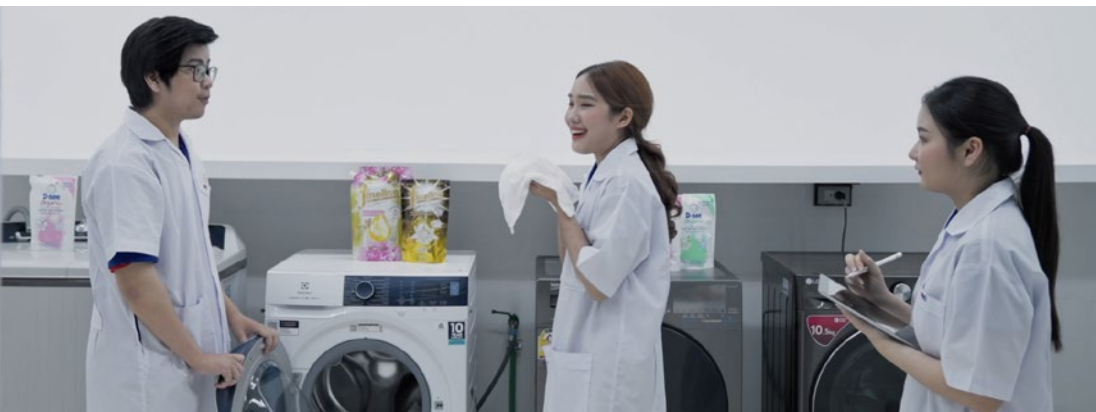
Scope 2

The Company tackles indirect greenhouse gas emissions from electricity use by prioritizing the integration of clean energy and reducing dependence on electricity generated from fossil fuels. Ongoing initiatives include the installation of an additional 0.9 MW of solar panels on factory rooftops, which now represents 23% of the Company's total electricity consumption sourced from the Provincial Electricity Authority, among other efforts.

Scope 3

The Company also addresses other indirect greenhouse gas emissions through several initiatives, as outlined below:

- (1) Purchased Raw Materials and Services (Category 1 according to GHG Protocol) – The Company has implemented various projects to reduce emissions in this area, including reducing the quantity of raw materials used to minimize overall greenhouse gas emissions, improving the management of hazardous chemicals, advancing sustainable packaging solutions, reducing the use of non-recyclable materials, investing in research and development to create products that require less energy and time for cleaning, reformulating products to be more environmentally friendly, such as reducing the use of hydrochloric acid in toilet cleaning products.
- (2) Transportation and Distribution (Category 4 according to GHG Protocol) – The Company has undertaken various initiatives, including optimizing its logistics system to minimize the impact on greenhouse gas emissions and reduce environmental footprint.



Key Performance Indicators and Results

The Company is committed to transitioning toward a low-carbon society and achieving carbon neutrality, which has driven its ongoing efforts to reduce greenhouse gas emissions. In 2024, the Company's total greenhouse gas emissions across Scope 1, 2, and 3 amounted to 218,726 tons of CO₂ equivalent, elaborated as follows: direct emissions (Scope 1) totaled 4,877 tons of CO₂ equivalent, indirect emissions (Scope 2) totaled 6,858 tons of CO₂ equivalent, and other indirect emissions (Scope 3) totaled 206,991 tons of CO₂ equivalent. The breakdown of greenhouse gas emissions by Scope 1, 2, and 3 is as follows:

GHG Carbon Dioxide Emissions from 2022 to 2024

GHG Carbon Dioxide Emissions (Tons of CO ₂ Equivalent)			
Scope	2022	2023	2024
1	4,836	4,477	4,877
2	5,800	6,601	6,858
3	180,352	189,568	206,991
1+2	10,636	11,078	11,735
1+2+3	190,988	200,646	218,726
Production Capacity (Tons)	178,889	192,127	196,299
GHG (1+2) per Production Capacity	0.0595	0.0577	0.0598

Furthermore, the Company has been consistently developing, planning, and executing initiatives to reduce greenhouse gas emissions across Scope 1, 2, and 3 since 2020. These efforts have been carried out through various key projects, including the following:

Initiatives to Reduce Greenhouse Gas Emissions

Greenhouse Gas	Programs to Support Greenhouse Gas Emission Reductions	Performance
Scope 1	Enhancing transportation efficiency by utilizing the ASRS conveyor system for the delivery of finished goods.	In 2024, the Company used the ASRS conveyor system to transport a total of 373,618 product pallets. This initiative helped reduce fuel consumption by approximately 24,908 liters annually, translating to a reduction of about 69 tons of CO ₂ equivalent emissions from engine combustion.
Scope 2	Installing solar panels on the factory roof.	In 2024, the Company has a solar power capacity of 2.857 megawatts, generating 2,961,822 kilowatt-hours of electricity per year for internal use. This enables the Company to reduce indirect carbon dioxide emissions from purchased energy by approximately 1,480.61 tons of CO ₂ equivalent.
Scope 3 (Category 1)	Enhancement of production processes to reduce greenhouse gas emissions.	The Company has reduced packaging material usage by 273 tons, leading to a reduction of 833 tons of CO ₂ equivalent in greenhouse gas emissions from 2020 to 2024.

3.4 Social Sustainability Management

3.4.1 Social Policies and Practices

In managing sustainability from a social perspective, the Company fully recognizes its critical role and responsibility in addressing social issues both within the organization and in the broader community. The Company is committed to treating all employees and stakeholders with fairness and equality, without discrimination, while respecting and embracing individual differences. This approach is designed to create an environment where every employee has the opportunity to maximize their potential. The Company has developed a comprehensive framework of policies and practices that comply with legal requirements to secure certification under Thai labor standards. This framework is aligned with the United Nations Sustainable Development Goals (SDGs), particularly in enhancing the quality of life for individuals and promoting economic prosperity. Key focus areas include Goal 3 (Good Health and Well-being), Goal 4 (Quality Education), Goal 5 (Gender Equality), Goal 8 (Decent Work and Economic Growth), and Goal 10 (Reduced Inequality) to provide guidance on how to engage with stakeholders across all sectors. The Company emphasizes the importance of its workforce—both internal employees and those within the value chain—as essential to driving sustainable operations. This commitment is articulated through the NEO Sustainability Framework for 2020–2025, which addresses environmental, social, and governance issues. Furthermore, the Company integrates the United Nations Guiding Principles on Business and Human Rights into its operational practices, ensuring a strong foundation for addressing social issues throughout its value chain. In this regard, the Company has made its human rights policies and labor practices publicly available on its website (www.neo-corporate.com).



The Company is committed to fostering a sustainable coexistence between industry and the surrounding communities. To this end, the Company has established policies and practices covering various social aspects, including employee safety, where the Company holds that every individual has a responsibility for their own safety as well as the safety of their colleagues; fair treatment of labor, where all practices are in line with international standards, the Labor Protection Act, and Thai labor standards; employee development, where the Company prioritizes the development of its personnel to enhance their skills, fostering greater responsibility towards customers in both production and service delivery; community engagement, where the Company actively supports local communities by creating jobs and providing skill-building training programs; and respect for human rights, where the Company is committed to treating all employees equally and without discrimination. Additionally, the Company encourages feedback and provides a platform for stakeholders to raise concerns or complaints related to its operations and any potential impact on surrounding communities through a network of representatives.

3.4.2 Social Performance

3.4.2.1 Human Rights

The Company is dedicated to conducting its business in full respect for human rights, which is a core ethical principle embedded in its business practices. The Company recognizes the importance of equality, non-discrimination, and respect for diversity, ensuring that both employees and stakeholders can fully realize their potential in the workplace.

The Company has established comprehensive human rights guidelines to support compliance with relevant laws and international human rights standards. These include economic, social, and cultural rights, the right of employees to freely associate, and fair, equitable labor practices. Specifically, the Company prohibits all forms of child labor and forced labor, ensure fair and equitable wages, and implement transparent and just performance evaluation systems. These practices apply to all employees at every level of the organization. Furthermore, the Company expects its business partners, suppliers, and all other parties in the supply chain to align with and support its human rights policies and practices. This is enforced as a standard of business conduct, and partners are required to formally acknowledge by signing the Company’s policy documents.

The Company has established channels for reporting complaints, grievances, and whistleblowing, including those related to human rights violations. These channels are accessible via a QR code for employees and other stakeholders. All complaints and the identities of whistleblowers are treated with the highest level of confidentiality, in line with its Whistle Blowing Policy and Personal Data Protection Policy. In 2024, the Company received no complaints regarding human rights violations from employees or other stakeholders. In the event of any human rights violations, whether direct or indirect, the Company has clear procedures in place to promptly address and solve the issue. Corrective measures or remediation steps are implemented within 1–3 days

(depending on the specific case). All actions taken are done in full respect for the privacy of the whistleblower and involve collaboration between Human Resources and the relevant department heads. Its grievance mechanisms also extend beyond human rights issues, allowing for broader feedback and complaints. This ensures that any reported issues can be used to drive continuous improvement in the Company’s operations and systems.

For external parties, the Company has also implemented a whistleblowing process. External stakeholders can report concerns directly to the Company’s executives. The Audit Committee Chairperson will then appoint an investigation committee to assess the issue, and if substantiated, the findings will be presented to the Audit Committee Chairperson within 7 business days from the date the issue is reported.

3.4.2.2 Treatment of Employees and Labor

Fair Treatment of Employees

Fair treatment of employees is a fundamental principle that the Company upholds as part of its core business ethics. The Company has established specific guidelines to ensure that there is no discrimination, and that all employees are provided with equal opportunities. In 2024, the Company has gathered the following key employee-related operational data:

Key Employee-Related Operational Data for 2022 – 2024

Employee Data	2022	2023	2024
Number of employees with disabilities (persons)	24	25	26
Total number of employees excluding those with disabilities (persons)	2,450	2,494	2,578

Employee Development

The Company is committed to continuously supporting and developing its employees' potential to ensure they have the knowledge and skills to perform their roles efficiently. This enables employees to apply their learning to drive personal growth and contribute to enhancing the Company's competitive edge. Development is driven by analyzing training needs, setting clear goals, and defining key performance indicators based on a comprehensive assessment of both core competencies and leadership behaviors. Employee development is structured around a 70:20:10 model, where 70% of learning comes from on-the-job training and real work experience, 20% from individual coaching and mentoring, and 10% from formal training programs. The Company also emphasizes additional training initiatives that foster well-being, such as programs promoting inner self-awareness and happiness, which contribute to a balanced work-life experience. Furthermore, these initiatives help develop employees' sense of social responsibility, environmental consciousness, and commitment to workplace safety.

In 2024, the Company conducted a total of 40,253.5 training hours, including both external and internal programs, with an average of 15.46 hours per employee (excluding hours dedicated to on-the-job training and practical work experience). Some of the key training programs held in 2024 include:

- Developing Leadership Competencies with Situational Leadership (SLII: Powering Inspired Leader)
- Strategic Customer Business Planning
- Strategic Thinking and Basic Marketing
- Six Thinking Hats: Enhancing Problem-Solving with Multiple Perspectives
- Enterprise Risk Management
- Boosting Performance with an Outward Thinking Approach
- Growth Mindset Framework
- Product Sampling and Shelf-Life Testing Procedures
- Weighing, Dispensing, Labeling of Raw Material Batches, and Verification of Raw Material Dispensing
- Safe Handling of Chemicals
- ESG 101: Fundamentals of Sustainability

Additionally, in 2024, the Company has implemented a follow-up process to assess the success of the training and gather feedback from employees. This involves conducting evaluations through meetings where training participants can share their views on the benefits of the training and how they have applied the knowledge gained in their work after a certain period of time.

Employee Motivation and Retention

The Company is dedicated to fostering long-term employee retention and regularly conducts annual Employee Engagement Surveys. The insights gained from these surveys are used to make targeted improvements and drive continuous development across departments. As a reflection of its commitment, the Company has been recognized as one of Thailand's Best Companies to Work for in Asia by HR Asia in 2021, 2022, 2023, and 2024.



In 2022, the Company began tracking voluntary employee turnover (Turnover Rate) to assess employee engagement and retention. From January to August 2024, the voluntary turnover rate was 7.10% of the total workforce.

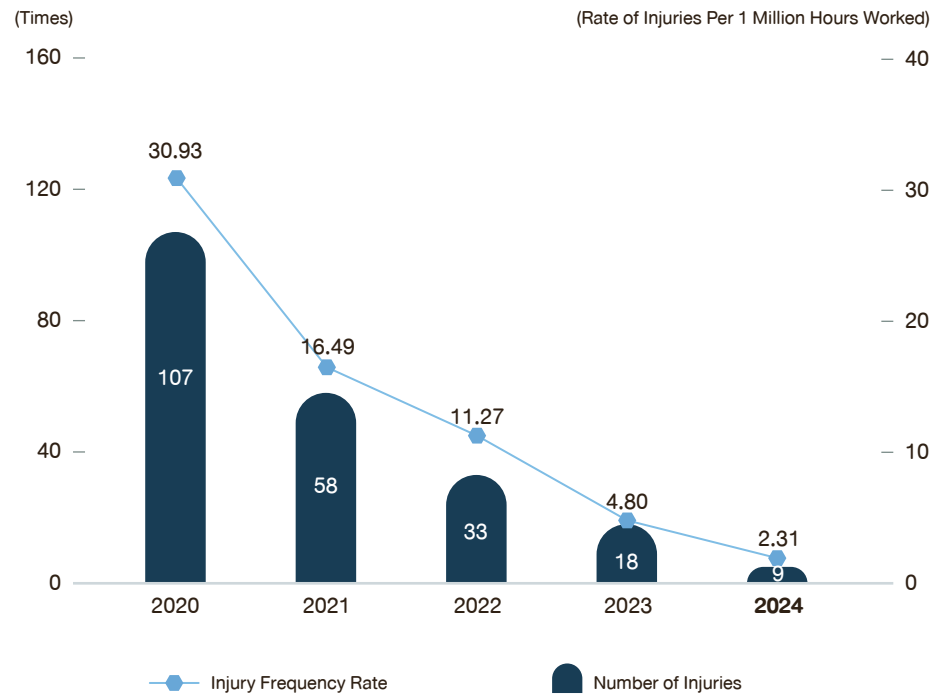
Safety and Occupational Health

The Company prioritizes the health and safety of all employees, which is why it has developed a comprehensive safety manual outlining specific safety duties and responsibilities for each level of the organization, from senior management to department heads, supervisors, and staff. These responsibilities align with the Company's Occupational Health and Safety policies, as well as general safety regulations covering office safety, the use of machinery and equipment in the factory, personal protective equipment (PPE), and protocols for reporting workplace hazards.

In addition, the Company provides training on safety procedures for handling emergencies such as fires, chemical handling, and hazardous material management, with the aim of preventing accidents, leaks, fires, and other safety incidents. A detailed register of chemicals and hazardous substances—covering 313 items—is maintained, along with a thorough risk assessment process. This proactive approach has resulted in no chemical spills or hazardous material incidents between 2020 and 2024. Moreover, the Company ensures the well-being of its employees through annual health check-ups.

The Company has experienced no fatal or life-altering accidents from 2020 to 2024. Furthermore, the Injury Frequency Rate (IFR) has consistently declined over the past five years, with the rate of injuries per 1 million hours worked as follows:

Injury Frequency Rate (IFR) for 2020 – 2024 (as of August)



The decrease in the injury rate is attributed to the effective implementation of action plans across all relevant departments, supported by annual assessments of occupational health, safety, and environmental impacts. Additionally, the Company sets clear key performance indicators (KPIs) alongside practical action plans to drive continuous improvement.

3.4.2.3 Customer and Consumer Relations

The Company is committed to upholding its responsibility to customers by prioritizing product quality and consumer safety. As part of this commitment, the Company has launched several initiatives. For instance, it has reduced the use of HCl (hydrochloric acid), a chemical that poses risks to both human health and the environment, in its products. Additionally, the Company is phasing out PVC, a harmful material, and replacing it with PET, which is recyclable and free from dangerous chemicals, benefiting both producers and consumers alike.

The Company has established multiple channels for customers to submit product-related complaints via its Customer Service (CS) team. These include online and offline platforms such as Facebook, the Company's website, Line@, email, and phone. Customer inquiries and complaints are handled directly by the Company's support team. Upon receiving a complaint, a quality control team is assigned to investigate and address the issue, ensuring all complaints are solved within 14 days. Between January and December 2024, the company received a total of 105 customer complaints concerning satisfaction. All of these were successfully addressed within the designated timeframe.

Additionally, the Company regularly conducts customer satisfaction surveys to gauge customer contentment with various aspects of product quality. These surveys inform the Company's ongoing efforts to improve and develop products that align with customer and consumer needs. An annual survey of distributor satisfaction is carried out every February, and in 2024, the Company successfully completed this survey. The results will be analyzed, and any additional feedback will be incorporated into future product enhancements. The Company also assesses the satisfaction of customers who have submitted complaints, measuring their contentment after receiving resolutions or compensations.

3.4.2.4 Community and Social Engagement

In addition to employees, partners, and customers, the Company places great emphasis on actively contributing to the development of local communities and society. The Company is committed to supporting the local population around its facilities and factories, with a goal of enabling sustainable livelihoods through employment opportunities and community engagement initiatives that foster long-term income generation.

In 2024, the Company promoted and supported local employment in the surrounding provinces of Chachoengsao, Nakhon Nayok, and Pathum Thani, hiring a total of 713 people, which represents 45.10% of the total workforce at the facility. Additionally, the Company supports employee relocation to Pathum Thani through a housing loan program in partnership with a bank.

The Company also encourages the distribution of income to the local community through the purchase of goods and services from local suppliers. In 2022, 2023, and 2024 (as of December), the Company spent a total of 3.67 million baht, 4.04 million baht, and 5.06 million baht, respectively, on these purchases. In addition, the Company has supported local products (OTOP) by allowing community members to sell their goods at the factory. The Company has also shared valuable knowledge and conducted training to improve product standards and create sustainable income for the community.

In 2024, the Company hosted six community-run stores within the factory. As a result of the training, these stores were able to improve the management of food quality, space utilization, and cleanliness, leading to a reduction in negative feedback from customers using the canteen.

Furthermore, the Company regularly visits the community to listen to their feedback, communicates and shares information about safety, environmental practices, and chemicals both inside and outside the factory, and promotes various factory activities

to the surrounding community. The Company also provides opportunities for community representatives, local leaders, and Tambon Administrative Organization (TAO) members from Bueng Kho Hai to visit the Company's waste disposal and wastewater treatment systems. These visits enable the community to monitor potential impacts, offer suggestions for prevention, and collaborate on improving the environmental quality of the surrounding area.

The Company also actively supports various initiatives focused on creating a Green Ecosystem and achieving Zero Waste, both within the Company and in the surrounding community, within a 10-kilometer radius of the Company's location. These efforts are aimed at creating long-term value for both society and the environment. Key initiatives include:

- **Electric Forklifts and Golf Carts (EV)**

The Company has adopted electric forklifts (EV) to reduce the emission of soot and fumes during operations. This transition not only improves the work environment by minimizing pollution but also ensures a healthier and safer workplace for employees.



- **Installation of Solar Panels**

Solar panels have been installed on the rooftops of company buildings, generating clean energy. This helps reduce the Company's carbon footprint while also lowering electricity costs.

- **Community Go Green (Bee Farming and Fruit Tree Planting for Sustainable Livelihoods)**



In collaboration with local schools in the Khlong 13 and Khlong 14 areas, the Company has initiated programs to educate students about bee farming and fruit tree cultivation. Through hands-on activities such as expanding stingless bee colonies and planting fruit trees, students gain

practical knowledge that supports both ecological sustainability and job creation in the community.

- **Educational Field Trips for Students**

Partnering with the Faculty of Arts at Chulalongkorn University, the Company organizes educational trips for primary school students (Grades 1–6) to attend a performance, i.e.,



the royal tribute play “Taeb Taeb Ta Laep Taeb Taeb,” based on royal literary works. The students actively participate in the play, enhancing their learning experience while developing important skills and fostering creativity.

- **Supporting and Generating Income for the “Eua Rak Khlong 10” Project**

The Company actively supports the elderly community in Khlong 10 by providing materials and resources for seniors to craft practical household items using recycled plastic bottles. Products such as plastic bottle brooms, handbags, wall hooks, and plant pots are made, creating added value by reusing plastic waste.

- **Zero Waste School Initiative**

In collaboration with the Thailand Institute of Scientific and Technological Research (TISTR), the Company has launched the “Zero Waste School” project. This initiative partners with local schools and temples in the Khlong 12, Khlong 13, and Khlong 14 areas, aiming to be an educational center and aiming to develop a learning society and community in Pathum Thani Province.



In addition to its focus on community development, the Company also invests in the well-being of university students and staff. The Company provides knowledge and organizes mental health initiatives for university personnel, extending the same care for mental health that it offers to its own employees.



Apart from supporting and developing the community and society through its various initiatives, the Company also encourages its partners to embrace social responsibility. This is communicated through the Company’s Code of Conduct for partners to ensure that partners understand and align with the Company’s commitment to community development, and are encouraged to implement similar practices within their own activities. These practices cover areas such as labor rights, human rights, occupational health and safety, environmental protection, and ethical business conduct. Due to the Company’s commitment and efforts, we received certification under the Industrial Factory Responsibility Promotion Program for Sustainable Social and Community Development (CSR-DIW), awarded by the Department of Industrial Works in the past year. This year, the Company continues its dedication by participating in the CSR-DIW Continuous program.

4. Management Discussion and Analysis (MD&A)

4.1 Analysis of Operations and Financial Position

4.1.1 Executive Summary

Results Overview	Q4/24	Q4/23	Q3/24	Change +/-		YE/24	YE/23	Change +/-
	Unit: Million THB			%YoY	%QoQ	Unit: Million THB		%YoY
Operating Revenue	2,659	2,455	2,437	8.3%	9.1%	10,062	94,844	6.1%
Gross Profit	1,139	1,058	1,082	7.7%	5.3%	4,525	4,035	12.1%
Selling and Administrative Expenses	827	862	788	(4.1%)	4.9%	3,222	2,957	9.0%
Net Profit	244	150	235	62.7%	3.8%	1,023	840	21.8%
Net Profit Attributable to the Parent Company	240	144	231	66.7%	3.9%	1,008	830	21.4%
Gross Profit Margin	42.8%	43.1%	44.4%	-	-	45.0%	42.5%	-
Net Profit Margin	9.1%	6.1%	9.6%	-	-	10.1%	8.8%	-
Net Profit Margin Attributable to the Parent Company	9.0%	5.8%	9.4%	-	-	10.0%	8.7%	-
Basic Earnings Per Share (Baht/Share)	0.80	0.65	0.77	23.1%	3.9%	3.60	3.74	(3.7%)

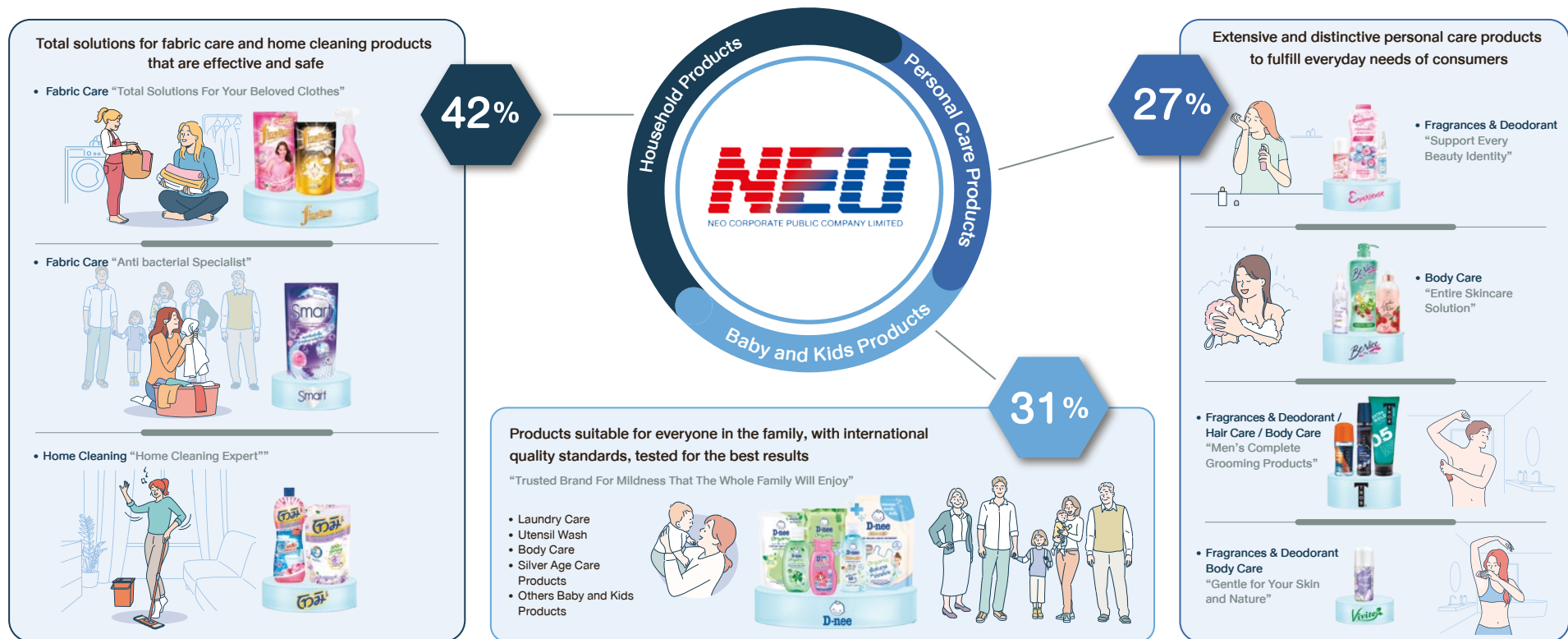
Notes: Values may differ by one decimal point due to rounding

In 2024, Neo Corporate Public Company Limited (the “Company” or “NEO”) reported operating revenue of THB 10,062 million, increased by THB 578 million or 6.1% from 2023, mainly due to the revenue growth across all product categories, especially personal care product category. The Company reported net profit attributable to the parent company of THB 1,008 million, increased by THB 178 million or 21.4% from 2023, with a net profit margin attributable to the parent company of 10.0%, corresponding to the increased operating revenue from all product categories, especially from the strong growth in premium mass products following the implementation of the Premiumization strategy. This growth was also supported by the Company’s effective management of raw material and packaging costs, as well as the implementation of appropriate business strategies to support growth.

In 2025, the Company expects its operating performance to continue to grow from the improving industry trends. The Company has set a 5-year compound annual growth rate (CAGR) target from 2023–2028 with double-digit sales growth target, driven by growth both domestically and internationally through the adjustment of operational strategies corresponding to the growth targets, including developing new products and improving existing products, expanding product portfolio to new customer segments and potential markets (Segment Creator), while implementing the Innovation-led Premiumization strategy and expanding distribution channels both domestically and internationally to be more comprehensive, especially online channels that have the opportunity to grow

from the previous year by increasing engagement on e-commerce platforms through activities such as more frequent live streaming, shopping cart integration, and the promotion of Affiliate Marketing. Meanwhile, the export market has the opportunity to recover from the increase in the number of distribution channels in major export countries, increasing brand presence and product penetration, as well as the expansion of the export country portfolio. Furthermore, the Company is in the process of expanding its production capacity to support future growth. The investment plan will be adjusted based on the Company's performance, such as dividing the construction of factory buildings into phases and evaluating new machinery investment annually.

4.1.2 YE/2024 Operating Revenue Structure



4.1.2.1 Q4/2024 and YE/2024 Operating Results

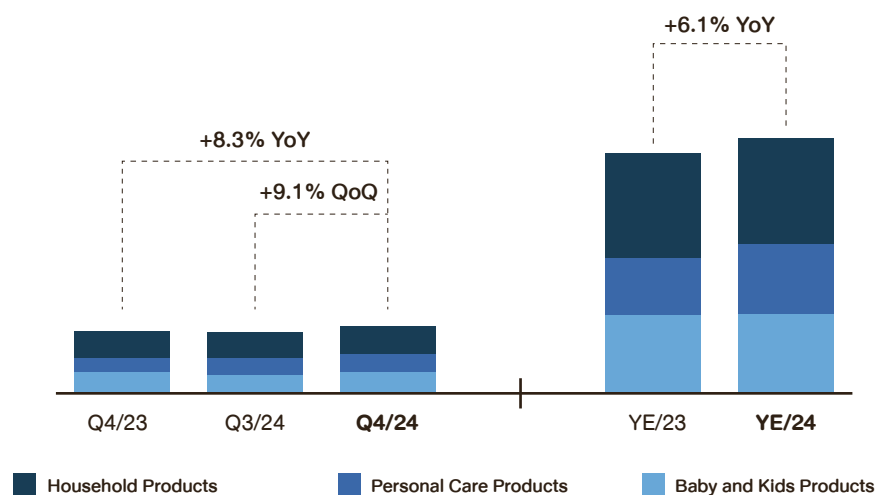
1. Revenue Breakdown by Product Category

Revenue Structure	Q4/24	Q4/23	Q3/24	Change +/-		YE/24	YE/23	Change +/-
	Unit: Million THB			%YoY	%QoQ	Unit: Million THB		%YoY
Household Products	1,125	1,065	1,025	5.6%	9.8%	4,179	4,127	1.3%
Personal Care Products	701	553	705	26.8%	(0.6%)	2,748	2,287	20.2%
Baby & Kids Products	833	837	707	(0.5%)	17.8%	3,135	3,070	2.1%
Total Revenue from Sales	2,659	2,455	2,437	8.3%	9.1%	10,062	9,484	6.1%

Notes: Values may differ by one decimal point due to rounding

Operating Revenue Breakdown by Product Category

Unit: Million THB, %



YoY: Q4/2024 vs Q4/2023

In Q4/2024, the Company reported operating revenue of THB 2,659 million, increased by THB 204 million or 8.3% from Q4/2023, due to the following factors:

- Revenue from Household Products:** was THB 1,125 million, increased by THB 60 million or 5.6%, mainly due to strong performance across all brands under the household products category, including ‘Fineline’, ‘Smart’, and ‘Tomi’, especially laundry detergent and fabric softener products such as ‘Fineline Concentrated Laundry Detergent Organic Aloe Vera’ and ‘Fineline Concentrated Premium Soft Fabric Softener’, with new technologies to reduce pet hair on fabrics. The growth also came from ‘Tomi Floor Cleaner For Pet’, which is a premium mass product from the implementation of the Company strategy to

expand customer base into new segments. In addition, the Company is currently in the process of expanding its distribution channels for household products to targeted countries through negotiations with key distributors to broaden customer reach and drive business growth.

- **Revenue from Personal Care Products:** was THB 701 million, increased by THB 148 million or 26.8%, mainly due to strong performance across all brands under the personal care products category, including ‘BeNice’, ‘Eversense’, ‘TROS’, and ‘Vivite’, especially shower cream products and roll-on products, supported by the Company’s strategy to enhance market share for these two categories and partially from the development of new products and improvements to existing products which were well-received by consumers, such as ‘BeNice Perfume Shower Gel’ featuring Blooming Bomb technology for long-lasting fragrance and ‘TROS Deo Roll On Cool Sport’, a high-performance roll-on that helps reduce the accumulation of bacteria, which is one of the causes of body odor, with Deo Protect System power, leaves no stains after use.
- **Revenue from Baby & Kids Products:** was THB 833 million, slightly decreased by THB 4 million or 0.5%, mainly due to the slowdown in sales of baby and kids laundry detergent. However, this decrease was partially offset by the growth from shower cream and body lotion products especially growth from ‘D-nee Organic Newborn Head & Body Baby Wash’, which contains a special selection of 7 natural ingredients that help moisturize the skin, helps care for soft, moisturized skin, easy to wash off. In addition, the Company also experienced growth from the “D-nee Deluxe” products, which are premium mass products that come with innovations for everyone in the family that are more than gentle, helping to manage the problem of unique odors of the elderly, and is the first brand in Thailand to offer such innovations to

consumers. This is a clear result from the Company’s implementation of the strategy to expand customer base into new segments

QoQ: Q4/2024 vs Q3/2024

In Q4/2024, the Company reported operating revenue of THB 2,659 million, increased by THB 222 million or 9.1% from Q3/2024 due to the following factors:

- **Revenue from Household Products:** was THB 1,125 million, increased by THB 100 million or 9.8%, mainly due to the growth of product brands under the household products category, both ‘Fineline’ and ‘Smart’, especially laundry detergent and fabric softener products from the strategy to focus on increasing market share of laundry detergent and fabric softener products in the country continuously. In this quarter, the Company has developed new products and improved existing products to offer to consumers, such as ‘Fineline Fabric Softener Concentrated Premium Soft Purely Light Violet’, which comes with a new selling point in addition to helping reduce pet hair sticking to clothes, there is also technology to help reduce dust sticking to clothes to promote during the period when Thailand has a PM 2.5 dust problem.
- **Revenue from Personal Care Products:** was THB 701 million, slightly decreased by THB 4 million or 0.6%, mainly due to the decrease in sales from shower cream products due to seasonal reduction in demand for shower cream products. However, the decrease was partially offset by the growth from roll-on products from the Company’s strategies to focus on increasing market share and seasonal growth of body lotion products, along with the development of new products that have been well-received continuously from consumers, such as ‘BeNice Perfume Collagen Body Serum’ that helps reduce the appearance of wrinkles and replenish moisture with concentrated Brightening Complex and Niacinamide 3%.

- **Revenue from Baby & Kids Products:** was THB 833 million, increased by THB 126 million or 17.8%, mainly due to the growth of baby and kids products, especially baby laundry products, body lotion products, baby bottle washing products and shower cream products. In addition, the growth also came from traditional trade channels in the country and sales in major export countries. In this quarter, the Company developed new products and improved existing products to offer to consumers, such as ‘D-nee Baby Bottle & Nipple Cleanser For Newborn Fruitganic’, comes with Bioclean Technology, cleaning power from natural enzymes combined with cleaning agents, helps remove milk stains, fats and proteins.

YoY: YE/2024 vs YE/2023

In 2024, the Company reported operating revenue of THB 10,062 million, increased by THB 578 million or 6.1% from 2023. This was driven by:

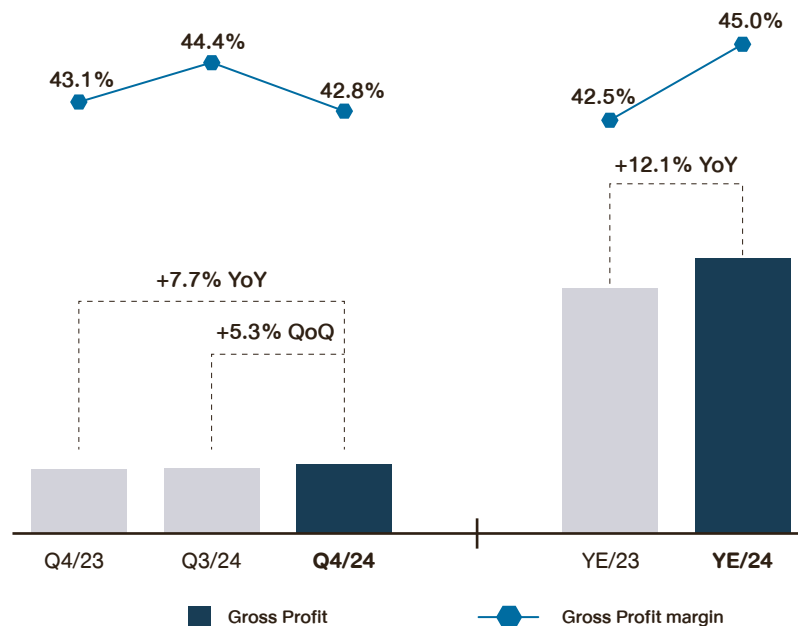
- **Revenue from Household Products:** was THB 4,179 million, increased by THB 52 million or 1.3%, mainly due to the growth of product brands under the household products category, especially ‘Fineline’, which grew in the mass products category, such as ‘Fineline Pro Clean Concentrated Liquid Detergent’, effectively removes deep-seated stains with just half a cap with Deep Active stain removal technology, including the premium mass products category, partly from the introduction of ‘Fineline Concentrated Premium Soft Fabric Softener’, with new technologies to reduce pet hair on fabrics, which comes with new technology to help reduce pet hair sticking to clothes, and ‘Tomi Floor Cleaner Natural’, dries quickly in 25 seconds, not sticky and does not leave footprints, which has been well-received by consumers. In addition, the Company is in the process of expanding distribution channels for household products to target countries and is in the process of negotiating cooperation with major distributors to increase opportunities to reach new customer groups and drive business growth.
- **Revenue from Personal Care Products:** was THB 2,748 million, increased by THB 461 million or 20.2%, mainly due to the growth of all product brands under the personal care products category, including ‘BeNice’, ‘Eversense’, ‘TROS’ and ‘Vivite’, especially shower cream, roll-on, cologne and powder products. Part of the growth was also a result of the development of new products and the improvement of existing products that have been well-received by consumers in both the mass and premium-mass products category, such as 1) ‘BeNice Perfume Shower Gel’, which comes with Blooming Bomb technology, long-lasting fragrance, like spraying perfume, and enhances skin elasticity for plump, bouncy, firm and youthful skin with collagen peptides, along with 2) ‘BeNice Ultimate Hygiene Feminine Cleansing’, gentle, safe, free from 12 harmful substances, tested by gynecologists, and 3) ‘Eversense Made My Day Collection Perfume Mist’, which has 3 scents, which when each scent is combined, a new form of fragrance is created, adding up to 6 scents, raising the level of fragrance and premium, meeting the needs of teenage women and working women. In addition, the collaboration between Vivite and BeNice to extend the English Pear & Freesia scent, which was very popular in BeNice shower gel products, to ‘Vivite Collagen Whitening Roll-on green color’, which has displayed continuous popularity.
- **Revenue from Baby & Kids Products:** was THB 3,135 million, increased by THB 65 million or 2.1%, mainly due to the growth of shower cream, powder and baby lotion products. In addition, the implementation of a strategy to expand the new customer base by launching “D-nee Deluxe” with 3 new products including 1) laundry detergent with innovative laundry products for everyone in the family that are more than gentle, but also helps to manage the problem of unique odors of the elderly, which is the first brand in Thailand to tackle this issue, 2) body lotion products that help restore and nourish the skin to be moisturized for a long time and have a fragrant scent with technology to help suppress specific odors of the elderly in a gentle formula to care for the skin of the elderly with delicate skin that is not allergic to babies, and 3) shower cream to keep the skin

clean, fresh, soft and moisturized for all ages, 100% Aloe Vera Oil with Micellar Water, deep cleansing, gentle, does not harm the skin, mixed with natural extracts, Japanese persimmon helps inhibit body odor. In addition, the Company have displayed success from introducing additional new products under D-nee Organic Always Happy – Smile Booster Series, covering all the needs of mothers, including liquid soap for bathing and washing, baby lotion, laundry and fabric softener for children, outstanding with EmotiTech fragrance technology that helps children feel good, stimulates development, allowing children to be ready to learn new things every day and has passed Hypoallergenic Tested tests, does not cause allergies and irritation.

2. Gross Profit and Gross Profit Margin

Gross Profit and Gross Profit margin

Unit: Million THB, %



YoY: Q4/2024 vs Q4/2023

Gross Profit: In Q4/2024, the Company reported gross profit of THB 1,139 million, increased by THB 81 million or 7.7% from Q4/2023, corresponding to the increase in operating revenue, especially from personal care and household products category. This growth was a result of effective strategies implemented, including effective marketing strategies, expanding the customer base, and developing new products. However, the cost of goods sold in Q4/2024 increased from the previous year mainly due to higher raw material costs and the decrease in the revenue from the baby and kids products category which has higher gross profit margins compared to the other products (Product Mix). As a result, **Gross Profit Margin** in Q4/2024 was 42.8%, slightly decreased from 43.1% in Q4/2023.

QoQ: Q4/2024 vs Q3/2024

Gross Profit: In Q4/2024, the Company reported gross profit of THB 1,139 million, increased by THB 57 million or 5.3% from Q3/2024, corresponding to the increase in operating revenue, especially from the household and baby and kids products category. This growth was a result of effective strategies implemented, including effective marketing strategies, expanding the customer base, and developing new products. However, the cost of goods sold in Q4/2024 increased from the previous year mainly due to higher raw material costs and promotional campaigns during the festive season. As a result, **Gross Profit Margin** in Q4/2024 was 42.8%, decreased from 44.4% in Q3/2024.

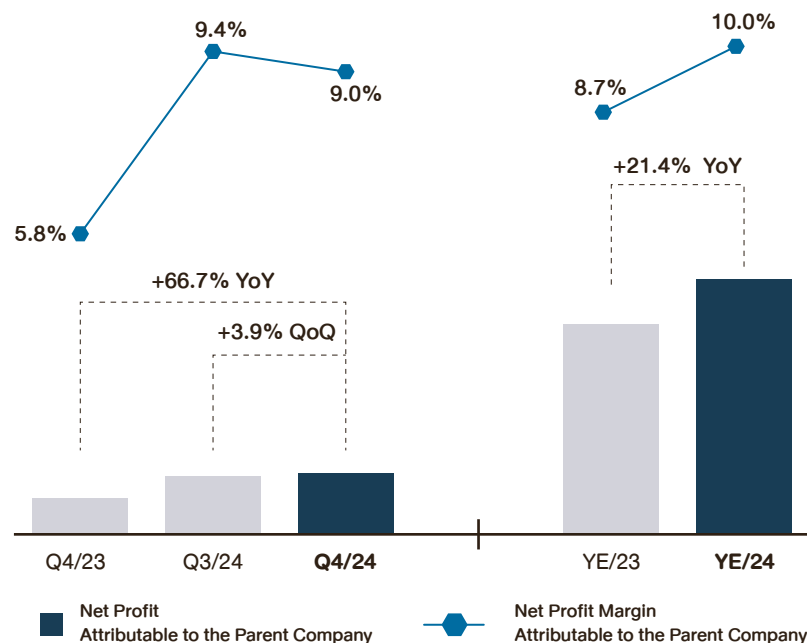
YoY: YE/2024 vs YE/2023

Gross Profit: In 2024, the Company reported gross profit of THB 4,525 million, increased by THB 490 million or 12.1% from 2023, corresponding to the increase in operating revenue, especially from household, personal care, and baby and kids products category. This growth was a result of effective strategies implementation, including effective marketing strategies, expanding the customer base, and developing new products. Meanwhile, the cost of goods sold slightly increased in 2024 compared to the growth in revenue, reflecting the Company's ability to manage raw material and packaging costs effectively. In addition, the Company experienced a significant growth in revenue from the personal care products category which has higher gross profit margins compared to household products (Product Mix). As a result, **Gross Profit Margin** in 2024 was 45.0%, increased from 42.5% in 2023.

3. Net Profit and Net Profit Margin Attributable to the Parent Company

Net Profit and Net Profit Margin Attributable to the Parent Company

Unit: Million THB, %



YoY: Q4/2024 vs Q4/2023

Net Profit Attributable to the Parent Company: In Q4/2024, the Company reported net profit attributable to the parent company of THB 240 million, increased by THB 96 million or 66.7% from Q4/2023, mainly due to increase in operating revenue and gross profit. Moreover, the Company incurred lower selling and administrative expenses compared to the previous year, mainly due to the absence of special bonuses which were incurred in Q4/2023. During Q4/2024, Selling and Administrative Expenses to Operating Revenue was 31.1%, improved from 35.1% in Q4/2023, resulting in **Net Profit Margin Attributable to the Parent Company** to be 9.0% in Q4/2024, increased from 5.8% in Q4/2023.

QoQ: Q4/2024 vs Q3/2024

Net Profit Attributable to the Parent Company: In Q4/2024, the Company reported net profit attributable to the parent company of THB 240 million, increased by THB 9 million or 3.9% from Q3/2024, mainly due to the increase in operating revenue and

gross profit. However, the Company incurred higher selling and administrative expenses compared to the previous quarter, mainly from the cost of renovating areas around the factory and warehouse, along with the increase in marketing and promotional activities to strengthen the Company's competitive position. The Company's marketing and promotional expenditures depends on the products the Company focuses on during each period, market conditions, and competition, as well as the timeline for launching new products, resulting in fluctuations in quarterly spending. As a result, those expenses are not fixed on a quarterly basis but are carefully managed and controlled to align with the annual sales-to-expense ratio. During Q4/2024, Selling and Administrative Expenses to Operating Revenue was 31.1%, improved from 32.3% in Q3/2024, this decrease was at a lower rate than the decrease in the gross profit margin, resulting in **Net Profit Margin Attributable to the Parent Company** to be 9.0% in Q4/2024, decreased from 9.4% in Q3/2024.

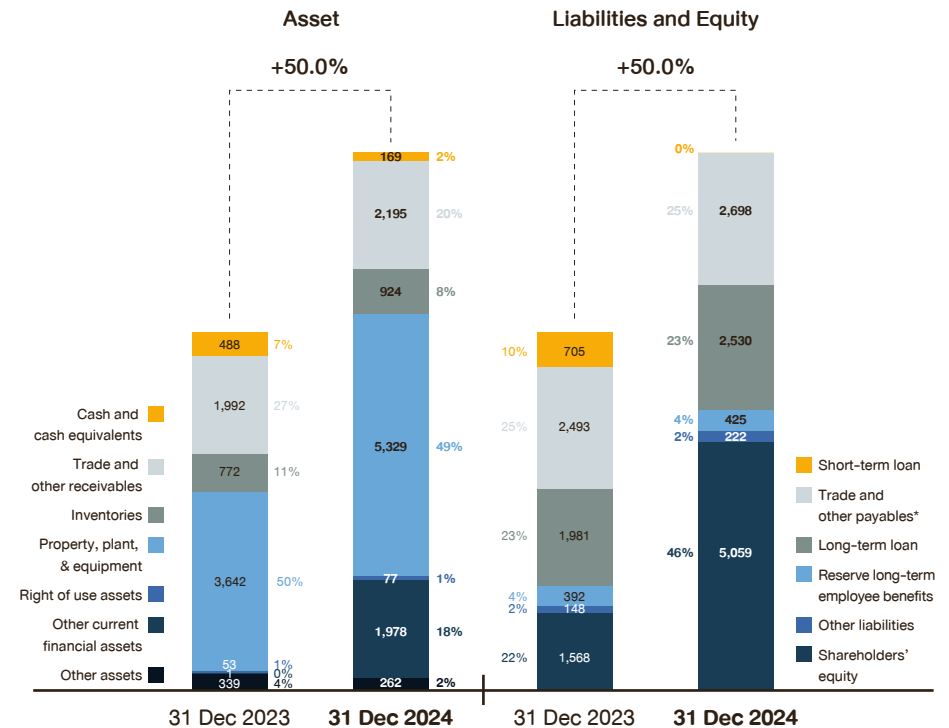
YoY: YE/2024 vs YE/2023

Net Profit Attributable to the Parent Company: In 2024, the Company reported net profit attributable to the parent company of THB 1,008 million, increased by THB 178 million or 21.4% from 2023, driven by the increase in operating revenue and gross profit. However, the Company incurred higher selling and administrative expenses compared to the previous year, mainly due to increased marketing and promotional expenses to strengthen the Company's competitive position, as well as increased in depreciation expenses related to the expansion of the automated finished goods warehouse and the automated storage and retrieval system (ASRS) which commenced operations in Q3/2023. The Company's marketing and promotional expenditures depends on the products the Company focuses on during each period, market conditions, and competition, as well as the timeline for launching new products, resulting in fluctuations in quarterly spending. As a result, those expenses are not fixed on a quarterly basis

but are carefully managed and controlled to align with the annual sales-to-expense ratio. In 2024, Selling and Administrative Expenses to Operating Revenue was 32.0%, increased from 31.2% in 2023, this increase was at a lower rate than the increase in gross profit margin, resulting in **Net Profit Margin Attributable to the Parent Company** to be 10.0% in 2024, increased from 8.7% in 2023.

4.1.3 Statement of Financial Position

Unit: Million THB



*Note: Trade and other payables, including Department of Revenue payables

Total Assets

As of 31 December 2024, the Total Assets of the Company was THB 10,934 million, increased by THB 3,647 million or 50.0% from 31 December 2023, driven by the following key changes:

- **Trade and other receivables:** was 2,195 million, increased by THB 203 million, corresponding to the increase in sales.
- **Inventories:** was THB 924 million, increased by THB 152 million, due to higher inventory to support anticipated sales growth in the upcoming quarter.
- **Property, plant, & equipment:** was THB 5,329 million, increased by THB 1,687 million, due to the investments for the expansion of production capacity for personal care products for both baby and adults.
- **Other current financial assets:** was THB 1,978 million, including fixed deposits with financial institutions of THB 1,000 million and temporary investments of THB 978 million. The majority of these funds were generated from Initial Public Offering (IPO).
- **Long-term loans:** was THB 2,530 million, increased by THB 549 million, due to the investments for the expansion of production capacity for personal care products of both baby and adults.
- **Trade and other payables:** was THB 2,698 million, increased by THB 205 million, mainly due to construction payables and asset purchases for the capacity expansion project in the personal care products category for both baby and adults of THB 280 million, and raw material and packaging purchases to support increased production in the next quarter of THB 94 million. This was partially offset by a decrease in accrued expenses of THB 180 million, mainly due to a reduction in accrued bonuses for 2024 compared to 2023

Total Liabilities

As of 31 December 2024, the Total Liabilities of the Company was THB 5,875 million, increased by THB 155 million or 2.7% from 31 December 2023, driven by the following key changes:

- **Short-term loans:** was THB 0 million, decreased by THB 705 million, mainly due to the repayment of loans to financial institutions in accordance to the purpose outlined during Initial Public Offering (IPO).

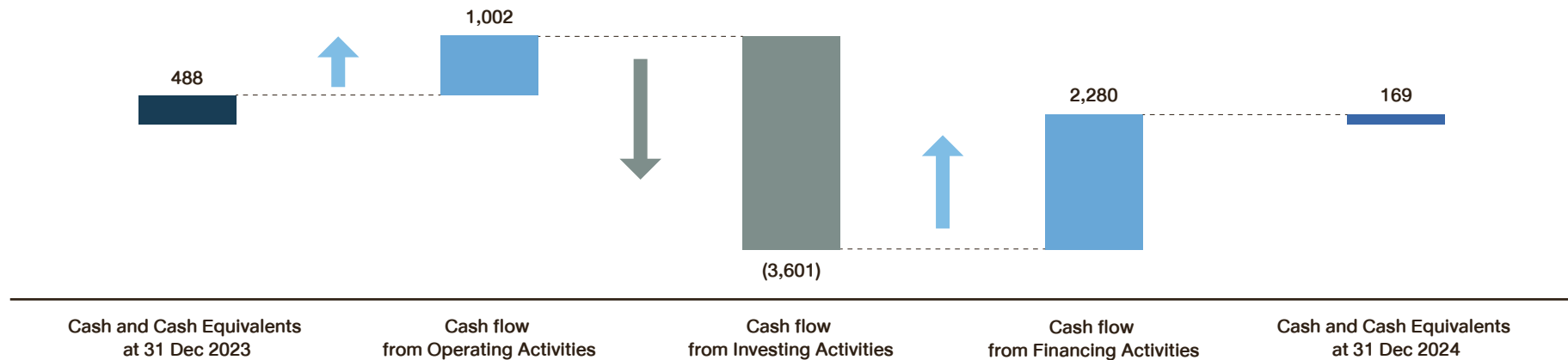
Total Shareholders' Equity

As of 31 December 2024, the Total Equity of the Company was THB 5,059 million, increased by THB 3,491 million or 222.6% from 31 December 2023, driven by the following key changes:

- **The increase in the share capital:** 78 million shares at a par value of THB 1 per share, totaling THB 78 million.
- **Share premium:** was THB 2,901 million resulting from the Initial Public Offering (IPO) on April 9, 2024.
- **Retained earnings:** was THB 1,387 million, increased by THB 508 million, due to the increase in total comprehensive income attributable to the Company's shareholders in 2024 of THB 1,008 million, partially offset by the annual dividend payment for 2023 to the Company's shareholders of THB 500 million.

4.1.4 Liquidity and Sufficiency of Company's Capital

Unit: Million THB



Cash flow from Operating Activities

Net cash from operating activities of the Company for the fiscal year ended 31 December 2024, was THB 1,002 million, driven by the following key changes:

- Cash from operating activities: was THB 1,302 million (mainly due to the record of pre-tax profit of THB 1,285 million and adjustments to pre-tax profit for cash receipts of THB 480 million, partially offset by net decrease in working capital of THB 463 million).
- Net cash paid for interests: was THB 100 million.
- Cash paid for income taxes: was THB 200 million.

Cash flow from Investing Activities

Net cash used in investing activities of the Company for the fiscal year ended 31 December 2024, was THB 3,601 million, driven by the following key changes:

- Net cash used for investments in financial assets: was THB 1,966 million, mainly from fixed deposits with financial institutions of THB 1,000 million and short-term investments of THB 978 million (excluding gains from fair value adjustments)
- Cash payments for investments in property, plant, and equipment: was THB 1,629 million, mainly due to the investments for the expansion of production capacity for personal care products of both baby and adults.

Cash flow from Financing Activities

Net cash flows from financing activities of the Company for the fiscal year ended 31 December 2024, was THB 2,280 million, driven by the following key changes:

- Net cash received from increase in share capital: was THB 2,964 million.
- Net cash received from long-term loans: was THB 548 million.

Partially offset by:

- Net cash paid for repayment of short-term loans: was THB 705 million.
- Dividend payment to shareholders for the year 2023: was THB 500 million.

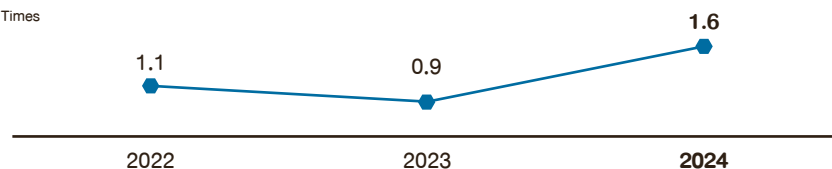
4.1.5 Key Financial Ratios

1. Liquidity Ratios

Current Ratio

Total current assets / Total current liabilities

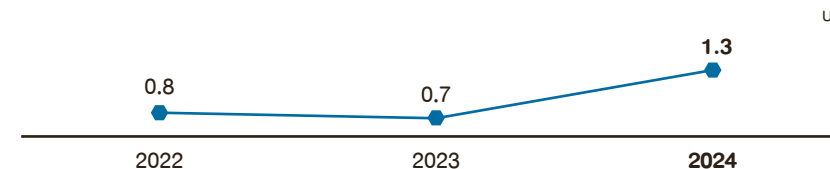
Unit: Times



Quick Ratio

(Cash and cash equivalents + Net trade receivables + Other current financial assets*) / Total current liabilities

Unit: Times



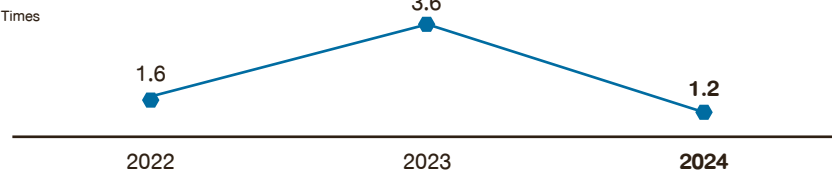
*Fixed deposits with a tenor of more than 3 months but less than 1 year, and investments in open-end fund-debt securities

2. Leverage Ratios

D/E Ratio

Total liabilities / Total equity

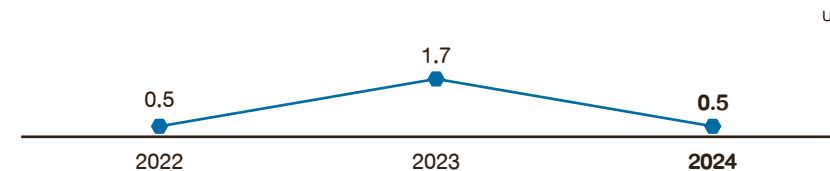
Unit: Times



Interest Bearing Debt to Equity Ratio

Total interest-bearing debt / Total equity

Unit: Times

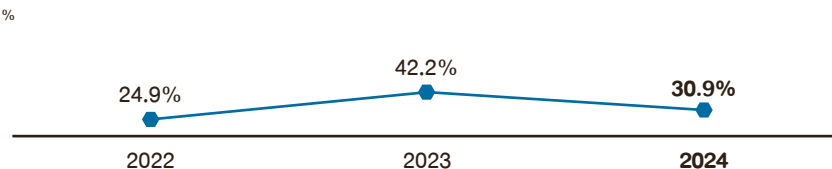


3. Profitability Ratios

ROE

Net income (for the year) / Average total equity

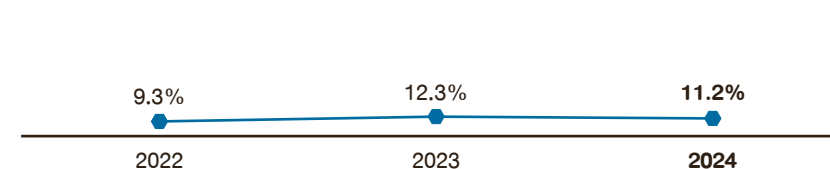
Unit: %



ROA

Net income (for the year) / Average total assets

Unit: %

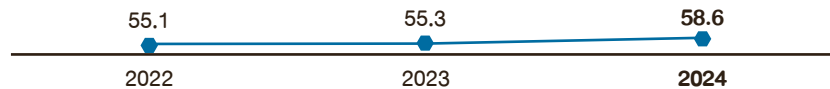


4. Assets Management Ratios

Cash Cycle

(Average sales period + Average collection period) – Average payment period

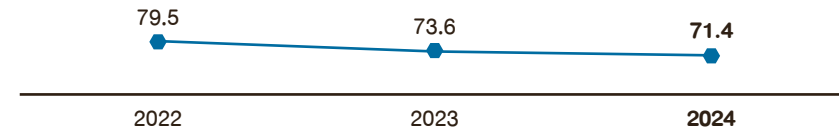
Unit: Days



Average Payment Period

$365 / (\text{Cost of goods sold} / \text{Average trade payables (excluding other payables)})$

Unit: Days



4.1.6 NEO Business Strategy

1. Marketing Excellence

- Offer high quality products to upkeep the popularity with consumers
- Strengthen market position of all brands
- Increase market share of products with high marketing potential
- Innovation-led Premiumization in all business units
- Increase distribution channels – TT channels in Thailand



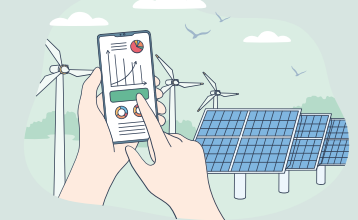
2. Supply Chain Optimization

- Continuous raw materials and packaging management
- Improving production process efficiency and resource management
- Automated Storage and Retrieval System (ASRS)



3. Sustainability Driven

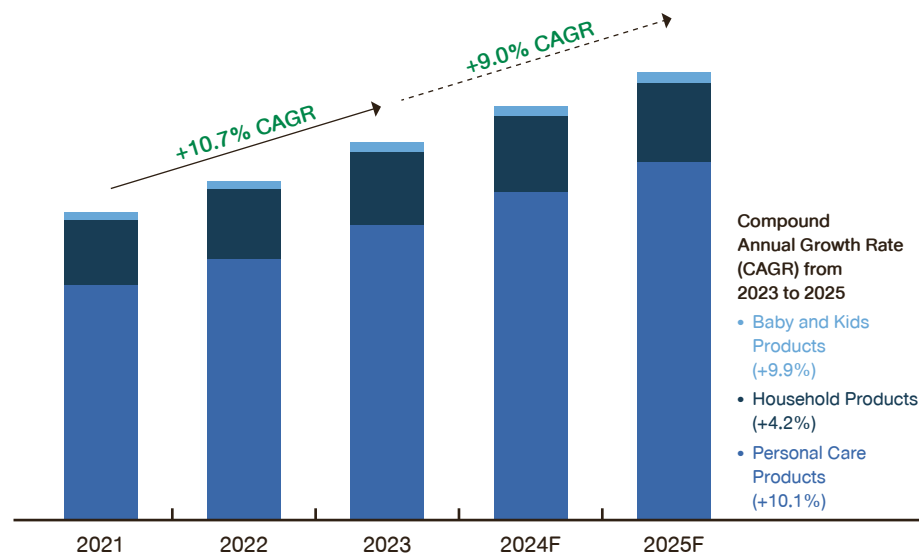
- Strengthen responsible business culture and leverage innovation to manage resources and environment



4.1.7 Thailand Consumer Goods Industry Market Situation

Consumer Goods Industry Trends in Thailand

Unit: THB Billion



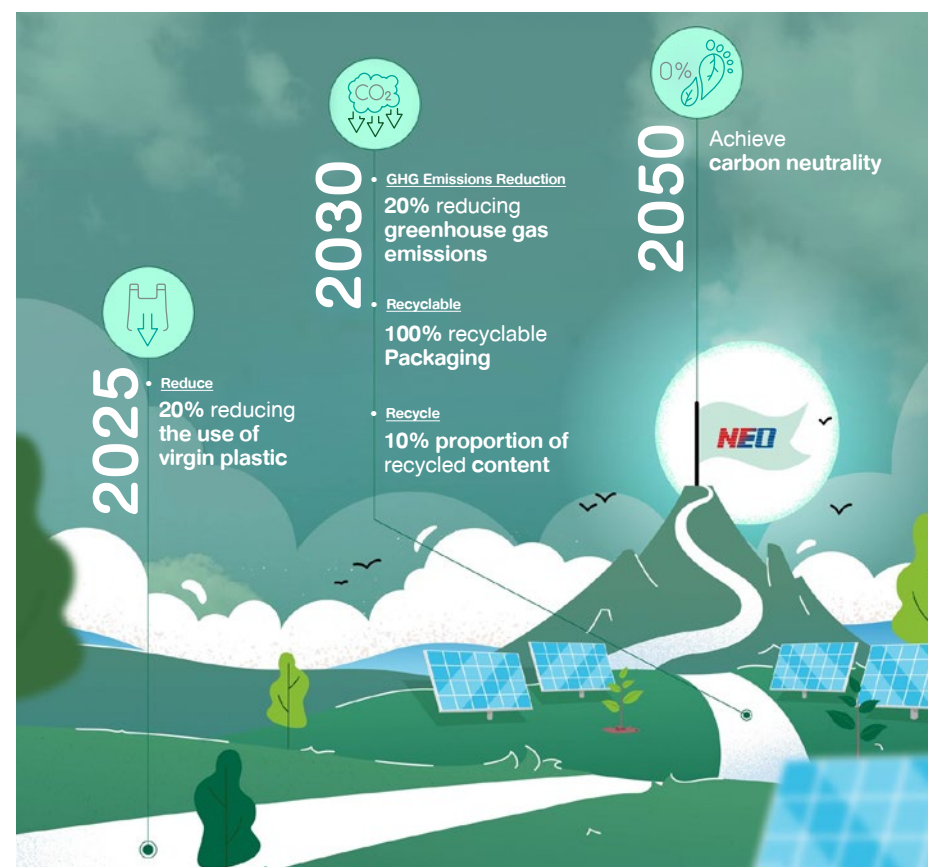
Source: Euromonitor

The Thai consumer goods market reached a value of THB 320.1 billion in 2023, according to Euromonitor. The market is projected to grow to THB 380.4 billion by 2025, with a compound annual growth rate (CAGR) of 9.0% between 2023 to 2025. This indicates the continuous growth of the consumer goods market in Thailand. The personal care product category is expected to exhibit the highest growth rate of 10.1% per year.

4.1.8 NEO: Driving Sustainable Business Practices (ESG)

The Company has developed a sustainable operations roadmap (ESG Activity Roadmap) to align with its circular economy policy and short-term and medium-term goals. The Company has plans and goals for promoting and developing sustainability, which aim to reduce environmental impact as follows:

Sustainable Operations Roadmap (ESG Activity Roadmap)



In 2024, the Company implemented the following activities under its ESG Activity Roadmap:

GHG Emissions Reduction

The Company has conducted an assessment of its organizational greenhouse gas emissions (Carbon Footprint for Organization: CFO) following the guidelines of the Thailand Greenhouse Gas Management Organization (Public Organization) and the international standard ISO 14064-1, which sets criteria for measuring and reporting greenhouse gas emissions since 2023. In addition, the Company remains committed to reducing greenhouse gas emissions through both short-term and long-term action plans. This includes collecting data on both emissions and carbon sequestration from all business activities, covering all three scopes of greenhouse gas emissions. The assessment results are as follows:

Greenhouse gas emissions data of NEO Corporate Public Company Limited

Standard criteria	Unit	Year 2023	Year 2024
Scope 1	tonCO ₂ e	4,953	4,877
Scope 2		6,601	6,858
Scope 1 and 2		11,554	11,735
Scope 3		187,828	206,991

Remark: The greenhouse gas emissions data for 2024 is currently under review in accordance with the organizational carbon footprint assessment guidelines of the Organization for the Promotion of Alternative Energy and Conservation of Energy (Public Organization) and the ISO 14064-1 standard. The British Standards Institution (BSI) is conducting the verification and is scheduled to certify and register the data in Q1/2025.

The Company has implemented projects to enhance production efficiency and optimize energy use. As a result, in 2024, greenhouse gas emissions (Scope 1 and 2) per unit of production decreased by 0.5% compared to the previous year. This highlighted an important first step in reducing environmental impact and enhancing the sustainability of the Company's operations

Reduce (20% by 2025)

The Company has reduced its use of virgin plastic by a total of 1,529 tons, which accounts for 19.8% of its total plastic packaging usage volume compared to the previous year.

Recyclable (100% by 2030)

The Company has compiled data on recyclable packaging materials, accounting for 83% of the total packaging volume. The remaining 13% consists of non-recyclable packaging materials such as laminated films. In addition, the Company is in the process of developing a system to recycle used laminated film into plastic pellets.

Recycled content (10% by 2030)

In 2023, the Company developed and tested plastic pellets made from recycled plastic bottles, known as Post-Consumer Recycled (PCR). This initiative aims to support a circular economy and maximize the lifespan and value of materials. From Q1/2024 to Q4/2024, the Company has distributed the Mass Series products under the BeNice brand, using packaging made from PCR plastic pellets, totaling 114 tons. This initiative has helped reduce carbon dioxide emissions by 998 tons of CO₂ equivalent (CO₂e), aligning with sustainable development goals and minimizing environmental impact.

4.2 Key Financial Information

4.2.1 Summary of Financial Statements

4.2.1.1 Statement of Financial Position

Items	Consolidated Financial Statements for the Fiscal Year Ended December 31					
	2022 (Revised)		2023		2024	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Current Assets						
Cash and cash equivalents	223.64	3.53	488.27	6.70	169.41	1.55
Trade and other receivables	1,928.77	30.44	1,991.66	27.33	2,194.94	20.07
Inventories	863.89	13.64	772.11	10.59	924.42	8.45
Prepaid expenses	12.52	0.20	16.16	0.22	21.72	0.20
Other current financial assets	–	–	1.35	0.02	1,977.71	18.09
Other current assets	32.50	0.51	28.96	0.40	40.91	0.37
Total Current Assets	3,061.32	48.32	3,298.51	45.27	5,329.11	48.74
Non-Current Assets						
Prepaid construction costs	3.76	0.06	117.31	1.61	7.73	0.07
Investment properties	7.73	0.12	5.57	0.08	5.43	0.05
Property, plant, and equipment	3,085.41	48.70	3,642.47	49.99	5,329.01	48.74
Right-of-use assets	33.33	0.53	53.31	0.73	76.93	0.70
Computer software	35.29	0.56	49.84	0.68	49.43	0.45
Deferred tax assets	108.09	1.71	113.87	1.56	121.85	1.11
Other non-current assets	0.13	0.00	6.16	0.08	14.63	0.13
Total Non-Current Assets	3,273.74	51.68	3,988.53	54.73	5,605.01	51.26
Total Assets	6,335.06	100.00	7,287.04	100.00	10,934.12	100.00

Items	Consolidated Financial Statements for the Fiscal Year Ended December 31					
	2022 (Revised)		2023		2024	
	Million Baht	%	Million Baht	%	Million Baht	%
<u>Liabilities</u>						
<u>Current Liabilities</u>						
Short-term borrowings from financial institutions	141.59	2.24	705.00	9.67	-	-
Trade and other payables	2,333.52	36.83	2,390.68	32.81	2,675.66	24.47
Long-term loans due for repayment within one year	203.40	3.21	277.38	3.81	537.85	4.92
Lease liabilities due for payment within one year	18.63	0.29	18.92	0.26	25.98	0.24
Income taxes payable	73.30	1.16	75.41	1.03	130.32	1.19
Tax authority payables	31.37	0.50	102.09	1.40	22.61	0.21
Other current financial liabilities	0.17	0.00	-	-	1.19	0.01
Other current liabilities	13.77	0.22	18.69	0.26	12.10	0.11
Total Current Liabilities	2,815.75	44.45	3,588.17	49.24	3,405.71	31.15
<u>Non-Current Liabilities</u>						
Long-term borrowings	709.15	11.19	1,704.09	23.38	1,991.84	18.22
Lease liabilities	16.48	0.26	35.56	0.49	52.83	0.48
Employee long-term benefit provisions	382.76	6.04	391.72	5.38	424.55	3.88
Total Non-Current Liabilities	1,108.39	17.49	2,131.37	29.25	2,469.22	22.58
Total Liabilities	3,924.14	61.94	5,719.54	78.49	5,874.93	53.73

Items	Consolidated Financial Statements for the Fiscal Year Ended December 31					
	2022 (Revised)		2023		2024	
	Million Baht	%	Million Baht	%	Million Baht	%
Shareholders' Equity						
Share capital						
Registered capital						
300,000,000 ordinary shares of Baht 1 each (December 31, 2023: 300,000,000 ordinary share of Baht 1 each December 31, 2022: 2,220,000 ordinary shares of Baht 100 each)	222.00	3.50	300.00	4.12	300.00	2.74
Issued and fully paid capital						
300,000,000 ordinary shares of Baht 1 each (December 31, 2023: 222,000,000 ordinary share of Baht 1 each December 31, 2022: 2,220,000 ordinary shares of Baht 100 each)	222.00	3.50	222.00	3.05	300.00	2.74
Excess of common stock value	-	-	-	-	2,901.21	26.53
Excess capital from stock-based payments	26.93	0.43	26.93	0.37	26.93	0.25
Excess capital from business combinations under common control	387.14	6.11	387.14	5.31	387.14	3.54
Retained earnings						
Allocated - Legal reserve	22.20	0.35	30.00	0.41	30.00	0.27
Unallocated	1,713.24	27.04	877.80	12.05	1,386.53	12.68
Total shareholders' equity of the company	2,371.51	37.43	1,543.87	21.19	5,031.81	46.02
Non-controlling interests of subsidiaries	39.41	0.63	23.63	0.32	27.38	0.25
Total Shareholders' Equity	2,410.92	38.06	1,567.50	21.51	5,059.19	46.27
Total Liabilities and Shareholders' Equity	6,335.06	100.00	7,287.04	100.00	10,934.12	100.00

4.2.1.2 Statement of Comprehensive Income

Items	Consolidated Financial Statements for the Fiscal Year Ended December 31					
	2022		2023		2024	
	Million Baht	%	Million Baht	%	Million Baht	%
Profit and Loss						
Income						
Revenue from sales	8,300.69	99.73	9,484.35	99.71	10,062.22	99.32
Other income	22.10	0.27	27.71	0.29	68.57	0.68
Total Revenue	8,322.79	100.00	9,512.06	100.00	10,130.79	100.00
Expenses						
Cost of Goods Sold (COGS)	(5,166.69)	(62.08)	(5,448.86)	(57.28)	(5,537.40)	(54.66)
Selling and distribution expenses	(1,545.98)	(18.57)	(1,876.39)	(19.73)	(2,050.48)	(20.24)
Administrative expenses	(863.70)	(10.38)	(1,080.72)	(11.36)	(1,171.27)	(11.56)
Total Expenses	(7,576.37)	(91.03)	(8,405.97)	(88.37)	(8,759.14)	(86.46)
Operating Profit	746.42	8.97	1,106.09	11.63	1,371.64	13.54
Financial Costs	(36.16)	(0.44)	(54.55)	(0.57)	(85.96)	(0.85)
Profit Before Income Tax	710.26	8.53	1,051.54	11.06	1,285.69	12.69
Income tax expense	(141.58)	(1.70)	(212.02)	(2.23)	(262.28)	(2.56)
Profit for the Period	568.68	6.83	839.52	8.83	1,023.41	10.10

Items	Consolidated Financial Statements for the Fiscal Year Ended December 31					
	2022		2023		2024	
	Million Baht	%	Million Baht	%	Million Baht	%
Other Comprehensive Income						
<i>Items that will not be reclassified to profit or loss later</i>						
Profit (loss) from actuarial estimates	(48.51)	(0.58)	13.05	0.14	-	-
Less: Income tax effects	9.70	0.12	(2.61)	(0.03)	-	-
Other Comprehensive Income for the Period	(38.81)	(0.46)	10.44	0.11	-	-
Total Comprehensive Income for the Period	529.87	6.37	849.96	8.94	1,023.41	10.10
Profit sharing						
Shareholders' equity of the company	564.55	6.78	829.63	8.72	1,008.23	9.95
Non-controlling interests of subsidiaries	4.13	0.05	9.89	0.11	15.18	0.15
	568.68	6.83	839.52	8.83	1,023.41	10.10
Total Comprehensive Income Allocation						
Shareholders' equity of the company	525.83	6.32	840.02	8.83	1,008.23	9.95
Non-controlling interests of subsidiaries	4.04	0.05	9.94	0.11	15.18	0.15
	529.87	6.37	849.96	8.94	1,023.41	10.10

Earnings per share (baht)						
Basic earnings per share (baht) ^{1/}	2.54	n/a	3.74	n/a	3.60	n/a
Earnings Attributable to the Company's Shareholders (Baht)	2.54	n/a	3.74	n/a	3.60	n/a

Note: ^{1/} Basic Earnings Per Share (EPS) is calculated by dividing the profit for the year attributable to the Company's shareholders (excluding other comprehensive income) by the weighted average number of common shares outstanding during the year. In this regard, at the Extraordinary General Meeting of Shareholders No. 2/2023, held on August 25, 2023, a resolution was passed to approve the change in the par value of the Company's common shares, from 100.00 baht per share to 1.00 baht per share. As a result, the number of outstanding common shares, after the change in par value (before the capital increase), increased from 2.22 million shares to 222 million shares. Thus, the Basic Earnings Per Share for the fiscal year ending December 31, 2022, is based on the consolidated financial statements for the fiscal year ending December 31, 2023, which reflect the change in the par value of the common shares.

4.2.1.3 Cash Flow Statement

Items	Consolidated Financial Statements for the Fiscal Year Ended December 31		
	2022	2023	2024
	Million Baht	Million Baht	Million Baht
Cash Flow from Operating Activities			
Profit before income tax expenses	710.26	1,051.54	1,285.69
Adjustments to reconcile profit before tax to cash received (paid) from operating activities			
Depreciation and amortization	323.40	354.97	377.65
Provision for expected credit losses (reversed)	(1.82)	3.50	(0.97)
Write-down of inventories to net realizable value	7.58	7.51	(6.86)
Provision for goods to be returned (reversed)	(0.19)	0.20	0.38
Loss (profit) on sale of land, buildings, and equipment	(1.90)	(0.82)	11.06
Loss on disposal of computer software	-	-	2.25
Loss on disposal of investment properties	-	0.02	-
Long-term employee benefit provisions	43.08	47.69	47.92
Impairment of computer software	7.30	-	-
Profit from the fair value adjustment of other current financial assets	(4.72)	(2.68)	(9.64)
Unrealized loss (profit) from exchange rates	-	0.32	(0.36)
Financial income	(0.40)	(1.54)	(26.93)
Financial expenses	36.17	54.55	85.96
Cash Flow from Operating Activities Before Changes in Operating Assets and Liabilities	1,118.76	1,515.26	1,766.14

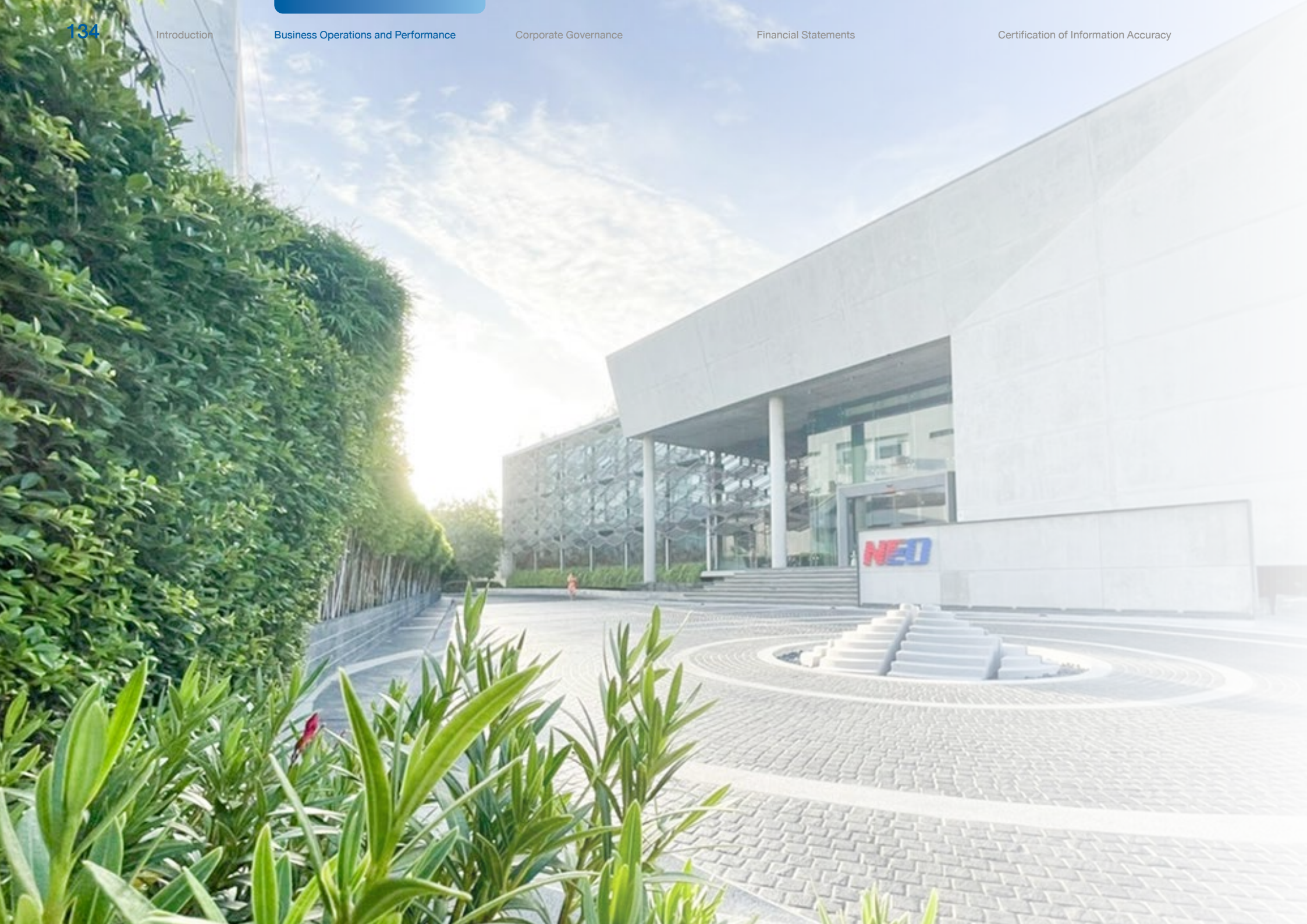
Items	Consolidated Financial Statements for the Fiscal Year Ended December 31		
	2022	2023	2024
	Million Baht	Million Baht	Million Baht
Operating assets (increase) decrease			
Trade receivables and other receivables	(186.83)	(66.69)	(184.77)
Inventories	(157.17)	84.27	(145.45)
Other current assets	(17.02)	(0.14)	(17.12)
Other non-current assets	0.00	(6.20)	(8.47)
Operating liabilities increase (decrease)			
Trade payables and other payables	102.95	139.37	(6.03)
Other current liabilities	(17.88)	75.45	(86.46)
Long-term employee benefits paid during the year	(13.03)	(25.68)	(15.09)
Cash from Operating Activities	829.78	1,715.64	1,302.75
Cash received from interest	0.40	1.54	9.78
Paid interest	(36.08)	(58.20)	(110.28)
Paid income tax	(161.44)	(218.30)	(199.65)
Net Cash Flow from Operating Activities	632.66	1,440.68	1,002.60

Items	Consolidated Financial Statements for the Fiscal Year Ended December 31		
	2022	2023	2024
	Million Baht	Million Baht	Million Baht
Cash Flow from Investing Activities			
Cash paid for investments in other current financial assets	-	(1,310.00)	(10,620.30)
Cash received from investments in other current financial assets	-	1,311.20	8,654.76
Cash paid in advance for construction costs	-	(127.00)	-
Cash paid for purchases of land, buildings, and equipment	(504.20)	(885.23)	(1,629.36)
Cash paid to creditors for land, buildings, and equipment	-	(83.49)	-
Cash received from the sale of land, buildings, and equipment	2.29	23.67	2.82
Cash received from the sale of investment properties	-	2.00	-
Cash paid for purchasing computer software	(6.17)	(26.35)	(9.25)
Cash paid to creditors for computer software	(0.12)	-	-
Net Cash Used in Investing Activities	(508.20)	(1,095.20)	(3,601.33)

Items	Consolidated Financial Statements for the Fiscal Year Ended December 31		
	2022	2023	2024
	Million Baht	Million Baht	Million Baht
Cash Flow from Financing Activities			
Increase in short-term borrowings from banks	1,789.26	3,412.17	695.00
Repayment of short-term borrowings from banks	(1,717.67)	(2,848.76)	(1,400.00)
Cash received from long-term borrowings	39.30	1,272.31	826.22
Repayment of long-term borrowings	(203.40)	(203.40)	(278.38)
Repayment of principal of lease liabilities	(18.22)	(19.80)	(26.98)
Cash received from capital increase	-	-	3,042.00
Cash paid for transaction costs related to issuing shares	-	-	(78.49)
Dividends paid to shareholders of the company	(268.62)	(1,667.66)	(499.50)
Dividends paid to non-controlling interests of subsidiaries	-	(25.71)	-
Net Cash Used in Financing Activities	(379.35)	(80.85)	2,279.87
Net Increase (Decrease) in Cash and Cash Equivalents	(254.89)	264.63	(318.86)
Cash and cash equivalents at beginning of period	478.53	223.64	488.27
Cash and Cash Equivalents at End of Period	223.64	488.27	169.41

4.2.1.4 Key Financial Ratios

Financial Ratios	Consolidated Financial Statements for the Fiscal Year Ended December 31		
	2022	2023	2024
<u>Liquidity Ratio</u>			
Liquidity ratios (times)	1.09	0.92	1.56
Quick ratio (times)	0.75	0.68	1.25
Average debt collection period (days)	79.48	73.64	71.42
Cash cycle (days)	55.13	55.33	58.65
<u>Profitability Ratio</u>			
Gross profit margin (%)	37.76	42.55	44.97
Net profit margin (%)	6.83	8.83	10.10
Net profit margin attributable to the company (%)	6.78	8.72	9.95
Return on equity (%)	24.94	42.20	30.89
<u>Efficiency Ratio</u>			
Return on Assets (ROA) (%)	9.30	12.33	11.23
<u>Financial Policy Ratio</u>			
Debt-to-equity ratio (times)	1.63	3.65	1.16
Interest-bearing debt-to-equity ratio (times)	0.45	1.75	0.52



5. General Information and Other Important Data

5.1 General Information

Company Name (Thai)	: บริษัท นีโอ คอร์ปอเรท จำกัด (มหาชน) (“บริษัท”)
Company Name (English)	: Neo Corporate Public Company Limited (“NEO”)
Business Type	: Marketing, manufacturing, and distribution of consumer products, including household products, personal care products, and baby and kids products.
Head Office Location	: 888 Soi Sukhumvit 54, Phra Khanong Tai, Phra Khanong, Bangkok 10260
Factory Location	: 168 Moo 5, Bueng Kho Hai, Lam Luk Ka, Pathum Thani 12150
Company Registration Number	: 0107566000496
Phone Number	: 02 017 8900
Fax Number	: 02 017 8901
Investor Relations Email	: ir@neo-corporate.com
Website	: www.neo-corporate.com

Registered Capital as of December 31, 2024	: 300,000,000 baht
Paid-Up Capital as of December 31, 2024	: 300,000,000 baht
Number of Paid-Up Shares	: 300,000,000 shares
Par Value per Share	: 1.00 baht per share
Registrar	: Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400 Tel: 02 009 9000 Fax: 02 009 9991 SET Contact Center: 02 009 9999
Auditor	: EY Office Company Limited 193/136-137 Lake Ratchada Office Complex, 33 rd Floor, Ratchadaphisek Road, Khlong Toei, Khlong Toei, Bangkok 10110 Tel: 02 264 9090 Fax: 02 264 0789

5.2 Other Important Information

5.2.1 Key Contracts Executed by the Company

Construction Contract for the Expansion 1 Project

Contracting Parties	(1) Neo Factory Co., Ltd. (“Employer”) (2) Ritta Co., Ltd. (“Contractor”)
Date of Signing	August 18, 2023, and the additional memorandum dated February 1, 2024.
Scope of Work	The Contractor is hired for the construction of a Personal Care Building, including demolition, excavation and land filling, construction preparation, and other work as outlined in the contract.
Amount of Compensation	1,270.00 million baht (excluding VAT)
Contractual Time Frame / Deadlines Under the Contract	The construction of the building, building systems, exterior works, and all other tasks as detailed in the contract shall be completed by December 30, 2024.
Payment Terms	The Employer agrees to pay the Contractor on a monthly basis for actual work completed.
Advance Payment	The Employer agrees to make an advance payment of 127.00 million baht, which is 10% of the contract value (excluding VAT), to cover the Contractor’s expenses for executing the contract.
Contract Guarantee	The Contractor shall provide a bank guarantee for contract performance from a domestic commercial bank approved by the Employer, within a limit of 127.00 million baht.
Performance Guarantee	Upon final delivery and acceptance of the work, the Contractor must provide a performance guarantee from a bank to the Employer, ensuring the construction work for a period of 2 years starting from the date the Employer issues the final acceptance certificate to the Contractor.
Dispute Resolution and Arbitration	The parties agree to resolve any conflicts or disputes through arbitration, in accordance with the rules and procedures of the Arbitration Office, Ministry of Justice.
Governing Law	The law of Thailand.

5.2.2 Limitations on Foreign Shareholders

If the Company issues new securities granting pre-emptive rights to existing shareholders or offers new securities based on their proportional holdings (Rights Offering), or issues transferable subscription rights for new securities, the Company may choose not to issue or offer such securities to shareholders located abroad. This decision may be made if the issuance and offering would create legal obligations for the Company under foreign laws.

5.3 Legal Disputes

The Company and its subsidiaries are not engaged in any legal disputes where they are a party or have an interest that could negatively impact the assets of the Company or its subsidiaries by more than 5% of shareholders' equity as of the end of the most recent financial year. Moreover, there are no legal matters that significantly affect the Company's operations. Additionally, the Company is not involved in any cases arising from activities outside its ordinary business operations that hold material significance.





Section 2:

Corporate Governance

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6. Corporate Governance Policies

6.1 Overview of the Corporate Governance Policies and Practices

The Company recognizes that good corporate governance is essential for promoting effective operations and ensuring sustainable development. To guide organizational management and governance for creating long-term value, the Company has established a corporate governance policy in line with the principles of good governance for listed companies 2017. The Company adheres to the following eight key principles of good corporate governance:

Principle 1: Acknowledging the Role and Responsibility of the Board of Directors as the Leader in Creating Sustainable Value

- (1) The Board of Directors understands its role and acknowledges its responsibility as the organization's leader, ensuring that it provides proper governance for effective management. This includes defining the Company's objectives, goals, vision, strategy, direction, business policies, and budget, as well as allocating key resources in collaboration with management. The Board also oversees the implementation of these policies, monitors management's performance, and reports on operational results.
- (2) The Board of Directors has developed policies, business conduct guidelines, and a code of ethics to ensure that the business is conducted ethically, benefits society and the environment, and is adaptable to changing circumstances. These measures aim to maintain competitiveness and achieve sustainable performance. The Board will continuously monitor compliance by the Company and its subsidiary with these policies and will review and update them as needed to align with changing conditions.

- (3) The Board is responsible for ensuring that all directors and executives carry out their duties with diligence, integrity, and in the best interests of the organization. Furthermore, the Board ensures that appropriate systems and mechanisms are in place to guarantee that the Company and its subsidiary operate in accordance with legal requirements, corporate objectives, regulations, shareholder resolutions, and internal policies. The Board will also oversee the approval process for significant operational matters.
- (4) The Board of Directors has established a board charter and charters for subcommittees, which are reviewed annually to ensure they remain aligned with current conditions, regulations, and changing circumstances.

Principle 2: Defining Objectives and Key Goals for Sustainable Business Success

- (1) The Company's Board of Directors has set the organization's objectives and key goals to drive business operations that promote sustainability, aligned with creating value for the business and all stakeholders. This includes defining corporate values that reflect the principles of good corporate governance. These values are communicated to employees, serving as guiding principles for their actions to achieve the established objectives and goals, thereby cultivating a strong organizational culture.

- (2) The Board is committed to driving the adoption of new technologies and innovations to ensure business operations are effective, efficient, and aligned with the Company's policies. At the same time, it remains focused on the Company's responsibility to society and the environment. To support this, the Board oversees the creation of annual strategies and action plans that align with the Company's core objectives. The Board also encourages an annual review of these objectives, goals, and strategic plans to ensure alignment with the economic conditions, the organization's capabilities, and the primary business targets. This process includes closely monitoring the performance evaluation.
- (3) The Board ensures that resources are allocated appropriately and that operational controls are in place to execute strategies and annual plans effectively.

Principle 3: Strengthening the Effectiveness of the Board of Directors

The Board of Directors has a policy to establish a board structure that is appropriate and aligned with the Company's business and size, as well as that of its subsidiary, in compliance with legal requirements. This structure is designed to guide the organization toward its defined objectives and goals. The policy is outlined as follows:

- (1) The Board is composed of individuals with diverse qualifications, including knowledge, expertise, and experience that are beneficial to the Company's success.
- (2) The Board consists of at least 5 members but no more than 12. At least one-third of the Board members, but no fewer than 3, must be independent directors to ensure proper checks and balances. All independent directors must meet the qualifications set forth by the Securities and Exchange Act and other relevant laws and regulations. The Board ensures that independent directors can express their views freely and collaborate effectively with the entire Board.
- (3) The Board oversees the recruitment of qualified individuals with the appropriate knowledge, skills, and experience necessary for effective governance. These individuals will be appointed as directors. Information regarding the directors and the subcommittees will be disclosed, including their age, gender, educational background, professional experience, shareholding, years in office, meeting attendance, compensation, both monetary and non-monetary, directorships in other listed companies, roles and responsibilities, as well as performance reports of the Board and subcommittees. This information will be included in the Company's annual filings or annual report (Form 56-1 One Report) and may also be made available on the Company's website.
- (4) When proposing remuneration for the Board of Directors for shareholder approval, the Board will ensure that the compensation structure and rates are aligned with the responsibilities of the role. This will also serve as an incentive to drive the Board to successfully lead the Company toward both its short-term and long-term goals.
- (5) The Board ensures that directors fully understand their roles, responsibilities, the nature of the Company's business, and the relevant legal requirements. In addition, the Board supports continuous development programs to enhance directors' skills and knowledge, enabling them to effectively perform their duties.
- (6) Directors serve a term of no more than 3 years as stipulated by applicable laws. Independent directors may serve for up to 9 consecutive years, unless the Board determines there is a valid reason for extending the term beyond this limit.
- (7) Directors and executives may hold directorships or management positions in affiliated companies or other organizations, provided that such positions comply with the regulations set forth by the Securities and Exchange Commission (SEC), the Capital Market Supervisory Board, the Stock Exchange of Thailand (SET), and other applicable laws and regulations.

- (8) The positions of Chairperson of the Board and Chief Executive Officer (CEO) will not be held by the same person. This separation ensures clear accountability in governance, distinguishing between policy oversight and day-to-day management. The Company has clearly defined the authority, duties, and responsibilities of the CEO, and the Chairperson of the Board must be an independent director.
- (9) The Board of Directors has established several subcommittees to support its operations and enhance corporate governance. These include the Audit Committee, Executive Committee, and Nomination and Remuneration Committee. The Company has also appointed a Corporate Secretary to oversee board and shareholder meetings, and to assist the Board by providing guidance on legal and regulatory requirements that pertain to the Board's duties and responsibilities. The Corporate Secretary will undergo continuous training to stay updated. The qualifications and experience of the Corporate Secretary will be disclosed in the Company's annual filings or annual report (Form 56-1 One Report) and may also be made available on the Company's website.
- (10) To ensure effective management of subsidiaries and affiliates, the Company may appoint representatives to serve as directors, executives, or authorized officers in these entities. This ensures that the subsidiaries' operations align with the Company's overall strategy and policies. The appointed representatives will report the performance of subsidiaries and affiliates to the Board of Directors. The representation in subsidiaries and affiliates will be in accordance with the Company's shareholding proportion and/or any agreements made with other shareholders of those entities.

- (11) The Company's Board Charter mandates that both the Board and its subcommittees conduct an annual performance evaluation, assessing the Board's overall performance as well as the performance of individual directors. The subcommittees will report the results of their evaluations to the Board for review annually.

Principle 4: Recruitment and Development of Senior Management and Human Resource Management

- (1) The Board has assigned the Nomination and Remuneration Committee with the responsibility of defining the qualifications and criteria for selecting suitable candidates for the roles of Chief Executive Officer (CEO) and senior executives. The Committee also establishes the development framework for these positions, including training programs and performance evaluations, to ensure alignment with the Company's business objectives and current conditions. Additionally, the Committee is tasked with determining appropriate compensation structures for the CEO and senior executives and defining clear policies for their appointment to directorships at other companies.
- (2) For senior executives directly reporting to the CEO, the CEO holds the authority to define regulations, criteria, and processes for their professional development, as well as decisions regarding hiring, promotions, transfers, dismissals, and performance evaluations.
- (3) The Board has implemented a succession planning process aimed at ensuring continuity in the Company's operations. The CEO is required to report annually to the Board on the progress of the succession plan.

- (4) The Board ensures that the Company has an appropriate compensation structure and performance evaluation criteria in place. They also oversee human resource management and development to ensure employees possess the necessary knowledge, skills, experience, and motivation to meet the Company's strategic goals.
- (5) The Board ensures the establishment of a provident fund for employees to provide adequate savings for retirement. The Company also encourages employees to improve their financial management skills, supporting their well-being, and fostering long-term career development within the Company.
- (6) The Board will ensure a clear understanding of the ownership structure and any relationships among shareholders, particularly those arising from agreements that may impact the Company's governance and operations. The Board will take steps to ensure that such agreements do not hinder the effective performance of its duties and will ensure the appropriate disclosure of any relevant information that may affect the Company's control and governance.

Principle 5: Foster Innovation and Conduct Business Responsibly

- (1) The Board prioritizes and actively supports the creation of innovations that generate business value while delivering benefits to customers and stakeholders. At the same time, they ensure that these innovations are aligned with the Company's responsibility toward society and the environment. The Board also ensures that management effectively allocates and manages resources, optimizing efficiency and effectiveness, to achieve the Company's long-term objectives and sustainable growth.
- (2) The Company is committed to respecting the rights of all stakeholders. It has established clear business conduct guidelines and a code of ethics for its directors, executives, and employees to follow in their daily operations.

- (3) The Company acknowledges the critical importance of preventing corruption and is steadfast in conducting its business within a framework of strong corporate governance, upholding principles of transparency, ethics, and integrity. It is committed to operating in a socially responsible manner, with respect for the environment and all stakeholders. The Company's business practices are rooted in fairness, transparency, and accountability, and it strictly adheres to applicable laws, regulations, and standards. To guide its operations, the Company has implemented a clear anti-corruption policy aimed at fostering ethical business conduct and building a sustainable organization. Stakeholders are encouraged to seek clarification, file complaints, or report any misconduct through the Company's designated channels. All reports and tips will be treated confidentially, and the Company will promptly investigate the matter, take corrective actions, and/or escalate significant issues along with recommendations to the Board of Directors for further action.
- (4) The Board will establish a comprehensive framework for the governance and management of enterprise-level information technology that aligns with the Company's strategic needs. The Board will also ensure that information technology is leveraged to create business opportunities, enhance operational efficiency, and manage risks effectively, thereby supporting the Company in achieving its strategic objectives and long-term goals.

Principle 6: Ensure Effective Risk Management and Internal Control Systems

- (1) The Board of Directors has appointed an Audit Committee to support the development of comprehensive risk management policies that cover the entire organization. The Audit Committee is responsible for ensuring the establishment of an effective and efficient risk management framework that manages risks at acceptable levels. The key responsibilities of the Audit Committee include:

1. Identifying, assessing, and reviewing the risks the Company currently faces, or is likely to face, and their potential impact on the Company. The Audit Committee also defines the Company's acceptable risk thresholds.
2. Develop a comprehensive risk management policy that aligns with the Company's objectives, strategic goals, business direction, and acceptable risk tolerance. This policy will provide a clear framework for the organization's risk management activities and will be submitted to the Board of Directors for review and approval.
3. Identify key risks, assess their potential impacts and opportunities, and prioritize them accordingly. Develop strategies and action plans to manage these risks in line with the Company's risk management policy, ensuring effective monitoring, evaluation, and control to keep risks within acceptable levels. This process will address at least financial risks, operational risks, strategic risks, and compliance risks.
4. Provide regular reports to the Board of Directors on significant risks.

The authority, duties, and responsibilities of the Audit Committee are defined in the Audit Committee Charter.

- (2) The Board of Directors has appointed the Audit Committee, which meets the qualifications prescribed by applicable laws and regulations, to review and/or evaluate the financial reports, the adequacy of the internal control system, compliance with laws, the independence of the internal audit function, the selection of external auditors, and the Company's information disclosure practices. The Audit Committee also discloses its review report in the annual filings/Annual Report (Form 56-1 One Report). This includes assessing potential conflicts of interest and ensuring measures are in place to prevent the improper use of

company assets, information, and opportunities, as well as transactions with related parties in an inappropriate manner. Furthermore, the committee has established a policy on managing conflicts of interest to provide guidelines for action when conflicts arise.

- (3) The Company has implemented an internal information use policy to prevent the improper use of the Company's assets, information, and opportunities. It has also set a policy regarding related party transactions to prevent unreasonable dealings with related parties.
- (4) The directors and executives of the Company are required to disclose their personal interests or those of related individuals in any transaction involving the management of the Company. The Company has specified reporting obligations for directors' conflicts of interest in the Board Charter, requiring directors to promptly inform the Company of any interests they may have in transactions with the Company or its subsidiary, or changes in their shareholding in the Company or subsidiary.
- (5) The Board of Directors has established a clear anti-corruption policy, which is communicated to employees at all levels and external parties to ensure practical implementation. The Company has also established anti-corruption initiatives and supports activities that promote and encourage employees to comply with relevant laws and regulations.
- (6) The Board of Directors has implemented a process for handling complaints and whistleblowing, outlining clear procedures in the anti-corruption policy and the whistleblower policy. The Company provides multiple communication channels for employees and stakeholders to report concerns or complaints conveniently and appropriately. It also has measures in place to protect whistleblowers, complainants,

witnesses, and individuals providing information during investigations from any harm, retaliation, or unfair treatment resulting from whistleblowing, complaints, testimony, or providing information to the Company.

Principle 7: Uphold Financial Integrity and Transparency in Disclosure

- (1) The Board of Directors will oversee the Company and its subsidiary to ensure that accounting systems, financial reporting, and audits are in full compliance with applicable regulations and best practices. The Company will disclose all information accurately, sufficiently, and in a timely manner, in strict accordance with laws, regulations, and standards.
- (2) The Board of Directors is responsible for overseeing the preparation and disclosure of the Company's annual filings/Annual Report (Form 56-1 One Report) and financial statements. These documents will be prepared in line with generally accepted accounting principles and with due diligence. The Board ensures that significant information is fully disclosed in the notes to the financial statements. The Audit Committee is tasked with overseeing the quality of financial reporting and providing guidance to the Board. Additionally, the Audit Committee supports the preparation of management's discussion and analysis (MD&A) in quarterly financial disclosures to enhance investor understanding of the Company's financial position and performance of each quarter.
- (3) The Board of Directors will prioritize the Company's financial liquidity and its ability to meet debt obligations. Management is required to regularly monitor and assess the Company's financial health and liquidity, and report its findings to the Board on a quarterly basis. If any financial concerns arise, management will present plans or strategies to address them effectively.

- (4) The Board of Directors will review the appropriateness of disclosing information related to legal compliance, adherence to business ethics, anti-corruption policies, employee and stakeholder relations, fairness, respect for human rights, and social and environmental responsibilities. This information will be disclosed in the Company's Annual Report (Form 56-1 One Report).
- (5) The Company will establish an Investor Relations (IR) function to ensure effective communication with investors and shareholders. The Company will disseminate relevant information—including financial reports, operational updates, and strategic news—to shareholders, securities analysts, credit rating agencies, and other stakeholders through various channels. The Company is committed to regular and up-to-date disclosures, ensuring shareholders receive timely information via the Company's website.

Principle 8: Foster Shareholder Participation and Communication

The Board of Directors recognizes and respects the fundamental rights of shareholders, both as investors in securities and as owners of the Company. The Company is committed to promoting and facilitating the exercise of shareholder rights, ensuring equitable treatment of all shareholders, as follows:

- (1) The Board will ensure that important matters, including those required by law and those that could impact the Company's direction, are submitted for shareholders' consideration and/or approval.
- (2) The Company will provide clear and timely information regarding the date, time, venue, and agenda of shareholder meetings. This will include detailed explanations, rationale, and the Board's recommendations on each agenda item. Invitations to shareholder meetings will be sent and published in accordance with legal requirements and relevant regulations. The Company will refrain from any actions

that could limit their ability to review and consider the Company's disclosures. Invitations and agenda documents will be available in both Thai and English.

- (3) The Company will make every effort to facilitate shareholders in fully exercising their right to attend meetings and vote. It will avoid any actions that may restrict or limit shareholders' opportunities to participate in meetings.
- (4) Before the meeting, the Company will provide shareholders the opportunity to submit questions, suggestions, or propose additional agenda items. However, shareholders who are company executives should refrain from adding new items to the agenda without prior notice, especially those that are significant and require shareholders to review additional information. If the Board decides not to include any proposed agenda item, the reasons will be disclosed to the meeting.
- (5) The Company will establish clear guidelines for minority shareholders to nominate candidates for the Board of Directors. Information related to the qualifications and consent of nominees will be disclosed on the Company's website.
- (6) The Company will encourage shareholders to use proxy forms that allow them to specify their voting instructions, including the option to nominate at least one independent director for proxy voting.
- (7) Before the shareholder meeting begins, the Chairperson will explain the rules governing the meeting, the procedures for exercising voting rights, the different voting rights associated with each class of shares, and the method for counting votes on each agenda item.
- (8) During the meeting, the Chairperson will allocate sufficient time for shareholders to express their views, ask questions, or offer suggestions on agenda items before any vote is taken. All shareholders will be treated equally, ensuring a fair and open environment for discussion.
- (9) The Company will encourage all directors and senior executives to attend shareholder meetings to address shareholders' questions.
- (10) For agenda items requiring multiple votes, e.g., election of directors, the Company will conduct separate votes for each item to ensure clarity and transparency in decision-making.
- (11) The Company will promote the use of voting cards to ensure a transparent and accountable voting process. Independent parties will oversee or verify the vote counting for each agenda item. The results will be disclosed to the meeting and documented in the meeting minutes.
- (12) After the meeting, the Company will promptly disclose the resolutions and voting results within the next business day, through the Stock Exchange of Thailand's news system and the Company's website.
- (13) Following the meeting, the Company will prepare detailed and accurate meeting minutes, documenting key information such as the list of directors and executives in attendance, the proportion of directors attending versus absent, the voting methods and vote counts, resolutions, and the results of each agenda item. The minutes will also include a summary of key questions, comments, and suggestions raised by shareholders. These minutes will be made available on the Company's website for shareholders' review.
- (14) The Company will send a copy of the meeting minutes to the Stock Exchange of Thailand within 14 days of the meeting date.
- (15) The Company will leverage technology to enhance the efficiency of shareholder meetings, including for shareholder registration, vote counting, and results presentation, ensuring the process is fast, correct, and accurate.

6.2 Business Code of Ethics

The Company has established Business Conduct Guidelines and a Code of Ethics, which must be adhered to by the Board of Directors, executives, and employees of the Company and its subsidiary. These guidelines serve as the foundation for their actions and decisions in representing the Company. The key principles are summarized as follows:

6.2.1 Code of Ethics in Business Conduct Toward Stakeholders

(1) Treatment of Shareholders

- Conduct business transparently and efficiently, with a focus on achieving strong performance and sustainable growth.
- Ensure diligent governance to safeguard the Company from any potential harm.
- Provide accurate, complete, and timely disclosures in compliance with relevant regulations, ensuring transparency and reliability for shareholders.

(2) Treatment of Employees

- Treat all employees equally and fairly, respecting their rights and dignity at all times.
- Foster a work environment that prioritizes health, safety, and well-being, ensuring the protection of employees' lives and property.
- Commit to the continuous development of employees' skills, knowledge, and potential.
- Offer competitive and fair compensation while creating incentives to retain talented employees and encourage long-term commitment to the Company and its subsidiary.
- Provide clear channels for reporting fraud and corruption, and instill a strong culture of compliance where all employees rigorously follow applicable laws and regulations.

(3) Treatment of Business Partners

- Establish a fair and transparent process for selecting business partners, based on clear and consistent evaluation criteria.
- Draft contracts that are equitable and balanced for all parties involved, while implementing robust monitoring systems to ensure full adherence to contract terms, and prevent fraud or unethical behavior throughout the procurement process.

(4) Treatment of Customers

- Actively contribute to maintaining and enhancing the quality and standards of products and services, ensuring that all customer needs are fully met, with a focus on achieving long-term customer satisfaction.
- Provide accurate, complete, and transparent information about products and services to customers, and establish clear channels for reporting any issues with products or services, ensuring prompt resolution and continuous improvement.
- Safeguard customer confidentiality, ensuring that it is not exploited for personal gain or that of unauthorized parties.

(5) Treatment of Creditors

- Strictly adhere to the terms and conditions specified in agreements with creditors.

(6) Treatment of Competitors

- Comply with ethical competition practices, operate within the legal framework, and actively support and promote policies that foster free and fair competition.

(7) Treatment of Society and the Community

- Foster environmental and social awareness among employees, ensuring full compliance with applicable laws and regulations.
- Actively participate in initiatives that contribute to environmental sustainability, community development, and the preservation of local cultures in the regions where the Company operates.

6.2.2 Business Conduct Guidelines for Directors, Executives, and Employees of the Company and Its Subsidiary

(1) Conduct of Executives and Employees

- Perform duties with dedication, integrity, transparency, and in full compliance with the Company's regulations and ethical standards.
- Refrain from giving gifts to supervisors or receiving gifts from subordinates.
- Respect the rights of executives and employees.
- Foster an environment of unity, cooperation, and teamwork among employees, while avoiding actions that could harm the Company's reputation or image, or create future challenges for the Company and its subsidiary.

(2) Conduct of Directors, Executives, and Employees in the Following Areas:**Conflict of Interest**

- Directors and executives must carefully evaluate any transactions involving the Company and/or its subsidiary and related parties, ensuring that decisions are made within the framework of sound ethical principles and prioritizing the Company's best interests.
- Directors, executives, and employees must act in the best interests of the Company and its subsidiary, avoiding any activities that could result in a direct or indirect conflict of interest.
- Directors, executives, and employees must not engage in business activities that could compete with the Company or its subsidiary, or create a conflict with the Company's and its subsidiary's interests.

Protection and Use of Company Assets and Confidential Information

- Executives and employees are required to protect the Company's and its subsidiary's trade secrets and confidential information, both during their employment and after termination of their employment.
- Executives and employees must not work for competitors or engage in businesses that are directly or indirectly competitive with the Company or its subsidiary, regardless of compensation, and must avoid any activities that could lead to conflicts of interest with the Company and its subsidiary, either directly or indirectly, and whether acting individually or in collaboration with others.
- Executives and employees must be familiar with and strictly adhere to the Company's policies on information systems and the appropriate use of computers and networks.

- Executives and employees must not engage in actions that could cause harm to the Company or its subsidiary through the dissemination of incorrect or misleading data, reports, records, or communications.
- Executives and employees must comply with the Company's and its subsidiary's regulations and instructions to avoid accidents or damage to the Company's and its subsidiary's property.
- Executives and employees must use the Company's and its subsidiary's assets prudently and efficiently, ensuring maximum benefit and preventing misuse, loss, or destruction. The Company's and its subsidiary's assets should not be used for personal purposes.
- Executives and employees must be aware of and comply with data security procedures to ensure confidential information is protected and not inadvertently disclosed.
- The Chief Executive Officer (CEO) or a designated representative must approve any information to be disclosed to the public.

Gifts and Entertainment

- Directors, executives, and employees must not solicit, accept, or agree to receive money or any other benefits from individuals or entities associated with the Company.
- Directors, executives, and employees may give or accept gifts as part of customary business practices, provided that receiving such gifts does not influence any business decisions. If a director or employee receives a gift from a business associate that exceeds what is considered normal or reasonable, they must promptly report it to their immediate supervisor.

Securities Trading and Insider Information

- Directors and executives must report any changes in their securities holdings in compliance with the regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- Directors, executives, controlling parties, employees, and contractors of the Company, its subsidiary, and affiliates are strictly prohibited from buying or selling shares, or from encouraging or advising others to buy or sell shares, or making offers to buy or sell shares in the Company, its subsidiary, and/or affiliates listed on the Stock Exchange of Thailand, whether directly or through an intermediary, while in possession of undisclosed or material non-public information.

Accounting and Financial Reporting

- All executives and employees are responsible for ensuring that business transactions comply with company rules and regulations. They must provide complete supporting documentation for every business entry, and ensure that the information provided is accurate, timely, and sufficient to facilitate the proper recording of accounting and financial transactions.
- All executives and employees must understand that the accuracy of accounting and financial reports is a shared responsibility among the Board of Directors, management, and relevant employees. Any act of falsifying, concealing, or creating false entries—whether in accounting, financial records, or operational matters—will not be tolerated.
- Employees involved in financial reporting must comply with all applicable laws and regulations in the jurisdictions where the Company and/or its subsidiary operate, ensuring that the Company's and its subsidiary's accounting records are accurate and complete.

6.2.3 Monitoring and Ensuring Compliance with Business Conduct and Ethics

If a violation of laws, regulations, company policies, business conduct principles, or ethical standards is identified, executives or employees must immediately report the matter to the Human Resources Department for further action in line with the Company's procedures. Employees can also raise concerns, provide feedback, or submit complaints through the following channels:

- Email: Chairperson of the Audit Committee / Audit Committee members at whistleblower@neo-corporate.com

- Mail to:

Chairperson of the Audit Committee / Audit Committee

NEO Corporate Public Company Limited

888 Sukhumvit 54, Phra Khanong Tai,

Phra Khanong District, Bangkok 10260

6.3 Significant Changes and Developments in Corporate Governance Policies, Practices, and System Over the Past Year

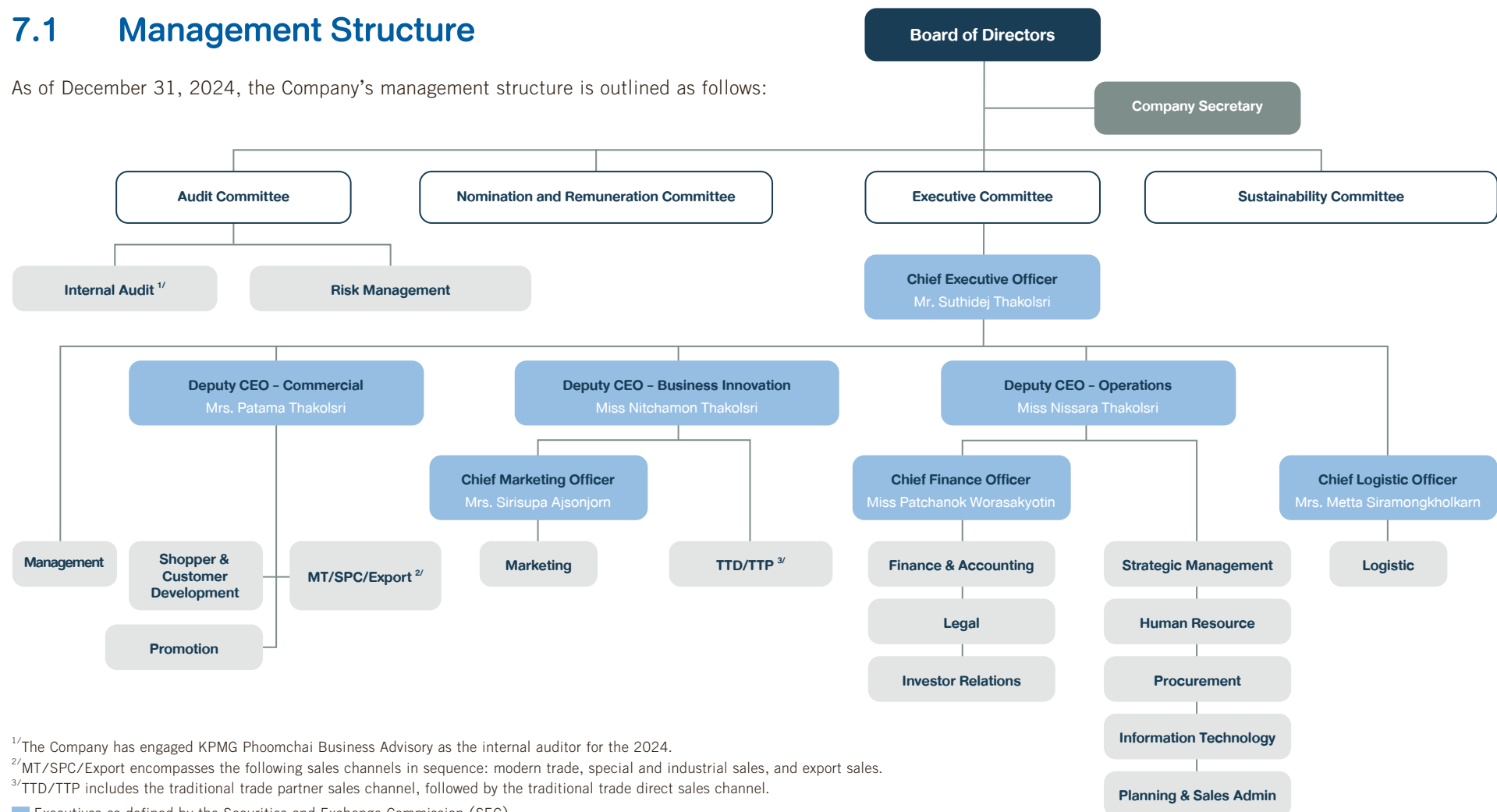
In 2024, the Company conducted a comprehensive review of its policies and governance framework to elevate its corporate governance standards, aligning with the best practices outlined by the Securities and Exchange Commission for listed companies. The key actions taken include:

- (1) Reviewing the charters of the Board of Directors, the Audit Committee, the Executive Committee, and the Nomination and Remuneration Committee.
- (2) Assessing and updating the approval authority structure.
- (3) Approving key governance-related policies to strengthen the Company's corporate governance practices.

7. Corporate Governance Structure and Key Information on the Board of Directors, Subcommittees, Executives, Employees, and Other Relevant Parties

7.1 Management Structure

As of December 31, 2024, the Company's management structure is outlined as follows:



7.2 Information of the Board of Directors

7.2.1 Composition of the Board of Directors

The Board of Directors is composed of individuals with diverse expertise, skills, and experience that contribute to the effective governance and strategic direction of the Company. The Board plays a pivotal role in overseeing management, setting the Company's vision, policies, and business strategies, and ensuring that the Company's operations align with the best interests of its shareholders. Additionally, the Board monitors the performance of management and the various subcommittees to ensure adherence to the Company's established policies and strategies, in line with best practices in corporate governance. The Board of Directors is vested with authority, duties, and responsibilities as defined by applicable laws, the Company's articles of association, its objectives, and resolutions passed at the shareholders' meetings. These responsibilities are carried out with diligence and integrity.

The Company's governance structure ensures a balance of power between the Board and management, with clearly defined delegation of authority to the executive team. The Board is composed of 8 members, including: 4 executive directors (50.0% of the total Board), 4 independent directors (50.0% of the total Board), meeting the regulatory requirement that independent directors must comprise at least one-third of the total Board membership, or a minimum of 3 members. All 4 independent directors meet the relevant legal qualifications and criteria. In terms of gender diversity, the Board includes 3 female directors and 5 male directors.

7.2.2 Board of Directors Information

As of December 31, 2024, the Board of Directors is composed of the following 8 members:

No.	Name-Surname	Position
1	Mr. Virapan Pulges	Chairman of the Board of Directors / Independent Director / Chairman of the Nomination and Remuneration Committee
2	Mr. Wutthichai Tankuranand	Independent Director / Chairman of the Audit Committee / Member of Nomination and Remuneration Committee
3	Mr. Amornsak Pimarnthip	Independent Director / Member of the Audit Committee
4	Mr. Udomdej Phiromsawat	Independent Director / Member of the Audit Committee
5	Mr. Suthidej Thakolsri	Vice Chairman of the Board of Directors / Chairman of the Executive Committee / Chairman of the Corporate Sustainability Committee
6	Mrs. Patama Thakolsri	Director / Vice Chairman of the Executive Committee
7	Miss Nitchamon Thakolsri	Director / Member of the Executive Committee / Member of the Corporate Sustainability Committee
8	Miss Nissara Thakolsri	Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee

Miss Yada Rattanaphrutakul has been appointed as the Company Secretary pursuant to the resolution of the Board of Directors Meeting No. 2/2023, held on May 12, 2023.

Authorized Signatories

The Company's authorized signatories are Mr. Suthidej Thakolsri, Mrs. Patama Thakolsri, Miss Nitchamon Thakolsri and Miss Nissara Thakolsri. For any acts binding upon the company, the valid execution shall require the joint signatures of any two of the aforementioned directors, along with the affixation of the Company's official seal.

7.2.3 Roles and Responsibilities of the Board of Directors and the Chairman

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

The authority, duties, and responsibilities of the Board of Directors are governed by the Public Limited Companies Act, B.E. 2535 (A.D. 1992) (as amended), the Securities and Exchange Act, B.E. 2535 (A.D. 1992) (as amended), the rules set by the Securities and Exchange Commission (SEC), and other relevant laws and regulations. According to the Company's Articles of Association and applicable regulations, the Board of Directors is authorized to make decisions and oversee the Company's operations, except in cases where shareholder approval is required by law or the Company's regulations before proceeding with certain actions.

At the Board of Directors' Meeting No. 2/2023 on May 12, 2023, the authority, duties, and responsibilities of the Board of Directors were defined as follows:

- (1) Perform duties and oversee the Company's operations in strict accordance with the laws, objectives, regulations, Board resolutions, and shareholders' meeting decisions, ensuring responsibility, diligence, and integrity, to safeguard the rights and interests of both the Company and all shareholders.
- (2) Establish the Company's vision, strategy, business direction, policies, goals, business plans, budgets, organizational structure, and approval authority for both the Company and its subsidiary, as presented by the management. Additionally, monitor and guide the performance of management or any delegated individuals to ensure alignment with the defined policies, optimizing efficiency and effectiveness to maximize value for the Company and its shareholders.
- (3) Continuously assess the performance of management and the Company's subcommittees to ensure progress towards achieving the Company's strategies, plans, and budgets.
- (4) Appoint a qualified individual to the position of Chief Executive Officer (CEO), determine the appropriate compensation framework, and assess the CEO's performance (for positions below the CEO, recommendations must be made by the Executive Committee and approved by the Nomination and Remuneration Committee). Additionally, implement a succession plan for the CEO and senior management, ensuring leadership continuity, while overseeing the development of a capable workforce with the right skills, experience, and motivation.
- (5) Ensure the Company and its subsidiary have an effective and efficient accounting system, including reliable financial reporting and auditing at the end of each fiscal period. Also, ensure the Company maintains sufficient and appropriate internal control and internal audit systems.

- (6) Approve transactions involving the acquisition or disposal of assets (if the transaction size does not require shareholder approval), investments in new business ventures, and any significant operational activities of the Company and its subsidiary, ensuring compliance with relevant laws, regulations, and guidelines.
- (7) Approve and provide opinions on related-party transactions (if the transaction size does not require shareholder approval), ensuring compliance with relevant laws, regulations, and guidelines.
- (8) Approve interim dividend distributions to shareholders and report the payment of such dividends at the next shareholders' meeting for acknowledgment.
- (9) Prevent conflicts of interest between the Company's and its subsidiary's stakeholders. In cases where a director has a personal interest in any transaction involving the Company or its subsidiary, or undergoes a change in shareholding in the Company and/or its subsidiaries, the director must immediately notify the Company.
- (10) Establish policies on corporate governance, corporate social responsibility (CSR), and anti-corruption measures, and ensure their effective implementation throughout the organization.
- (11) Implement clear policies and procedures for handling complaints and whistleblowing, ensuring the Company maintains and regularly updates its Whistleblower Policy to remain in line with relevant standards and changing circumstances.
- (12) Appoint, amend, or remove members of subcommittees, such as the Audit Committee, Executive Committee, Nomination and Remuneration Committee, and/or any other subcommittee, as appropriate, to assist and support the Board of Directors in fulfilling its responsibilities.
- (13) Oversee the Company and its subsidiary's management and operations to ensure they align with company policies and comply with applicable securities and exchange laws, including related-party transactions and acquisitions or disposals of significant assets, to the extent that it does not conflict with or contradict any other laws, while ensuring the adequacy of internal control and audit systems.
- (14) Approve the general terms and conditions for transactions between the Company or its subsidiary and related parties, establishing a framework that empowers management to execute such transactions within legal and regulatory boundaries, in the best interests of the Company.
- (15) Prepare the annual report and ensure the accurate and timely preparation and disclosure of the Company's financial statements, reflecting its financial condition and performance for the past year, to be presented at the shareholders' meeting.
- (16) Convene the Annual General Meeting (AGM) of shareholders within four months of the end of the Company's fiscal year.

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

At the Board of Directors' Meeting No. 2/2023, held on May 12, 2023, the authority, duties, and responsibilities of the Chairman of the Board were defined as follows:

- (1) Send or delegate the task of sending invitations for Board of Directors' and shareholders' meetings; and preside over these meetings.
- (2) Manage Board of Directors' and shareholders' meetings to ensure they are effective and in compliance with relevant laws and the Company's regulations. Facilitate a meeting environment that encourages all Board members and shareholders to freely express their opinions.

- (3) Actively support and promote the Board in performing its duties to the best of its ability, in line with its authority, responsibilities, and corporate governance standards. Ensure that all directors contribute to fostering a culture of ethics and strong governance within the organization.
- (4) Supervise, monitor, and ensure that the operations of the Board of Directors and other subcommittees of the Company comply with company regulations and effectively achieve the established objectives, policies, and plans.
- (5) Supervise the implementation of the Company's strategic policies and management practices, providing guidance and support to the management team.

7.3 Information on the Subcommittees

As of December 31, 2024, the Company has established four subcommittees, including (1) Audit Committee, (2) Executive Committee, (3) Nomination and Remuneration Committee, (4) Sustainability Committee.

Each subcommittee has a charter that has been approved by the Board of Directors. The charter outlines the subcommittee's objectives, composition, qualifications, appointment process, term of office, meeting procedures, powers, duties, responsibilities, and performance evaluation criteria. The subcommittees are required to review and update their charters at least once annually and present any revisions to the Board of Directors for approval. Additionally, the subcommittees must report their significant activities and performance results to the Board of Directors on a regular basis.

7.3.1 Audit Committee

7.3.1.1 Audit Committee Composition

As of December 31, 2024, the Audit Committee consists of three independent directors, as listed below:

No.	Name-Surname	Position	Position in the Board of Directors
1	Mr. Wutthichai Tankuranand	Chairman of the Audit Committee	Independent Director
2	Mr. Amornsak Pimarnthip	Member of the Audit Committee	Independent Director
3	Mr. Udomdej Phiromsawat	Member of the Audit Committee	Independent Director

Miss Yada Rattanaphrutakul serves as the Secretary of the Audit Committee, having been appointed during the Audit Committee Meeting No. 2/2023, held on May 12, 2023.

Mr. Wutthichai Tankuranan possesses the necessary knowledge and experience to effectively review the credibility of the Company's financial statements.

The detailed qualifications and experience of the three Audit Committee members can be found in the section concerning the directors, executives, and company secretary.

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

At the Board of Directors' Meeting No. 2/2023, held on May 12, 2023, the Board defined the scope of authority, duties, and responsibilities of the Audit Committee, with the following key responsibilities:

- (1) Ensure that the Company's financial reports are accurate and sufficiently disclosed in accordance with financial reporting standards. This is achieved through coordination with external auditors and the management responsible for preparing the financial statements, both quarterly and annually. The Audit Committee may also recommend that the external auditors review or audit specific items deemed necessary and significant.
- (2) Review the adequacy and effectiveness of the Company's internal control systems and internal audit procedures. This is done in collaboration with the external auditors and the internal audit function to ensure proper controls are in place.
- (3) Review the independence of the internal audit function and provide approval regarding the appointment, transfer, or dismissal of the head of the internal audit department, as well as other key personnel responsible for internal audits. This also includes approval of external auditors engaged to assess the internal control system.
- (4) Review, select, and recommend the appointment of independent external auditors for the Company. Propose the remuneration of the external auditors.
- (5) Evaluate related-party transactions or any potential conflicts of interest to ensure compliance with securities and exchange laws, Stock Exchange of Thailand

regulations, and other legal frameworks applicable to the Company and/or its business. The goal is to ensure that such transactions are reasonable and in the best interests of the Company.

- (6) If the Audit Committee identifies or suspects any transactions or actions that may have a material impact on the company's financial position or performance, it is required to report these to the Board of Directors for appropriate corrective action within a reasonable timeframe.
 1. Conflicts of interest in transactions;
 2. Fraud or significant irregularities or deficiencies in the internal control systems;
 3. Violations of securities and exchange laws, regulations of the Stock Exchange of Thailand, or any other laws applicable to the Company and/or its business.

If the Board or management fails to address these issues in the specified time, any of the Audit Committee members may report the matter to the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand.

- (7) Review and provide feedback on the company's policies related to corporate governance, corporate social responsibility, and anti-corruption. Review and provide feedback on the report assessing the Company's corporate governance, social responsibility, and anti-corruption practices.
- (8) Review, assess, and provide feedback on the Company's business operations to ensure they align with the Company's risk management policies. This includes the ability to evaluate, monitor, and control risks to ensure the Company's overall risk level remains within acceptable limits.

7.3.2 Executive Committee

7.3.2.1 Executive Committee Members

As of December 31, 2024, the Executive Committee consists of 8 members, including both directors and executives, as follows:

No.	Name-Surname	Position	Position in the Board of Directors
1	Mr. Suthidej Thakolsri	Chairman of the Executive Committee / Chief Executive Officer	Vice Chairman of the Board of Directors
2	Mrs. Patama Thakolsri	Vice Chairman of the Executive Committee / Deputy Chief Executive Officer – Commercial	Director
3	Miss Nitchamon Thakolsri	Member of the Executive Committee / Deputy Chief Executive Officer – Business Innovation	Director
4	Miss Nissara Thakolsri	Member of the Executive Committee / Committee / Deputy Chief Executive Officer – Operations	Director
5	Miss Patchanok Worasakyotin	Member of the Executive Committee / Chief Financial Officer ^{1/}	–
6	Mr. Thanet Chonlakheth	Member of the Executive Committee / Chief Manufacturing Officer ^{2/}	–

No.	Name-Surname	Position	Position in the Board of Directors
7	Mrs. Metta Siramongkholkarn	Member of the Executive Committee / Chief Logistic Officer	–
8	Mrs. Sirisupa Ajsonjorn	Member of the Executive Committee / Chief Marketing Officer	–

Note: ^{1/}Miss Patchanok Worasakyotin, serving as Chief Financial Officer, was appointed as an Executive Committee at the Board of Directors Meeting No. 3/2024, held on June 28, 2024, effective from August 1, 2024.

^{2/}Mr. Thanet Chonlakheth holds the position of Chief Production Officer at NEO Factory Co., Ltd., the subsidiary of the Company.

Miss Yada Rattanaphrutakul serves as the Secretary of the Executive Committee, as appointed during the Executive Committee Meeting No. 3/2023, held on June 22, 2023.

7.3.2.2 Authority, Duties, and Responsibilities of the Executive Committee

At the Board of Directors Meeting No. 2/2023, held on May 12, 2023, the Board defined the authority, duties, and responsibilities of the Executive Committee. The key responsibilities are as follows:

- (1) Developing and establishing the Company's policies, strategic direction, business plans, budgets, management structures, and authority limits. These proposals are submitted to the Board of Directors for approval. Once approved, the Executive Committee is tasked with overseeing their implementation and ensuring that the execution is efficient and effective.
- (2) Managing and supervising the Company's daily operations.

- (3) Approving the execution of contracts and/or any transactions related to the Company's ordinary course of business (e.g., purchases, sales, investments, or joint ventures with third parties for regular business transactions that align with the Company's objectives), within the limits specified in the Authority Limits Manual or as determined by the Board of Directors.
- (4) Approving the disbursement of funds from loans within the credit limits previously authorized by the Board of Directors with financial institutions, in accordance with the limits set forth in the Authority Limits Manual.
- (5) Establishing the framework and policies for determining salary structures, criteria for salary adjustments, as well as the criteria for determining bonuses, compensation, and employee rewards for staff and executives (below the Chief Executive Officer level), to be presented to the Nomination and Remuneration Committee and the Board of Directors for subsequent approval.

7.3.2.3 Authority, Duties, and Responsibilities of the Chief Executive Officer (CEO)

At the Board of Directors Meeting No. 2/2023, held on May 12, 2023, the Board defined the authority, duties, and responsibilities of the Chief Executive Officer (CEO). The key responsibilities are as follows:

- (1) ensuring that Executive Committee meetings are conducted efficiently and in compliance with relevant laws and the Company's regulations. The CEO encourages and ensures that Executive Committee members can voice their views independently.
- (2) Supporting and promoting the Executive Committee in performing their duties to the best of their abilities, in accordance with the defined scope of authority, responsibilities, and the principles of good corporate governance.

- (3) Overseeing and monitoring the operations of the Executive Committee and its subcommittees to ensure compliance with the Company's regulations and to achieve the objectives, policies, and plans established.
- (4) Overseeing the implementation of policies and strategic initiatives by the management, while offering guidance and support to facilitate the effective execution of its business operations.

7.3.3 Nomination and Remuneration Committee

7.3.3.1 Information of the Nomination and Remuneration Committee

As of December 31, 2023, the Nomination and Remuneration Committee consists of 3 members, including directors and independent directors, as follows:

No.	Name-Surname	Position	Position in the Board of Directors
1	Mr. Virapan Pulges	Chairman of the Nomination and Remuneration Committee	Chairman / Independent Director
2	Mr. Wutthichai Tankuranand	Member of the Nomination and Remuneration Committee	Independent Director
3	Miss Nissara Thakolsri	Member of the Nomination and Remuneration Committee	Director

Miss Pichchaporn Pattanapisit serves as the Secretary to the Nomination and Remuneration Committee, as appointed during the Nomination and Remuneration Committee Meeting No. 2/2023, held on November 30, 2023, effective from January 1, 2024.

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

At the Board of Directors Meeting No. 2/2023, held on May 12, 2023, the Board defined the authority, duties, and responsibilities of the Nomination and Remuneration Committee. The key responsibilities are as follows:

(1) Nomination

- (1) Reviewing the structure and composition of the Board of Directors and its subcommittees. This includes ensuring that the number of directors is appropriate based on the size, type, and complexity of the business. The committee also assesses the qualifications of each director, including the necessary skills, experience, and expertise relevant to the Company's operations.
- (2) Defining the qualifications and criteria for the selection of Board members, subcommittee members, the Chief Executive Officer (CEO), and senior executives. It identifies and evaluates candidates who possess the appropriate knowledge, experience, and expertise, and submits these recommendations for approval by the Board of Directors and/or the shareholders' meeting.
- (3) Overseeing the recruitment, selection, and nomination of candidates with the appropriate qualifications for appointment, and seeking approval from the Board of Directors prior to presenting the nominations for shareholder approval (in the case of director positions) or for Board approval (for positions other than directors).
- (4) Reviewing and approving the succession plan for the CEO and senior executives, in the event that the CEO or senior executives retire or are otherwise unable to perform their duties. This ensures the continuity of the Company's operations.

The committee will also evaluate potential candidates for succession and present its recommendations to the Board for consideration and approval when the position becomes vacant.

(2) Remuneration and Benefits

- (1) Reviewing and evaluating the structure and criteria for compensation (whether in cash, securities, or other forms) for the Board of Directors, subcommittees, the CEO, and senior executives to ensure fairness, appropriateness, and compliance with applicable laws. This includes determining salary rates, compensation, bonuses, rewards, and salary adjustments for the Board of Directors, subcommittees, the CEO, and senior executives. The proposed compensation structure will be submitted to the Board of Directors and/or shareholders' meeting for approval.
- (2) Reviewing the salary structure, criteria for salary increases, and criteria for determining bonuses, compensation, and rewards for employees and executives (below the senior executive level) as proposed by the Executive Committee, and submit them for approval by the Board of Directors.
- (3) Reviewing the performance evaluation criteria for the CEO and senior executives, and submit the evaluation for approval by the Board of Directors.
- (4) Ensuring the disclosure of the principles/rationale for determining the compensation of directors and executives, in compliance with the regulations of the Stock Exchange of Thailand, in the Company's annual report.

7.3.4 Corporate Sustainability Committee

7.3.4.1 Information of the Corporate Sustainability Committee

As the Company places significant emphasis on conducting business in accordance with the principles of good corporate governance, while steering its operations toward sustainable growth, it takes into account environmental, social, and stakeholder considerations. In this regard, the Company has established a Corporate Sustainability Committee to oversee the development and operations across various business areas, ensuring a balanced approach to Environmental, Social, and Governance (ESG) factors.

The appointment of the Corporate Sustainability Committee was approved at the Board of Directors Meeting No. 4/2024, held on August 14, 2024.

As of December 31, 2024, the Executive Committee consists of 6 members, including directors and executives, as follows:

No.	Name-Surname	Position	Position in the Board of Directors
1	Mr. Suthidej Thakolsri	Chairman of the Corporate Sustainability Committee	Vice Chairperson of the Board
2	Miss Nitchamon Thakolsri	Member of the Corporate Sustainability Committee	Director
3	Mr. Thanet Chonlakheth	Member of the Corporate Sustainability Committee	–

No.	Name-Surname	Position	Position in the Board of Directors
4	Mrs. Kasma Torrarit	Member of the Corporate Sustainability Committee	–
5	Mrs. Pichchaporn Pattanapaisit	Member of the Corporate Sustainability Committee	–
6	Mr. Kachane Kuntharaporn	Member of the Corporate Sustainability Committee	–

Miss Yada Rattanaphrutakul serves as the Secretary of the Corporate Sustainability Committee, having been appointed during the Audit Committee Meeting No. 4/2024, held on August 14, 2024.

7.3.4.2 Authority, Duties, and Responsibilities of the Corporate Sustainability Committee

At the Board of Directors Meeting No. 4/2024, held on August 14, 2024, the Board defined the authority, duties, and responsibilities of the Corporate Sustainability Committee. The key responsibilities are as follows:

- (1) Formulating, reviewing, and updating the Company's sustainability policies and objectives, ensuring a balanced approach across environmental, social, and governance (ESG) dimensions, while considering the interests of all stakeholders.

- (2) Supervising the implementation of sustainability initiatives, offering guidance and support to the Board of Directors, executives, and employees to ensure alignment with the Company's sustainability goals.
- (3) Reviewing and approving the preparation of the Company's sustainability reports.
- (4) Establishing and assigning roles and responsibilities to the Sustainability Working Group, as necessary (if applicable).
- (5) Executing any additional tasks as delegated by the Board of Directors or in alignment with policies set by the Board.
- (6) Procuring external consultants or independent experts to provide advice or recommendations as deemed necessary and appropriate.
- (7) Facilitating the involvement of management, executives, employees, or other relevant parties within the Company or its subsidiary, ensuring they contribute their input, attend meetings, or provide necessary data as required.

7.4 Executive Information

7.4.1 List of Executives

As of December 31, 2024, the Company has a total of 7 executives, as follows:

No.	Name	Position
1	Mr. Suthidej Thakolsri	Chief Executive Officer
2	Mrs. Patama Thakolsri	Deputy Chief Executive Officer – Commercial
3	Miss Nitchamon Thakolsri	Deputy Chief Executive Officer – Business Innovation
4	Miss Nissara Thakolsri	Deputy Chief Executive Officer – Operations
5	Miss Patchanok Worasakyotin ^{1/}	Chief Finance Officer
6	Mrs. Metta Siramongkholkarn	Chief Logistic Officer
7	Mrs. Sirisupa Ajsanjorn	Chief Marketing Officer

Note: ^{1/}Miss Patchanok Worasakyotin has been appointed as the Chief Finance Officer (CFO), effective from August 1, 2024.

Scope of Authority, Duties, and Responsibilities of the Chief Executive Officer (CEO)

At the Board of Directors' meeting No. 2/2566 on March 12, 2024, the scope of authority, duties, and responsibilities of the Chief Executive Officer (CEO) were established, with the following key points:

- (1) Oversee, manage, and conduct the Company's business operations effectively and in alignment with the Company's policies, vision, objectives, business plans, and budgets as approved by the Executive Committee and/or the Board of Directors, and/or as delegated by the Executive Committee and/or the Board of Directors.
- (2) Ensure the development and submission of the Company's business policies, along with work plans and budgets, for approval by the Board of Directors. Provide regular progress reports on the implementation of the approved plans and budgets.
- (3) Implement or delegate the necessary management authority to ensure the execution of operations in line with approved policies, plans, and budgets, with a focus on maximizing efficiency, effectiveness, internal control, and consistent risk management practices.
- (4) Approve the execution of contracts and/or transactions related to the Company's ordinary business activities (e.g., purchases, sales, investments, or joint ventures with third parties for routine business operations), within the financial limits specified in the Authority Limits Manual or as outlined by the Executive Committee and/or the Board of Directors.
- (5) Conduct thorough feasibility studies for new investment opportunities, assessing both technical and financial aspects, to ensure well-informed decision-making.
- (6) Monitor, review, and control the Company's and its subsidiary's performance to ensure that goals are met. Provide quarterly reports to the Executive Committee and Board of Directors, and identify opportunities to improve business outcomes.
- (7) Establish regulations, guidelines, and procedures for the organizational structure below the CEO level. This includes hiring, appointing, transferring, dismissing,

or terminating employees in positions below the CEO, in accordance with the authority limits specified in the Authority Limits Manual or as set by the Executive Committee and/or the Board of Directors (as applicable).

- (8) Issue internal orders, regulations, announcements, and memoranda to ensure that the Company's operations align with its policies and are in the best interest of the Company. Maintain internal discipline in line with the framework and policies set by the Executive Committee and/or the Board of Directors.
- (9) Ensure the Company maintains a robust internal control system in accordance with the guidelines set by the Audit Committee and/or the Board of Directors.
- (10) Ensure the Company implements an effective risk management system, following the guidelines established by the Audit Committee and/or the Board of Directors.

7.4.2 Policy on Determining Remuneration for Directors and Senior Executives

The company recognizes the critical role that its directors and senior executives play in driving the organization toward achieving its strategic goals. Accordingly, the Board of Directors places significant importance on determining appropriate remuneration for these individuals to ensure the Company can retain its valuable talent. This approach also serves to motivate directors and senior executives to align their performance with the Company's objectives and goals, ultimately contributing to sustainable results and continued growth. In setting remuneration, the Company considers the executives' capabilities, experience, and performance, ensuring a fair and equitable approach, free from discrimination, and based on principles of fairness, equality, suitability, and commitment to the Company. This is designed to promote career advancement while encouraging long-term growth and development in tandem with the Company's

success. The Company has established a comprehensive remuneration policy for directors and senior executives, both short-term and long-term, that aligns with Company performance and individual contributions. Key components include:

- (1) The Company evaluates the appropriate balance between fixed salary, short-term performance incentives, such as bonuses, and long-term performance measures, such as career growth aligned with succession planning. This may also include participation in company shareholder programs such as the Employee Stock Option Plan (ESOP) or the Employee Joint Investment Program (EJIP).
- (2) The Company ensures that its remuneration policy is competitive with industry standards by taking into account factors such as the level of compensation relative to similar positions within the industry, in addition to the Company's financial performance.
- (3) The Company establishes clear performance metrics (Individual Key Performance Indicators or KPIs) and ensures these criteria are communicated.

7.4.3 Total Remuneration for Executives

The Company ensures that executive remuneration is set at a level that is both appropriate and in line with the Company's established remuneration policies. The determination of compensation takes into account the executives' roles, duties, responsibilities, relevant experience, the Company's performance, and current economic conditions. Remuneration is also benchmarked against industry standards for similar positions to ensure competitiveness. Executive compensation is determined according to the guidelines and policies approved by the Nomination and Remuneration Committee and the Board of Directors.

Monetary Compensation

The total executive remuneration (excluding director's fees) consists of base salary and performance-based bonuses, as detailed below:

Description	As of December 31, 2023	As of December 31, 2024
Number of Directors	7	7
Remuneration (Million Baht)	162.6	147.1

Other Compensation

The Company provides additional compensation to executives, which includes contributions to the provident fund, employer contributions to the social security fund, and other benefits, amounting to 17.8 million baht for the fiscal year ending December 31, 2024. In addition, the Company offers non-monetary benefits to executives, including annual health check-ups, group insurance, mobile phones, company cars, fuel costs and drivers.

7.5 Employees

7.5.1 Total Number of Employees

As of December 31, 2023, and December 31, 2024, the Company and its subsidiaries employed a total of 2,512 and 2,597 employees (excluding executives), respectively. The details are as follows:

Departments	Number of Employees			
	As of December 31, 2023		As of December 31, 2024	
	Monthly	Daily	Monthly	Daily
Management	7	0	9	0
Marketing, Sales, and Sales Support	613	0	633	0
Research and Development	56	1	65	0
Corporate Support	353	30	360	34
Production, Warehouse, and Logistics	957	495	1,028	468
Total	1,986	526	2,095	502

7.5.2 Significant Changes in Employee Numbers Over the Past 3 Years

As of December 31, 2022, 2023, and 2024, the Company and its subsidiaries employed a total of 2,474, 2,519, and 2,604 individuals (including executives), respectively. The increase in the number of employees was primarily due to the expansion of production capacity to accommodate the Company's growing business needs.

7.5.3 Employee Compensation of the Company and Subsidiaries (Excluding Executives)

Employee compensation (excluding executive compensation) consists of salaries, bonuses, overtime pay, and allowances. For the year ending December 31, 2023, the Company disbursed a total of 1,326 million baht in employee compensation, while for the year ending December 31, 2024, the amount increased to 1,350 million baht.

7.5.4 Provident Fund

The Company has established a provident fund as a welfare benefit for its executives and salaried employees, as well as those of its subsidiaries. The fund is managed by MFC Asset Management Public Company Limited under the name "MFC Master Fund Provident Fund," which is registered with the Securities and Exchange Commission (SEC) on September 1, 2024. The Company selects the provident fund based on its investment policy, the past 5-year performance record, fees charged, and access to member performance data. Employees contribute 5% of their wages, up to a maximum of 15%, while the Company contributes 5% of the employees' wages. As of December 31, 2024, 1,692 employees, or 64% of the total salaried employees across the Company and subsidiaries, were enrolled in the provident fund.

7.5.5 Allocation of Initial Public Offering (IPO) Shares to Directors, Executives, and/or Employees of the Company and/or Its Subsidiaries (ESOP)

At the 2/2023 Extraordinary General Meeting of Shareholders on August 25, 2023, the Company approved the allocation of shares from the Initial Public Offering (IPO) to directors, executives, and/or employees of the Company and its subsidiaries under the Employee Stock Ownership Plan (ESOP). A total of 5,000,000 shares, representing no more than 5.71% of the total common shares offered to the public, or no more than 1.67% of the Company's paid-up capital after the IPO, were allocated for this purpose.

Subsequently, at the 1/2023 Extraordinary General Meeting of Shareholders (after the conversion to a public company) on December 15, 2023, the company approved the following resolutions: (1) The approval of special compensation for directors, executives, and employees who are entitled to participate in the ESOP. The special compensation will be capped at a rate of no more than 10.00% of the IPO price per share, multiplied by the number of shares each individual subscribes to. This special compensation will be paid in cash within 7 days of the close of the IPO subscription period. (2) The approval of the ESOP offering price to be set at the same price as the IPO price.

No director, executive, and/or employee of the Company or its subsidiaries will be allocated more than 5.00% of the total common shares offered in the IPO.

7.5.6 Significant Labor Disputes in the Past 3 Years

- None -

7.5.7 Employee Development Policy

The Company recognizes the importance of human resources as its most valuable asset and a crucial element in driving the organization toward success. As such, the Company has established policies aimed at the continuous development of its workforce, the recruitment of directors and senior executives, and succession planning. These policies are designed to enhance the skills, knowledge, and expertise of employees at all levels, ensuring ongoing growth and maximizing their potential. The company also has guidelines for recruiting qualified individuals for executive and director positions and has implemented a succession plan to prepare for the replacement of key personnel if they are unable to perform their duties, their term ends, or if a position becomes vacant for any other reason. This helps mitigate the risks and impacts caused by disruptions in management continuity. The policy details are as follows:

- (1) The Company encourages and supports the development of employees at every level by providing opportunities to acquire skills, knowledge, and expertise through hands-on experience. It is the responsibility of department heads to ensure that employees have access to learning opportunities, can share experiences, engage in practical training, and receive regular guidance.

- (2) The Company organizes training programs aimed at enhancing knowledge in various fields and improving work capabilities for employees at all levels. This includes both in-house training and external programs that are deemed relevant and beneficial for the needs of employees in each department, from executives to operational staff. These programs help develop knowledge, capabilities, and work performance, which in turn improves the company's operations.
- (3) The Human Resources Department is tasked with assessing the need for employee development at all levels, formulating a development plan that aligns with the Company's business goals, and presenting the plan to the Chief Executive Officer for approval. The department is also responsible for following up on the implementation of the development plan and continuously evaluating its effectiveness.
- (4) The Company is committed to social responsibility and actively collaborates with external institutions on training and human resource development initiatives. This includes facilitating study visits and offering internships to students. The aim is to contribute to the development of human capital in the community, society, and the nation, thereby fostering knowledge and wisdom that benefits the broader society.

7.6 Other Important Information

7.6.1 Individuals directly responsible for overseeing accounting, the company secretary, and the head of internal audit

(1) Directly Responsible for Accounting Oversight

Miss Suwanpen Saetae serves as the Accounting Manager of the Company and is directly responsible for overseeing all accounting functions. Her role includes ensuring that all accounting transactions are executed accurately and efficiently, in accordance with established accounting standards, regulations, and the Company's internal policies.

(2) Company Secretary

In the Board of Directors Meeting No. 2/2023, held on May 12, 2023, the Board appointed Miss Yada Rattanaphruthakun as the Company Secretary. She is tasked with fulfilling the responsibilities outlined in Section 89/15 of the Securities and Exchange Act, B.E. 2535 (A.D. 1992) (including any subsequent amendments).

(3) Head of Internal Audit

During the Audit Committee Meeting No. 1/2024, held on February 21, 2024, the committee approved the appointment of KPMG Phoomchai Business Advisory Co., Ltd. as the independent auditor responsible for assessing the Company's internal control system for 2023. Mr. Sukit Wongthaworawat has been appointed as the primary contact for this audit. He brings extensive expertise in company operations, corporate governance, risk assessment, and internal controls, both at the business unit and overall organizational level.

7.6.2 Head of Investor Relations and Contact Information

To facilitate accurate, timely, and transparent disclosure of the Company's significant information, the Company has established an Investor Relations Department. Mr. Pornprasert Kumwingworn has been appointed as the Head of Investor Relations. His responsibilities include serving as the primary point of contact for disseminating important company information to shareholders and investors, encompassing financial data such as performance results, financial statements, and management analyses. This information is communicated consistently, equitably, and comprehensively to ensure all stakeholders are well-informed.

For inquiries, the Investor Relations Department can be reached at:

Mr. Pornprasert Kumwingworn

Email: Pornprasert.Kumwingworn@neo-corporate.com

Phone: 0 2017 8900 ext. 3429

7.6.3 Auditor Compensation

Audit Fee

For the fiscal year ending December 31, 2024, the Company and its subsidiary paid an audit fee of 3.53 million baht to EY Office Co., Ltd.

Non-Audit Fee

For the fiscal year ending December 31, 2024, the Company and its subsidiary incurred a non-audit fee of 0.49 million baht to EY Office Co., Ltd., which includes services such as tax advisory fees, annual audit report fees, fees for observing the destruction of goods, and travel expenses.

The individuals or companies affiliated with the auditors and the audit firm they are associated with are not considered related parties of the Company or its subsidiaries, in accordance with the accounting standards for disclosing information about related parties.

8. Report on Key Governance Activities and Performance

8.1 Report on the Performance of the Board of Directors over the Past Year

The Board of Directors has established clear policies, vision, operational objectives, and business strategies to ensure the organization's sustainable growth and long-term success, in alignment with the Company's vision. These efforts are also aimed at effectively addressing the expectations of all stakeholders.

Furthermore, the Board has defined a framework for corporate governance and social responsibility, in line with the Corporate Governance Code for Listed Companies 2017 (CG Code) issued by the Securities and Exchange Commission ("SEC"). The Board actively monitors and ensures the implementation of these policies, including good governance practices, business ethics, corporate social responsibility, and sustainability management, ensuring they are not only adopted but also effectively translated into actionable outcomes.

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

The Company has established a Nomination and Remuneration Committee responsible for identifying and nominating qualified individuals to serve as members of the Board of Directors, sub-committees, Chief Executive Officer (CEO), and senior executives. The Committee is also tasked with reviewing and recommending the compensation structure and criteria for the Board of Directors, sub-committees, CEO, and senior executives. These recommendations are presented to the Board of Directors and/or the shareholders' meeting for approval, as applicable. In addition, the Committee reviews and evaluates the compensation and benefits structure for employees of the Company and its subsidiary.

The Nomination and Remuneration Committee will carefully consider, select, and propose suitable candidates for appointment to the positions of director, sub-committee member, and senior executive of the Company.

(1) Independent Directors

The Board of Directors will jointly evaluate the qualifications of potential candidates for independent director positions. Candidates must meet the qualifications outlined in the Public Limited Companies Act, B.E. 2535 (A.D. 1992) (as amended), the Securities and Exchange Act, B.E. 2535 (A.D. 1992) (as amended) ("Securities Act"), announcements of the Securities and Exchange Commission (SEC), and any other relevant rules and/or regulations. Independent directors will be selected based on their expertise, qualifications, work experience, and overall suitability for the organization.

The Company has established a policy to appoint independent directors comprising no less than one-third of the total board, with a minimum of three independent directors. As of December 31, 2024, the Board of Directors consists of eight members, four of whom are independent directors, fulfilling the one-third requirement. All the four independent directors meet the qualifications stipulated by law and relevant regulations. The qualifications for independent directors are as follows:

- (1) An independent director must not hold more than 1% of the total voting shares in the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons. This includes shares held by related parties of the independent director.
- (2) An independent director must not have been, nor currently be, an executive director, employee, salaried consultant, or controlling person of the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons, unless at least two years have passed since they held such a role before being appointed. This restriction does not apply to independent directors who were previously civil servants or consultants to government agencies that are major shareholders or controlling persons of the Company.
- (3) An independent director must not be a person who is related by blood or through legal registration as a parent, spouse, sibling, or child, including the spouse of a child of any other director, executive, major shareholder, or controlling person, or anyone proposed to be a director, executive, or controlling person of the Company or its subsidiary.
- (4) An independent director must not have, or have ever had, any business relationships with the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons that may interfere with their independent judgment. This includes not being or having ever been a significant shareholder or a controlling person of any entity with a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling individuals, unless at least two years have passed since they held such a role before being appointed.

Business relationships encompass various types of transactions, including regular commercial dealings conducted in the course of operations, leasing

or renting real estate, transactions related to assets or services, and providing or receiving financial assistance through loans, guarantees, or using assets as collateral for debts. This also includes similar situations that result in the Company or contracting party incurring obligations to the other party, starting from three percent of the Company's net tangible assets or from twenty million baht, whichever is lower. The calculation of such liabilities will adhere to the methods for assessing related party transactions as outlined by the Securities and Exchange Commission *mutatis mutandis*. Furthermore, for the purpose of evaluating these liabilities, any obligations incurred within one year prior to establishing the business relationship with the same individual will also be taken into account.

- (5) An independent director must not have been, or currently be, an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons, nor should they be a significant shareholder or partner of the auditing firm that audits the Company or its subsidiaries. This restriction applies unless at least two years have passed since they held such a role before being appointed.
- (6) An independent director must not be or have been a professional service provider, including legal or financial consulting services, that received fees exceeding two million baht per year from the Company, its parent company, subsidiaries, associated companies, major shareholders, or controlling persons of the Company. Furthermore, the individual must not be a significant shareholder, controlling person, or partner of that professional service provider, unless at least two years have passed since they held such a role before being appointed.
- (7) An independent director must not serve as a representative of the Company's directors, major shareholders, or shareholders related to major shareholders.

- (8) An independent director must not be an individual who operates a business that is similar and significantly competitive with the activities of the Company or its subsidiary. This includes not being a partner with substantial interest in a partnership, a director involved in management, an employee, a salaried consultant, or holding more than one percent of the total voting shares in another company that engages in similar business activities and competes significantly with the Company or its subsidiary.
- (9) An independent director must not possess any other characteristics that would hinder the ability to offer an independent opinion on the Company's operations.

(2) Nomination of Directors and Senior Executives

As of December 31, 2024, the Company has a total of 8 directors, including 4 executive directors and 4 independent directors. The executive directors are defined according to the criteria set forth in the Securities and Exchange Commission (SEC) Notification No. Kor Jor. 17/2551, on the Definitions of Terms in Securities Issuance and Offering Regulations (as amended). The Chairman of the Board serves as the Chief Executive Officer.

At the Board Meeting No. 2/2023, held on May 12, 2023, the Board of Directors defined the scope, authority, and responsibilities of the Nomination and Remuneration Committee, including the recruitment and selection processes for the Board of Directors, sub-committees, and senior executives, with the following key points:

1. Evaluate the structure and composition of the Board of Directors and its sub-committees to ensure they are well-suited to the Company's business requirements and strategy.
2. Establish the qualifications and criteria for selecting directors for the Board, sub-committees, the Chief Executive Officer, and senior executives. This includes

selecting individuals based on their knowledge, experience, expertise, and suitability for the Company's needs. The proposed candidates will be submitted to the Board of Directors and/or shareholders' meeting for approval (as applicable).

3. Review, select, and nominate individuals who meet the qualifications required for board appointments, in order to seek the Board of Directors' opinion prior to presenting them to the shareholders' meeting for appointment (in the case of director positions) or for the Board of Directors (in the case of positions other than directors).
4. Establish a succession plan for the Chief Executive Officer and senior executives in the event of their retirement or inability to perform their duties. This ensures the continuity of the Company's operations. The committee will evaluate potential candidates for succession and propose them to the Board of Directors for appointment when the position becomes vacant.
5. Define the performance evaluation criteria for the CEO and senior executives and present them to the Board of Directors for approval.

(Please refer to Annex 5 for detailed information on the scope, authority, and responsibilities of the Nomination and Remuneration Committee. This annex includes the complete policy and practices for corporate governance, as well as the full code of business ethics prepared by the Company. See Item 6 for the Charter of the Nomination and Remuneration Committee.)

Appointment and Term of Office for Company Directors

1. The Nomination and Remuneration Committee is responsible for identifying and nominating individuals who meet the required qualifications to serve as company directors. The names of the nominated candidates will be submitted for approval at the Board of Directors' meeting and/or the shareholders' meeting, as applicable.

2. The appointment of company directors will follow the Company's Articles of Association and relevant laws. The selection process must be transparent, well-defined, and provide sufficient information to assist both the Board of Directors and/or shareholders (as applicable) in making informed decisions. Specifically,
(1) Each shareholder has one vote per share; (2) Shareholders may use their votes to elect one or more candidates, but votes cannot be distributed unevenly among multiple candidates; (3) The candidates with the highest vote counts, ranked in descending order, will be elected as directors, up to the required number of directors. In case of a tie among candidates that would exceed the available number of director positions, the Chairman of the meeting will cast the deciding vote.
3. Each director serves a term of 3 years. Upon the completion of their term, directors may be considered for re-election.
4. Directors are elected by the shareholders' meeting. In the event of a vacancy due to reasons other than the expiration of a director's term, the Board of Directors has the authority to appoint a qualified individual to fill the vacancy. The person appointed will serve for the remainder of the term of the director they are replacing.
5. At each Annual General Meeting (AGM), one-third of the total number of directors must retire by rotation. If the number of directors cannot be evenly divided into three parts, the closest number will be used. Retiring directors are eligible for re-election. For the first and second years after the Company has been converted to a public company, the retirement of directors will be determined by a lottery. For subsequent years, the director who has served the longest will retire. Independent directors are subject to a maximum term of 9 years consecutively, starting from the date of their first appointment as an independent director. However, the Board may extend this term if it is deemed to be in the best interest of the Company.
6. In addition to retirement by rotation, a director may cease to hold office under the following circumstances:
 - 1) Death
 - 2) Resignation
 - 3) Loss of the qualifications required for serving as a company director, or if the director becomes disqualified under the Public Limited Companies Act, or demonstrates any behavior that compromises their ability to effectively manage the Company with public shareholders, in accordance with securities and stock market regulations.
 - 4) A resolution passed by the shareholders' meeting to remove the director.
 - 5) A court order requiring the removal of the director.
7. Any director wishing to resign must submit their resignation letter to the Chairman of the Board.

(3) Director Training and Development

The Company ensures that the Board of Directors oversees the management and development of personnel, equipping them with the necessary knowledge, skills, experience, and motivation. It also ensures that human resources management aligns with the Company's strategic direction, encouraging employees to participate in training programs to enhance their expertise. The Company is committed to treating employees fairly in order to retain top talent. In addition, a Succession Plan has been put in place to prepare for the smooth transition of key leadership roles, including the CEO and senior executives, ensuring the continuity of the Company's operations.

(4) Evaluation of the Performance of the Board of Directors and Subcommittees

The Board of Directors has implemented a regular performance evaluation for both the Board and its subcommittees, conducted on a collective and individual basis. This evaluation is carried out at least once a year to assess the effectiveness and performance of the Board in fulfilling its duties. The evaluation is divided into two main sections: one for the Board as a whole, with six key criteria, and one for individual directors, with three key criteria. This process aligns with the guidelines set by the Stock Exchange of Thailand, and includes the following:

Self-Assessment Form for the Board of Directors	
Collective Basis	Individual Basis
1. Structure and qualifications of the Board of Directors	1. Structure and qualifications of the individual director
2. Roles, responsibilities, and duties of the Board	2. Participation in board meetings
3. Board meetings and discussions	3. Roles, responsibilities, and duties of the individual director
4. Performance of the Board members	
5. Relationship and communication with management	
6. Personal development of directors and development of executives	

(5) Evaluation of the Chief Executive Officer (CEO) Performance

The Board of Directors has established a regular evaluation process to assess the performance of the CEO. This evaluation is conducted annually by non-executive directors to review the CEO's performance in fulfilling their duties. The assessment is structured as follows:

The CEO performance evaluation consists of 10 key areas:

1. Leadership
2. Strategy development
3. Execution of strategies
4. Relationship with the Board of Directors
5. External stakeholder engagement
6. Management skills and relationship with personnel
7. Succession planning
8. Knowledge of products and services
9. Personal characteristics and integrity
10. Leadership performance with a focus on ESG principles

Each is evaluated based on specific criteria, with scores assigned as a percentage (%) of the total points possible for each category, as detailed below:

Performance Results	Performance Evaluation Result	
	By Committee (%)	By Individual (%)
Excellent	90% – 100%	90% – 100%
Very Good	80% – 89%	80% – 89%
Good	70% – 79%	70% – 79%
Satisfactory	60% – 69%	60% – 69%
Needs Improvement	0% – 59%	0% – 59%

Performance Evaluation Process

1. The Company Secretary will distribute performance evaluation forms to all Board members and subcommittee members for self-assessment at the end of each year.
2. Once each director completes their evaluation, the forms will be returned to the Company Secretary, who will compile the evaluation scores and present a summary report to the Board of Directors. This report will guide the determination of measures to improve the effectiveness of the Board's performance.
3. Both the Board of Directors and subcommittee members are required to conduct self-assessments on both a committee and individual level at least once a year.

4. The subcommittee secretary will compile and present the performance evaluation results for both the entire committee and individual members to the subcommittee for review. The subcommittee will then discuss potential strategies for improving performance.
5. The Company Secretary will compile and present the performance evaluation results for both the Board of Directors and subcommittees—on a committee and individual level—to the Board for further consideration.
6. Regarding the CEO's performance evaluation, the Secretary of the Nomination and Remuneration Committee will distribute the evaluation form to non-executive directors for assessment. The summary of the results will be reported to the Board of Directors.

For 2024, the performance evaluation results of the various committees are summarized as follows:

Committee Name	Performance Evaluation Result	
	By Committee (%)	By Individual (%)
Board of Directors	99.77%	99.72%
Audit Committee	100%	100%
Nomination and Remuneration Committee	98.04%	99.36%
Executive Committee	94.70%	95.45%

The performance evaluation of the Chief Executive Officer for 2024 resulted in a score of 98.44%.

8.1.2 Board Meeting Attendance and Director Remuneration

Meeting Attendance

The details of Board meeting attendance for 2024 (from January 1, 2024, to December 31, 2024) are as follows:

No.	Name-Surname	Number of Meetings Attended / Total Number of Meetings ^{1/}		
		Board Meeting	Shareholders' Meeting	
			Annual General Meeting	Extraordinary General Meeting
1	Mr. Virapan Pulges	6/6	1/1	-
2	Mr. Wutthichai Tankuranand	6/6	1/1	-
3	Mr. Amornsak Pimarnthip	6/6	1/1	-
4	Mr. Udomdej Phiromsawat	6/6	1/1	-
5	Mr. Vorasit Pokachaiyapat ^{2/}	5/5	1/1	-
6	Mr. Suthidej Thakolsri ^{3/}	5/6	1/1	-
7	Mrs. Patama Thakolsri	6/6	1/1	-
8	Miss Nitchamon Thakolsri	6/6	1/1	-
9	Miss Nissara Thakolsri	6/6	1/1	-

Note: ^{1/}Information as of December 31, 2024.

^{2/}Mr. Vorasit Pokachaiyapat has resigned from his position as a Director of the Company, effective November 13, 2024. Accordingly, he attended the Board of Directors Meetings No. 1-5/2024.

^{3/}Mr. Suthidej Thakolsri was unable to attend the meeting due to other commitments.

Remuneration Payment

(1) Monetary Remuneration

During the Annual General Meeting of Shareholders for 2024, held on March 12, 2024, the shareholders approved the remuneration for the Board of Directors and its subcommittees for 2024. The approved remuneration consists of a monthly allowance and meeting attendance fees, as outlined below:

Position	Monthly Remuneration (Baht/Month)	Meeting Attendance Fee (Baht/Time)
Board of Directors		
Chairperson	30,000	50,000
Vice Chairperson	20,000	45,000
Director	15,000	40,000
Audit Committee		
Chairperson	20,000	50,000
Committee Member	15,000	40,000
Executive Committee		
Chairperson	-	-
Committee Member	-	-
Nomination and Remuneration Committee		
Chairperson	20,000	50,000
Committee Member	15,000	40,000
Sustainability Committee		
Chairperson	-	-
Committee Member	-	-

- Note: 1. For meeting attendance fees, if multiple meetings are held in a given month due to necessity, the Company will pay the attendance fee only once for that month.
 2. The meeting attendance fees and monthly remuneration for 2024 will be effective from the date of approval by the shareholders' meeting, with no retroactive payments for any differences.
 3. The company maintains a Director and Officer Liability Insurance (D&O) policy with a coverage limit of 200 million baht.

In 2024, the Company paid a total of 4,915,000 baht in compensation to the Board of Directors and subcommittees, detailed as follows:

No.	Name-Surname	Remuneration (Baht)					
		Board of Directors	Audit Committee	Executive Committee	Nomination and Remuneration Committee	Sustainability Committee	Total
1	Mr. Virapan Pulges	530,000	-	-	275,000	-	805,000
2	Mr. Wutthichai Tankuranand	335,000	375,000	-	210,000	-	920,000
3	Mr. Amornsak Pimarnthip	335,000	290,000	-	-	-	625,000
4	Mr. Udomdej Phiromsawat	335,000	290,000	-	-	-	625,000
5	Mr. Vorasit Pokachaiyapat ^{1/}	320,000	-	-	-	-	320,000
6	Mr. Suthidej Thakolsri	405,000	-	-	-	-	405,000
7	Mrs. Patama Thakolsri	335,000	-	-	-	-	335,000
8	Miss Nitchamon Thakolsri	335,000	-	-	-	-	335,000
9	Miss Nissara Thakolsri	335,000	-	-	210,000	-	545,000
Total		3,265,000	955,000	-	695,000	-	4,915,000

Note: ^{1/}Mr. Vorasit Pokachaiyapat has resigned from his position as a Director of the Company, effective November 13, 2024.

(2) Other Remuneration

- None -

8.1.3 Governance of Subsidiaries and Associates

The Company has established a policy to oversee the operations of its subsidiary and/or associates. The objective of this policy is to define both direct and indirect measures and mechanisms to ensure effective governance and management of these entities. This includes monitoring and ensuring that the subsidiary and/or associates comply with the established measures and mechanisms, align with the Company's policies, and adhere to relevant laws, regulations, announcements, and guidelines issued by the Capital Market Supervisory Board, the Securities and Exchange Commission Office (SEC), and the Stock Exchange of Thailand (SET). The aim is to safeguard the Company's investment interests in its subsidiary and/or associates, with the following actions taken:

- (1) The Company will appoint representatives to serve as directors in its subsidiary and/or associates based on its shareholding proportion in each company and/or mutual agreements in the case of associates. These representatives must possess the necessary qualifications and experience relevant to the business and must not have any conflicts of interest with the operations of the subsidiary and/or associates. The appointed representatives are responsible for managing the subsidiaries and/or associates in accordance with the Company's policies and applicable laws.
- (2) If a transaction or action of the subsidiary qualifies as an acquisition or disposal of assets and/or a related party transaction under relevant laws and securities regulations, which would require the Company to seek approval from its Board of Directors and/or the shareholders' meeting (as applicable), or from relevant authorities prior to completing the transaction, the subsidiary may proceed only after obtaining the necessary approval from the Board of Directors and/or shareholders' meeting and/or relevant authorities, as required.
- (3) Additionally, if a transaction or event involving the subsidiary triggers the Company's obligation to disclose information to the Stock Exchange of Thailand as per applicable regulations, the representative director of the subsidiary must immediately notify the Company's management as soon as they are aware that the subsidiary intends to engage in the transaction or that such an event has occurred.
- (4) The Board of Directors and management of each subsidiary and/or associate will have clearly defined authority, duties, and responsibilities in accordance with applicable laws. This includes the obligation to disclose financial information and operational performance to the Company. In this regard, relevant announcements and regulations set forth by the Capital Market Supervisory Board and the Securities and Exchange Commission (SEC) may apply mutatis mutandis. Additionally, they are required to disclose their personal interests, as well as those of related parties, to the Company's Board of Directors. This includes informing the Board of any relationships and transactions with the Company, the subsidiary, and/or associates that may give rise to potential conflicts of interest. Furthermore, they must take proactive steps to avoid any transactions that could lead to such conflicts.
- (5) The Company will establish and implement necessary plans to ensure that its subsidiary and/or associates provide accurate and timely disclosures regarding their performance and financial position. The Company will take the necessary steps and closely monitor to ensure that subsidiary and/or associates implement adequate and effective information disclosure systems and internal controls to support the efficient management of their operations.

The Company will closely monitor the performance and operations of its subsidiary and/or associates, ensuring proper recording and maintenance of their financial data and accounts. It will also present analytical reports, along with recommendations or feedback, to the Company's Board of Directors and the boards of the relevant subsidiary

and/or associates. These insights will inform decisions on policy development or adjustments, with the goal of fostering the continuous growth and success of the subsidiary and/or associates.

8.1.4 Monitoring Compliance with Corporate Governance Policies and Practices

The Company recognizes that strong corporate governance is crucial for enhancing operational effectiveness and driving sustainable growth. To guide the management and oversight of the Company in creating long-term value, the Company has established a corporate governance policy that aligns with the Corporate Governance Code for Listed Companies 2017, as issued by the Securities and Exchange Commission (SEC).

The Company's corporate governance policy was approved by the Board of Directors at its meeting No. 5/2022 on November 14, 2022. This policy defines the practices to be followed by the Board, management, employees, and the subsidiary. It outlines eight core principles of governance:

Principle 1: Acknowledge the Board's role and responsibility as the organization's leaders in creating long-term value for the business.

Principle 2: Set clear objectives and sustainable goals for the Company.

Principle 3: Build an effective and efficient Board of Directors.

Principle 4: Recruit, develop, and manage senior executives and human resources.

Principle 5: Foster innovation and responsible business conduct.

Principle 6: Maintain a robust risk management system and internal controls.

Principle 7: Ensure financial credibility and transparency in reporting.

Principle 8: Encourage shareholder engagement and open communication.

The Company will continue to monitor adherence to these corporate governance practices. To reinforce this commitment, each year, all board members, executives,

and employees are required to sign an acknowledgment of the Company's business practices and Code of Conduct. Compliance will be tracked across the following four key areas:

(1) Prevention of Conflicts of Interest

The Company operates on the principle that all business decisions must prioritize the best interests of the Company and its shareholders. Any actions that could create a conflict of interest should be avoided. Specifically, any transaction in which stakeholders or related parties stand to gain or lose, directly or indirectly, from the Company's actions must be disclosed. Individuals with a direct or indirect interest in such transactions are required to inform the Company of their relationship or interest and must refrain from participating in the decision-making process or approving such transactions. The following guidelines apply:

1. Directors, executives, and employees must avoid engaging in any business activities that are similar to or in competition with the Company and/or its subsidiary, whether for personal gain or on behalf of others, if such activities could potentially harm the Company and/or its subsidiary, either directly or indirectly. They are also prohibited from becoming partners, shareholders with decision-making authority, or executives in any competing business, unless such involvement is in the best interests of the Company and complies with the Company's business conduct standards and code of ethics.
2. Directors, executives, and employees should avoid holding significant shares in businesses that are similar to or directly compete with the Company's operations and/or those of its subsidiary, particularly if such ownership would hinder directors, executives, or employees from fulfilling their duties or obligations, or if they could negatively affect their job performance or responsibilities. In cases where the shares were acquired prior to assuming their positions, or before

the Company or its subsidiary entered into the competing business, or were inherited, the director, executive, or employee must immediately report this to the Company secretary.

3. Directors and executives must disclose any business activities or interests they, their family members, relatives, or dependents have that could potentially create a conflict of interest with the Company and/or its subsidiary. This includes, but is not limited to, the following situations, and must be reported to the Company secretary:

- (a) Investments or financial interests in businesses that have dealings with the Company or its customers.
- (b) Holding any position, including advisory roles, with entities that do business with the Company or its customers.
- (c) Engaging in trading or providing services to the Company and/or its subsidiaries, either directly or through intermediaries.

4. Directors, executives, and employees must avoid any actions that could create a conflict of interest with the Company's operations, whether arising from interactions with the Company's business partners, customers, competitors, or from using opportunities or confidential information gained through their positions to benefit themselves or third parties (even if the Company is not directly harmed). Moreover, they are required to strictly adhere to the Company's insider information policy.

5. Directors, executives, and employees must refrain from engaging in transactions with themselves or individuals closely associated with them if such transactions could create a conflict of interest with the Company. If it is necessary to conduct such transactions, they must comply with the Company's related party transaction policies and procedures, as approved by the Board of Directors. These transactions must be conducted with full transparency and fairness, as if they were transactions with external parties, and should always prioritize the best interests of the Company.

6. The Board of Directors will oversee the Company and its management to ensure the proper and complete disclosure of any transactions that may present a conflict of interest, as required in the annual filings / Annual Report (56-1 One Report). The Board will also ensure that the Company strictly adheres to the relevant regulations, methods, and disclosure requirements for related party transactions, as prescribed by law or regulatory authorities, and in accordance with the Company's internal policies.

7. Directors, executives, and employees—including members of subcommittees with a direct or indirect interest in any agenda item—do not have the right to vote or participate in discussions during meetings where matters involving potential conflicts of interest are being considered.

The Company has designated the Company secretary to monitor the disclosure of information regarding stakeholders associated with directors and executives. Additionally, the finance and accounting department is tasked with reporting intercompany transactions to the Audit Committee for review on a quarterly basis. Between 2020 and 2023, the Company received no reports or complaints regarding conflicts of interest.

(2) Insider Trading for Personal Gain

The Company has a strict policy prohibiting its directors, executives, employees, and staff, as well as those of its subsidiary, from using any non-public information that could potentially affect the price or value of the Company's securities ("insider information") for personal gain or to benefit others, whether directly or indirectly, and regardless of whether compensation is received. This policy also prohibits the purchase or sale of securities or entering into forward contracts related to the Company's securities based on insider information. To prevent misuse of insider information, the Company has implemented the following measures:

1. The Company has established internal control systems to prevent the unauthorized disclosure of insider information. Written procedures and guidelines have been put in place to ensure that all directors, executives, and employees understand and comply with these controls. These measures will be regularly reviewed and updated to ensure their effectiveness.
2. The Company will limit access to internal information to the minimum number of individuals necessary. It will ensure that directors, executives, employees, and staff of the Company and its subsidiary, who hold positions or responsibilities related to internal information, are fully aware of their obligation to maintain confidentiality.
3. The Company will appoint a responsible person to serve as the central point for disclosing the Company's information to the public. Additionally, the internal audit department will be tasked with overseeing and ensuring compliance with these disclosure procedures, and will report quarterly to the Board of Directors.
4. The Company will implement confidentiality agreements with consultants or other service providers before granting them access to transactions involving internal information. In selecting such consultants or service providers, the Company will evaluate whether they have a sufficient internal control system in place to prevent the unauthorized disclosure of internal information obtained from the Company and its subsidiary.
5. The Company will provide training to its directors and executives regarding their obligations to report changes in their own securities holdings, as well as those of their spouse or cohabiting partner, and minor children, to the Securities and Exchange Commission (the "SEC") in accordance with Section 59 and the penalties outlined in Section 275 of the Securities and Exchange Act, B.E. 2535 (A.D. 1992) (as amended) ("Securities Act"). This includes reporting any acquisition or disposal of securities by themselves, their spouse, or minor children to the SEC in accordance with Section 246 and the penalties under Section 298 of the Securities Act.
6. The Company requires directors and executives, along with their spouses or cohabiting partners, and minor children, to prepare and disclose reports on any changes in their securities holdings to the SEC, in compliance with Section 59 of the Securities Act and applicable regulations ("Securities Holding Reports"). They must also submit copies of these reports to the Company secretary and the SEC. Directors and executives must file these reports within 7 business days of any purchase, sale, transfer, or receipt of securities if they are not yet listed in the SEC's database of directors and executives. If they are already listed, the report must be filed within 3 business days, or within any other period prescribed by the SEC.
7. Directors, executives, employees, and staff of the Company are responsible for safeguarding the Company's internal information, as well as that of its subsidiary, and may use such information only for the Company's and its subsidiary's legitimate business purposes. They are strictly prohibited from using internal information relating to the Company or its subsidiary to trade securities or enter into forward contracts related to securities, whether for their own benefit or for the benefit of others. Furthermore, they are prohibited from disclosing internal information to any third party, whether directly or indirectly, through any means, when they know or should reasonably know that the recipient may use that information to trade securities or enter into forward contracts related to securities, regardless of whether the recipient stands to gain or not.
8. The Company requires that directors, executives, employees, and staff of the Company and its subsidiary who have access to internal information must refrain from buying or selling the Company's securities during the 30-day period prior to the public disclosure of financial statements or any such internal information, as well as during the 24-hour period following the public disclosure of that information by the Company and/or its subsidiary. Individuals with access to this information are also prohibited from disclosing it to any third party until it has been officially released to the Stock Exchange of Thailand. Any violation of this policy will be treated as a disciplinary

breach under the Company's internal regulations, and appropriate penalties will be imposed based on the severity of the violation. Disciplinary actions may include verbal or written warnings, formal reprimands, or termination of employment.

The Company will provide annual training on the proper use of internal information for personal gain to directors, executives, employees, and staff of the Company and its subsidiary who have access to such information. This training is designed to reinforce their understanding and ensure compliance with the Securities and Exchange Act. Additionally, the Company has mandated that the Company secretary compile and present a summary of securities holdings reports to the Board of Directors for review every three months. Between 2020 and 2023, the Company received no reports or complaints regarding the misuse of internal information.

(3) Anti-Corruption Policy

The Company recognizes the critical importance of fighting corruption and is fully committed to conducting its business with integrity, within a strong framework of corporate governance. It adheres to the principles of good governance, ethics, and business conduct, while taking full responsibility for its impact on society, the environment, and all stakeholders. The Company's business operations are conducted with transparency, fairness, and accountability, with a firm commitment to preventing corruption in all business activities. The Company also ensures that decisions and actions that may carry corruption risks are thoroughly assessed and executed with due diligence. Directors, executives, and employees of the Company and its subsidiary are strictly prohibited from engaging in, participating in, or tolerating any form of corruption—whether direct or indirect—for the benefit of the organization, themselves, their families, friends, acquaintances, or any business interest. This applies to all business operations, both domestic and international, and to all relevant departments within the Company and its subsidiary. In addition, the Company will regularly review compliance with this anti-corruption policy to ensure its

effectiveness and alignment with changing business practices, regulations, and legal requirements. Any actions that support, assist, or cooperate in corrupt activities will be subject to disciplinary measures in accordance with the Company's internal regulations. The Company has established clear guidelines and procedures for the implementation of this policy, as outlined in the following key details:

1. Anti-Corruption Commitment

Directors, executives, and employees of the Company and its subsidiary are strictly prohibited from engaging in, participating in, or tolerating any form of corruption, whether direct or indirect, for the benefit of the organization, themselves, their families, friends, acquaintances, or any business interests. This policy applies to all business operations, both domestic and international, and extends to all departments and entities within the Company and its subsidiary. In addition, the Company will conduct regular reviews to assess compliance with this anti-corruption policy, ensuring that it remains effective and aligned with evolving business practices, regulations, and legal requirements. Any action that involves supporting, facilitating, or engaging in corrupt activities will be subject to disciplinary measures in accordance with the Company's internal policies and regulations.

2. Bribery and Corruption

The Company strictly prohibits the giving or receiving of bribes in any form, in exchange for business advantages. Additionally, the Company prohibits directing or authorizing others to offer or accept bribes on its behalf.

3. Political Contributions

The Company has a clear policy of not providing support to any political party, political group, or individual politician, either directly or indirectly, under any circumstances.

4. Donations, Charitable Contributions, Public Benefit Donations, and Sponsorships

The Company establishes the following guidelines for receiving donations, making charitable contributions, supporting public benefit activities, and giving or receiving sponsorships:

- (1) All donations and contributions must be made transparently, in full compliance with applicable laws, and in accordance with ethical standards. They must not involve any actions that could harm the public interest or society as a whole.
- (2) Donations and contributions must not be linked to or used as a pretext for bribery, corruption.
- (3) All donations, charitable contributions, public benefit donations, or sponsorships must adhere to the Company's formal procedures for review and approval.
- (4) In the event of any legal uncertainties that could have potential legal ramifications, written legal advice must be obtained from the legal department. For other significant matters, the decision shall rest with the management's discretion.

Responsibilities of Management Regarding the Anti-Corruption Policy (Measures/Operational Guidelines)

1. The Board is responsible for defining and approving the anti-corruption policy and ensuring the establishment of an effective anti-corruption system. This is to guarantee that management recognizes the importance of the policy and implements it, fostering a culture of integrity within the organization.
2. The Audit Committee is responsible for reviewing the Company's internal control systems to ensure they are adequate. The committee also reviews operational practices to ensure compliance with the anti-corruption policy, relevant regulations, and applicable laws.
3. Management is responsible for implementing systems that promote, support, and monitor compliance with the anti-corruption policy. They must ensure that all employees and stakeholders comply with the policy and regularly review the system and measures to align with business changes, regulatory updates, and legal requirements.
4. The Internal Audit department is responsible for auditing and monitoring the implementation of the anti-corruption policy. This includes ensuring that internal controls are appropriate to mitigate corruption risks and that operations align with the policy, procedures, and relevant laws. Internal audit reports to the Audit Committee.
5. All directors, executives, and employees of the Company and its subsidiary must adhere to the anti-corruption policy and avoid any direct or indirect involvement in corruption-related activities.
6. All subsidiaries, affiliates, and business representatives under the Company's control must accept and comply with the Company's anti-corruption policy.
7. The Company must ensure fairness and protection for employees who refuse to engage in corruption or report corruption within the Company and/or its subsidiary. The Company will not penalize, demote, or take any negative action against employees who refuse to engage in corrupt practices, even if such actions may lead to a loss of business opportunities.
8. The Company's directors and executives at all levels must demonstrate integrity and lead by example in following the anti-corruption policy. The Company secretary is responsible for promoting knowledge, ensuring understanding, and encouraging employees at all levels to adhere to the policy seriously and continuously, integrating it into the organizational culture.

9. The anti-corruption policy applies to all human resource management processes, including recruitment, selection, promotions, training, and employee performance evaluations. It mandates that managers at all levels communicate the policy clearly to employees, ensuring their understanding and adherence. Managers are also responsible for overseeing the effective implementation of the policy within their areas of responsibility, ensuring that compliance is maintained throughout business activities.
10. The Company will implement protective measures for whistleblowers, complainants, witnesses, and individuals providing information in investigations, ensuring they are not subjected to retaliation, harm, or unfair treatment due to their involvement in reporting corruption-related issues. If the Company believes that the whistleblower may face harm or unsafe conditions, it will take appropriate action to protect them.
11. Corruption is considered a violation of the Company's anti-corruption policy, business conduct standards, and code of ethics. The accused individual will be subject to disciplinary action as per the Company's regulations, and if the act is illegal, legal penalties may apply. The CEO's decision regarding disciplinary action is final.
12. The Company will review the anti-corruption policy at least annually to ensure it aligns with changes in laws and the business environment.

Between 2020 and 2024, the Company did not receive any reports or complaints concerning corruption.

(4) Whistleblowing Policy

The Company has implemented a whistleblowing system that provides employees and stakeholders, both internal and external, with the opportunity to report any misconduct

or violations. This system is designed to protect and ensure fairness for employees who disclose information or provide tips related to corruption, legal violations, breaches of regulations, business conduct standards, or the Company's code of ethics. In addition, the Company has established clear protection measures for whistleblowers, outlining the channels, procedures, and steps for reporting, as well as safeguarding those who report misconduct during the investigation process. The Company provides the following channels for submitting complaints:

1. Complaints can be sent to the Chairman of the Audit Committee, Audit Committee Members, or the Internal Audit Department at whistleblower@neo-corporate.com.
2. Complaints can be sent to the following address:

Chairman of the Audit Committee / Audit Committee Members /
Internal Audit Department
NEO Corporate Public Company Limited
888 Sukhumvit Soi 54, Phra Khanong Tai,
Phra Khanong District, Bangkok 10260, Thailand.

From 2020 to 2024, the Company has not received any complaints or whistleblower reports.

8.2 Report on the Performance of the Audit Committee over the Past Year

Audit Committee Meetings

For 2024, the Audit Committee meetings were conducted jointly with the management, internal auditors, and external auditors. The details of these meetings are as follows:

No.	Name-Surname	Numbers of Attendance/ Numbers of Meetings ^{1/}
		2024
1	Mr. Wutthichai Tankuranand	4/4
2	Mr. Amornsak Pimarnthip	4/4
3	Mr. Udomdej Phiromsawat	4/4

Note: ^{1/} Information as of December 31, 2024

Performance of the Audit Committee

The performance of the Audit Committee for 2024 can be summarized as follows:

1. The Audit Committee has reviewed the annual financial statements of 2023 and the quarterly financial statements of 2024 of the Company and its subsidiary in consultation with both the responsible management and external auditors, to assess the accuracy and completeness of the financial statements, as well as the adequacy of their disclosures. This review also included observations and innovations aimed at improving the audit process. The Audit Committee agrees with the external auditors' opinion that the financial statements of the Company and its subsidiary have been properly presented in accordance with applicable financial reporting standards, are reliable, and provide useful information to the financial statement users.
2. The Audit Committee considered the internal audit report to ensure the Company has an adequate, appropriate, and effective internal control system. The evaluation was conducted in collaboration with the internal auditors, and the Audit Committee provided management with recommendations for improvements to the system within specified timelines. Based on this assessment, the Audit Committee is of the opinion that the Company's internal control system is sufficiently robust, with no material deficiencies that could impact the financial statements.
3. The Audit Committee reviewed and approved the annual internal audit plan, which has been updated to improve its effectiveness and ensure it covers all key operations and departments. The Audit Committee also reviewed the internal audit reports concerning the operations of the Company and its subsidiary, ensuring that there is a comprehensive process in place for planning, reporting, and tracking the implementation of the internal auditors' recommendations.
4. The Audit Committee reviewed transactions between related parties, including any transactions that might involve potential conflicts of interest, and assessed the adequacy of their disclosure in accordance with the rules and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission (SEC).
5. The Audit Committee carefully reviewed and recommended the appointment of an internal auditor and approved the annual budget for internal audit services for 2024. The selection was based on a thorough evaluation of the candidate's performance, qualifications, expertise, and experience. The Committee proposed the appointment of KPMG Phoomchai Business Advisory Co., Ltd., an independent firm specializing in internal control audits, to serve as the Company's internal auditor. Additionally, the Committee recommended approving the internal audit budget for 2024.
6. The Audit Committee considered and approved the appointment of an external auditor and the associated audit fees for 2024, based on the auditor's performance, qualifications, experience, and expertise. The Committee proposed the appointment of EY Office Co., Ltd., as the Company's external auditor and recommended approving the audit fees for 2024.
7. The Audit Committee reviewed and ensured that the Company and its subsidiary are fully compliant with all relevant accounting standards, legal requirements, and regulations issued by the Stock Exchange of Thailand (SET), as well as any other applicable laws governing the business. The Committee confirmed that all

necessary disclosures have been made, and that the Company's financial practices align with sound corporate governance principles.

8. The Audit Committee reviewed the adequacy of the Company's risk management processes and conducted audits based on identified risks.

The Audit Committee has diligently and cautiously carried out its duties, ensuring sufficient independence in its oversight. The Committee is of the view that the Company's financial and operational reporting is accurate, reliable, and in full compliance with relevant standards. The Company maintains an effective internal control system, internal audit procedures, and proper disclosure of related-party transactions. Additionally, the Committee has affirmed that the Company's operations align with established corporate governance practices. The Company has also demonstrated a commitment to continuously enhancing its operational systems to improve quality and adapt to the evolving business environment.

8.3 Summary of the Performance of Other Subcommittees

8.3.1 Executive Committee

Executive Committee Meetings

The attendance of the Executive Committee members for 2024 is as follows:

No.	Name-Surname	Numbers of Attendance/ Numbers of Meetings ^{1/}
		2024
1	Mr. Suthidej Thakolsri	11/11
2	Mrs. Patama Thakolsri	11/11
3	Miss Nitchamon Thakolsri ^{2/}	10/11

No.	Name-Surname	Numbers of Attendance/ Numbers of Meetings ^{1/}
		2024
4	Miss Nissara Thakolsri ^{2/}	10/11
5	Mrs. Nattaya Tatsanee ^{3/}	7/7
6	Mr. Thanet Chonlakheth ^{2/}	10/11
7	Mrs. Metta Siramongkholkarn	11/11
8	Mrs. Sirisupa Ajsanjorn	11/11
9	Miss Patchanok Worasakyotin ^{4/}	4/4

Notes: ^{1/}Information as of December 31, 2024.

^{2/}Miss Nitchamon Thakolsri, Miss Nissara Thakolsri, and Mr. Thanet Chonlakheth were unable to attend the meetings due to other commitments.

^{3/}Mrs. Nattaya Tatsanee completed her term and retired from her position as Executive Committee, effective August 1, 2024. Consequently, she attended Executive Committee meetings Nos. 1–7/2024.

^{4/}Miss Patchanok Worasakyotin assumed the position of Executive Committee, effective August 1, 2024. As such, she attended Executive Committee meetings Nos. 8–11/2024.

Performance of the Executive Committee

The performance of the Executive Committee for 2024 can be summarized as follows:

1. The Executive Committee is responsible for formulating and establishing the Company's policies, strategic direction, business plans, budgets, organizational structure, and management authority. These plans and structures are presented to the Board of Directors for approval. Upon approval, the Executive Committee oversees the execution of these plans, ensuring that they are implemented effectively and efficiently. Additionally, the committee monitors and evaluates the performance to ensure optimal outcomes in line with the Company's goals.

- 2. The Executive Committee is tasked with reviewing, evaluating, and ensuring that all departments and functions operate in alignment with the Company’s policies, strategies, business plans, and budgets. This includes ensuring that operations are executed efficiently and appropriately, considering the evolving business environment.
- 3. The Executive Committee evaluates and approves contracts and/or transactions related to the normal business operations of the Company (for example, buying, selling, investing, or entering into joint ventures with third parties for transactions in the ordinary course of business, aimed at supporting the Company’s operational objectives and advancing its strategic goals), provided these fall within the limits established in the Authority Limits Manual or as determined by the Board of Directors.

The Executive Committee diligently performs its duties, ensuring that the operations of the Company and its subsidiary are in line with the established business direction and strategies. It consistently strives for high operational efficiency and compliance with good corporate governance practices. This approach allows the Company and its subsidiaries to successfully meet their objectives, policies, and plans.

8.3.2 Nomination and Remuneration Committee

Nomination and Remuneration Committee Meetings

The attendance of the Nomination and Remuneration Committee members for 2024 is as follows:

No.	Name-Surname	Numbers of Attendance/ Numbers of Meetings ^{1/}
		2024
1	Mr. Virapan Pulges	2/2
2	Mr. Wutthichai Tankuranand	2/2
3	Miss Nissara Thakolsri	2/2

Note: ^{1/}Information as of December 31, 2024.

Performance of the Nomination and Remuneration Committee

The performance of the Nomination and Remuneration Committee for 2024 can be summarized as follows:

- 1. The Nomination and Remuneration Committee reviewed and approved the remuneration policies for the Board of Directors and subcommittee members, taking into account various factors such as appropriateness, performance evaluations, criteria for remuneration adjustments, and the annual bonus for the Chief Executive Officer (CEO).
- 2. The Nomination and Remuneration Committee examined and revised the criteria for salary increases and bonus allocations for executives and employees to ensure they are appropriate.
- 3. The Nomination and Remuneration Committee assessed the adequacy of liability insurance coverage for directors and executives, ensuring that it is appropriately structured.

The Nomination and Remuneration Committee has performed its duties independently and in accordance with the principles of good corporate governance, ensuring that the nomination and remuneration processes are transparent and provide confidence to shareholders and all stakeholders.

9. Internal Control and Related Party Transactions

9.1 Internal Control

9.1.1 Board of Directors' Opinion on the Company's Internal Control System

The Company recognizes the importance of a robust internal control system. To this end, it has established an independent Audit Committee tasked with supporting and acting on behalf of the Board of Directors. This committee is responsible for reviewing and overseeing the effectiveness, adequacy, and appropriateness of the internal control systems within the Company and its subsidiary. Their oversight ensures that these controls are sufficient to achieve operational goals and objectives, comply with applicable laws and regulations, and protect assets against fraud and damage. Additionally, it facilitates accurate and reliable financial reporting and ensures complete, adequate, and timely disclosure of information.

During the Board of Directors Meeting No. 1/2025 held on February 25, 2025, which included participation from the Audit Committee, the Board evaluated the adequacy of the Company's internal control system. The internal control framework for the Company and its subsidiary has been continuously enhanced and refined across five key components, following the guidelines established by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), which include:

(1) Internal Control Environment

- The Board of Directors and management have established guidelines to ensure that all employees operate with integrity and adhere to ethical standards in all aspects of their work.
- The Company has implemented policies and procedures aligned with good corporate governance principles and has developed a Code of Conduct to ensure transparent and responsible business operations, in line with the Company's roles, responsibilities, and commitments.
- The Company's organizational structure is designed with consideration for business needs, ensuring efficient management. Key functions are clearly defined to promote effective oversight and accountability.
- The Company has established clear and fair performance evaluation criteria, utilizing Key Performance Indicators (KPIs) that align with the business plan and the operational goals of each department. The recruitment process is tailored to meet the Company's current and future business expansion needs. In addition, a Succession Plan is in place for critical executive and managerial positions, ensuring business continuity and mitigating disruption when vacancies occur. Furthermore, management continually enhances operational quality, a commitment recognized through the Company's receipt of the Best Companies to Work for in Asia award from HR Asia for four consecutive years (2021–2024).
- The Company is committed to continuous employee development, offering programs that promote skill enhancement and increase overall employee effectiveness.

(2) Risk Assessment

The Board of Directors and management prioritize managing risks to an acceptable level while preparing for changing circumstances and emerging risks that may affect business operations, such as economic conditions, oil price fluctuations, political situations, and government or regulatory policies. The company regularly assesses various risk factors related to its business operations. Additionally, a risk management task force has been established to report directly to the Audit Committee. The Audit Committee is responsible for setting risk management policies and strategies in alignment with good governance practices. The Committee also oversees the monitoring of risk management systems and processes, ensuring they are consistent with the Company's strategic goals and objectives.

(3) Control Activities

The Company has established control measures to mitigate risks to an acceptable level as follows:

- The company has formalized policies, procedures, and control measures for each department based on their specific risks and responsibilities. These include guidelines for managing company assets, financial transactions, procurement, and more. Clear boundaries are set for the approval authority and responsibilities of the Board of Directors and management at each level.

In cases involving related party transactions or potential conflicts of interest, the Audit Committee reviews the transactions based on size, nature, necessity, and reason, and discloses the details of these transactions before presenting them to the Board of Directors or shareholders.

- The Company uses Key Performance Indicators (KPIs) as a tool to measure the performance of both management and employees. Each department's KPIs are approved and reviewed annually to ensure alignment with the Company's strategy and goals.
- The Company has policies, measures, and practices in place for protecting personal data, ensuring the confidentiality of customer, business partner, and employee information. These measures comply with the Personal Data Protection Act, B.E. 2562 (A.D. 2019), ensuring appropriate security practices are followed.

(4) Information and Communication Systems

- The Company places significant importance on its information systems and the data used for operations, management, financial reporting, and internal and external communications.
- The Company manages information using a system called E-Smart, which classifies data confidentiality levels. Each data owner defines the confidentiality level for their data, with regular reviews. If anyone not authorized to access data (i.e., non-data owners) requests access, they must obtain approval from the respective data owners to prevent unauthorized disclosure. The Company ensures proper categorization and secure storage of important documents.
- The Company communicates internally through various channels, such as email, the Company's website, individual notifications, and monthly company meetings. Each communication channel is selected based on its appropriateness for the specific issue or situation.

- The Company offers several reporting channels for whistleblowing, including the Company's website, a centralized email address, and sealed letters. This allows internal and external stakeholders to safely report fraudulent activities. The Company ensures the confidentiality of whistleblower information to protect against retaliation.

(5) Monitoring Activities

- Management at all levels is responsible for overseeing and monitoring operations to ensure compliance with established policies, procedures, and internal controls.
- The Internal Audit Department evaluates the adequacy of internal controls and checks compliance with these systems. If significant issues are identified, the department notifies the relevant management team for corrective actions. Internal Audit follows up to ensure issues are resolved, ensuring the Company maintains effective, adequate, and efficient internal controls.
- The Company's annual audit plan covers internal controls in financial, operational, and key management systems. This plan is set in advance and submitted to the Audit Committee and Board of Directors for approval.

9.1.2 Head of Internal Audit

During the Audit Committee Meeting 1/2024 on February 21, 2024, the committee resolved to appoint KPMG Phoomchai Business Advisory Co., Ltd. as the independent auditor responsible for evaluating the internal control systems of the Company for the fiscal year 2024. KPMG Phoomchai Business Advisory Co., Ltd. has appointed Mr. Sukit Wongthaworawat as the principal auditor for this engagement. The Audit Committee has reviewed the qualifications of both KPMG Phoomchai Business Advisory Ltd. and Mr. Sukit Wongthaworawat, and determined that they are suitably qualified to perform the duties required. This conclusion is based on their independence, qualifications, educational background, relevant work experience, and appropriate training, all of which are deemed sufficient for overseeing the execution of these responsibilities. The qualifications of the individual appointed as the Head of Internal Audit are detailed in Annex 3 Information on the Head of Internal Audit.

The Audit Committee is responsible for selecting the Head of Internal Audit based on criteria such as independence, qualifications, knowledge, skills, and experience. The committee also conducts an annual performance evaluation of the Head of Internal Audit. Furthermore, any transfer or removal of the Head of Internal Audit must be approved by the Audit Committee.

9.2 Related Party Transactions

9.2.1 Details of individuals or entities with potential conflicts of interest related to transactions with the Company and/or its subsidiaries for the fiscal years ending December 31, 2023, and December 31, 2024.

Individuals who may have conflicts of interest and the nature of business activities	Nature of the relationship as of December 31, 2024
Mr. Suthidej Thakolsri (“Mr. Suthidej”)	A director, Chief Executive Officer, and major shareholder of the Company. Mr. Suthidej and related parties collectively hold 20.52% of the Company’s paid-up capital.

9.2.2 Related Party Transactions between the Company and/or Its Subsidiary and Individuals who may have Conflicts of Interest

Related party transactions between the Company and/or its subsidiary and individuals who may have conflicts of interest for the fiscal years ending December 31, 2023, and December 31, 2024, are summarized as follows:

1. Lease Transactions

Description	Individual with Potential Conflicts of Interest	Nature of Transaction	Transaction Value		The Necessity and Reasonableness of the Transaction	Opinion of the Audit Committee.
			For the Fiscal Year Ending December 31, 2023	For the Fiscal Year Ending December 31, 2024		
The Company leases land for use as a parking facility.	Mr. Suthidej	Expenses	0.57 million baht	0.75 million baht	The Company leases land from Mr. Sutthee, located near the Company's head office in Bang Chak, Phra Khanong District, Bangkok, to be used as a parking space for employees and customers conducting business with the Company. The Company has entered into three lease agreements for the land: Contract 1 covers 396.0 square meters at a rental rate of 10,000 THB per month (approximately 25.3 THB per square meter per month), with the contract ending on August 31, 2024. Contract 2 covers 1,483.59 square meters at a rental rate of 37,500 THB per month (approximately 25.3 THB per square meter per month), with the contract ending on February 28, 2025. Contract 3, which extends Contract 1 and adds additional leased space, covers 2,058.01 square meters at a rental rate of 54,600 THB per month (approximately 26.5 THB per square meter per month),	The land lease arrangement was made to support the Company's business operations and to provide convenience for employees and clients engaging with the Company. After careful consideration, the Audit Committee determined that the lease terms are reasonable, with rental rates and conditions that are consistent with those typically offered by third parties.

Description	Individual with Potential Conflicts of Interest	Nature of Transaction	Transaction Value		The Necessity and Reasonableness of the Transaction	Opinion of the Audit Committee.
			For the Fiscal Year Ending December 31, 2023	For the Fiscal Year Ending December 31, 2024		
					with the contract ending on February 28, 2025. These contracts can be renewed for 3-year terms. The rental rate and commercial terms are in line with market rates for comparable land leases in the surrounding area with third parties. The Company anticipates that these arrangements will continue in the future.	
		Other creditors	-	-		

2. Asset Disposal Transactions

Description	Individual with Potential Conflicts of Interest	Nature of Transaction	Transaction Value		The Necessity and Reasonableness of the Transaction	Opinion of the Audit Committee.
			For the Fiscal Year Ending December 31, 2023	For the Fiscal Year Ending December 31, 2024		
The Company sells land and buildings that are used as a parking facility.	Mr. Suthidej	Other incomes	0.69 million baht	-	The Company sold land and buildings, previously used as a parking facility, along with related assets, which included: (1) land with a total area of 64.80 square wah, located adjacent to the Company's	The sale of these assets aligns with the Company's policy of disposing of underutilized assets and helps reduce the ongoing maintenance costs of the automated parking facility.

Description	Individual with Potential Conflicts of Interest	Nature of Transaction	Transaction Value		The Necessity and Reasonableness of the Transaction	Opinion of the Audit Committee.
			For the Fiscal Year Ending December 31, 2023	For the Fiscal Year Ending December 31, 2024		
					<p>headquarters in Bang Chak, Phra Khanong District, Bangkok; (2) the building and related structures; and (3) equipment, furniture, and an automated parking system (collectively referred to as the “Automated Parking Building”) to Mr. Suthidej. This sale was made because the Company leases nearby land for parking purposes, which provides sufficient space for employees and clients to conduct business with the Company (please refer to the details above regarding the leased land for parking). As a result, the Company no longer utilizes the Automated Parking Building.</p> <p>In line with its policy of divesting non-operational assets, the Company decided to sell the asset. Since the Automated Parking Building was specifically designed and built for use as a parking facility in a limited space, it could not easily be separated for individual sale.</p>	The Audit Committee has reviewed the transaction and determined that it is both reasonable and beneficial to the Company. The sale price exceeds both the book value and the average appraisal value from an independent appraiser, which was approved by the Securities and Exchange Commission (SEC).

Description	Individual with Potential Conflicts of Interest	Nature of Transaction	Transaction Value		The Necessity and Reasonableness of the Transaction	Opinion of the Audit Committee.
			For the Fiscal Year Ending December 31, 2023	For the Fiscal Year Ending December 31, 2024		
					<p>Therefore, the Company sold the entire Automated Parking Building to Mr. Suthidej for 23.00 million baht, which is higher than the latest book value prior to approval (as of June 15, 2023), which was 22.47 million baht^{1/}, and also higher than the average appraisal value provided by two property appraisers approved by the Securities and Exchange Commission (“SEC”), which was 18.91 million baht.</p> <p>The transaction was completed in August 2023, and the Company recognized it as other income of 0.69 million baht, which represents the sale price of 23.00 million baht minus the book value on the transaction date (August 17, 2023), which was 22.31 million baht. In this regard, the Company has already received full payment for the sale of the asset.</p>	
		Other debtors	-	-		

Note: ^{1/}The latest book value before the review and opinion provided by the Audit Committee Meeting No. 3/2023 on June 27, 2023, and the subsequent approval by the Board of Directors’ Meeting No. 4/2023 on June 27, 2023.

3. Guarantee of Credit Facilities with Financial Institutions.

Description	Individual with Potential Conflicts of Interest	Nature of Transaction	Transaction Value		The Necessity and Reasonableness of the Transaction	Opinion of the Audit Committee.
			For the Fiscal Year Ending December 31, 2023	For the Fiscal Year Ending December 31, 2024		
Individuals who may have conflicts of interest serving as guarantors for loans from financial institutions to the Company and its subsidiary	Mr. Suthidej	Guarantee	4,489.50 million baht and 30.00 million US Dollars	–	<p>As of December 31, 2023, Mr. Suthidej has provided personal guarantees for loans from five commercial banks, securing a total credit line of 4,489.50 million baht for working capital and the Construction of office buildings and factories, as well as a foreign currency-related financial contract with a total value of 30.00 million US Dollars.</p> <p>By June 30, 2024, all five commercial banks have fully discharged Mr. Suthidej from his guarantee obligations.</p>	<p>The transaction was conducted as part of the Company's requirement to secure credit facilities from financial institutions to support its business operations.</p> <p>The Audit Committee has reviewed the matter and determined that the transaction is both reasonable and beneficial to the Company.</p>

9.2.3 Measures and Procedures for Approving Related Party Transactions

When entering into related party transactions, the Company will prioritize its best interests and ensure compliance with the Securities and Exchange Act, as well as any relevant regulations, announcements, orders, or guidelines (**“Related Party Transaction Guidelines”**). Individuals with a direct or indirect interest in the transaction will be excluded from the decision-making process.

In cases where applicable laws require approval from the Board of Directors for a related party transaction, the Company will arrange for the Audit Committee to review and provide its assessment of the transaction’s necessity and reasonableness.

Furthermore, directors and executives of the Company and/or its subsidiary must disclose any personal or related-party interests and notify the Company accordingly. This ensures the Company has the relevant information to adhere to regulations concerning related party transactions. The Company and its subsidiary will also take steps to avoid any transactions that may result in conflicts of interest.

Principles for Conducting Related Party Transactions

When engaging in related party transactions, whether they involve general commercial terms or non-standard terms, the Company adheres to the following guiding principles:

(1) Transactions with General Commercial Terms

Related party transactions that are conducted under general commercial terms, typically involving the Company’s regular business activities or routine support functions, must adhere to a policy that ensures the terms are no less favorable than those that

would be agreed upon with independent third parties in similar circumstances. These transactions must be negotiated under conditions that ensure equal bargaining power, free from any undue influence stemming from the individual’s position as a director, executive, or related party (as applicable). The terms of the transactions should be reasonable, transparent, and verifiable, with no inappropriate transfer of benefits. The transactions must be essential for the Company’s business operations and must align with the Company’s best interests. Once the Board of Directors has approved a general framework for such transactions, the Company’s management is empowered to approve transactions that fall within the defined parameters. The Company will aggregate these transactions and report them to the Audit Committee on a quarterly basis, and to the Board of Directors at least once a year.

(2) Transactions with Non-Standard Commercial Terms

For related party transactions that involve non-standard commercial terms or transactions not covered by the exceptions outlined in applicable regulations, these transactions must undergo thorough review and evaluation by the Audit Committee. This includes assessing both the necessity of the transaction and the fairness of the pricing. The terms of such transactions should align with what would be agreed upon under normal market conditions, ensuring they are comparable to terms with external parties, and are fair, reasonable, and justifiable. Once the Audit Committee has reviewed the transaction, it must be presented to the Board of Directors’ or the shareholders’ meeting (as applicable) for approval. The Company will fully comply with the regulations governing related party transactions, including requirements for disclosure.

If the Audit Committee lacks the necessary expertise to assess a particular related party transaction, the Company will appoint independent experts, such as asset appraisers or the Company’s auditors, to provide their professional opinions. This will ensure that the Audit Committee, and/or the Board of Directors, and/or shareholders

(as applicable) can make informed decisions, confirming that the transaction is both necessary and reasonable, with the Company's best interests prioritized. Furthermore, the Company will disclose all relevant details of related party transactions in its annual filings/annual report (Form 56-1 One Report), and the notes to the audited financial statements, or any other applicable reports, in compliance with all relevant legal and regulatory requirements.

Policy on Future Related Party Transactions

For any related party transactions that may arise in the future, the Company will ensure that the terms and conditions are in line with normal commercial practices. The pricing will be fair, reasonable, and comparable to those found in similar transactions between the Company or its subsidiary (as applicable) and external parties. The Audit Committee will be responsible for reviewing and providing opinions on the pricing, compensation rates, and the overall necessity and appropriateness of such transactions. The Board of Directors will ensure that all related party transactions comply with the relevant securities and exchange regulations, as well as other applicable laws, rules, and directives. In addition, the Company will adhere to disclosure requirements related to related party transactions of the Company and/or its subsidiary, as outlined in the accounting standards set by the Federation of Accounting Professions. The Company will regularly review and update its policies and procedures to ensure they remain in compliance with current laws and regulations. Importantly, these transactions will not result in the transfer or diversion of the Company's benefits but will be conducted with the primary goal of protecting and maximizing the interests of the Company and its shareholders. All related party transactions will undergo the appropriate review processes according to the Company's internal delegation of authority or the operational procedures of its subsidiary (as applicable), and will be subject to approval by the relevant committees.

Financial report

Balance sheet

Assets	1,734,826
Current assets	88,905
Non-current assets	1,645,921
Liabilities	166,630
Current liabilities	110,327
Non-current liabilities	56,303
Equity	74,393
Paid-in capital	72,921
Retained earnings	1,472



Income statement

Revenues	12,978,516
Net sales	12,873,892
Investment	104,624
Expenses	6,372,535
Research and Development	1,385,395
Operating expenses	4,439,118
Marketing	548,022
Net income	6,505,981



Equity statement

Current year	1,774,576
Comprehensive income	88,905
Issue of share capital	23,853
Dividends	
Previous year	166,630
Comprehensive income	110,327
Issue of share capital	56,303
Dividends	67,676



Cash flow statement

Operations	12,978,516
Net earnings	12,873,892
Depreciation	104,624
Investing	6,372,535
Real estate	1,385,395
Equipment	4,439,118
Financing	6,505,981
Notes payable	6,505,981





Section 3:

Financial Statements

Report of the Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the consolidated financial statements of the Company and its subsidiaries, as well as the separate financial statements of the Company. In preparing these financial statements, the Board has carefully selected appropriate accounting policies, which have been consistently applied. The preparation also involves the prudent exercise of judgment and reasonable estimation in accordance with financial reporting standards. Moreover, sufficient and transparent disclosures have been made in the notes to the financial statements to ensure they provide meaningful information for shareholders and general financial statement users. These financial statements have been audited by an independent, licensed auditor and have received an unqualified opinion.

The Board of Directors has established and maintained an effective internal control system, internal auditing processes, risk management practices, and governance structures to ensure that the Company's financial information is accurate, complete, and sufficient to safeguard the Company's assets and helps prevent fraud or any material irregularities.

An Audit Committee, consisting of three independent directors, has been appointed by the Board to oversee the credibility and accuracy of the financial statements, as well as the adequacy and effectiveness of the internal control systems. This also includes reviewing the risk management framework and the disclosure of intercompany transactions. The Audit Committee reports its findings to the Board of Directors.

The Board of Directors is confident that the internal control and internal auditing systems in place provide reasonable assurance that the consolidated financial statements of the Company and its subsidiaries, as well as the Company's separate financial statements for the year ending December 31, 2024, present the Company's financial position, performance, and cash flows accurately and in accordance with the applicable financial reporting standards.



(Mr. Virapan Pulges)

Chairperson of the Board of Directors



(Mr. Suthidej Thakolsri)

Director and Chief Executive Officer

Neo Corporate Public Company Limited and its subsidiary

Report and consolidated and separate financial statements

31 December 2024

Independent Auditor's Report

To the Shareholders of Neo Corporate Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Neo Corporate Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2024, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, and have also audited the separate financial statements of Neo Corporate Public Company Limited for the same period (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Neo Corporate Public Company Limited and its subsidiary and of Neo Corporate Public Company Limited as at 31 December 2024, their financial performance and 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 Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to 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 Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. The matter was 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 the matter.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to the matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to the matter are described below.

Revenue Recognition

As discussed in Note 4.1 to the financial statements regarding the accounting policy on revenue recognition from sales of goods, sales of goods represent significant accounts of the Group because the recorded amounts are material and directly impact the Group's operations. In addition, the Group sells products to a diverse customer base under, with various sales arrangements and conditions, such as promotional campaigns and different types of discounts to stimulate sales. This makes the Group's recognition of revenue from sales, as well as the recording of accrued promotional expenses, subject to complex criteria. I have therefore given special attention to the Group's recognition of revenue, particularly concerning especially regarding the timing of revenue recognition.

I examined the Group's revenue recognition by assessing and testing its information systems and internal controls related to the revenue cycle. This involved making inquiries with responsible personnel, understanding, and selecting representative samples to test compliance with the controls designed by the Group. Furthermore, I applied a sampling method to select sales transactions that were made during the year and near the end of the accounting period to verify them against supporting sales documentation. I also reviewed credit notes issued by the Group after the end of the accounting period and tested the data used by the Group to calculate and record the accrued promotional expenses recorded at the end of the reporting period to ensure compliance with the terms specified in contracts or agreements with customers. In addition, I performed analytical procedures on revenue account data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information 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 of the Group, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 judgement 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. I describe the matter 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.

I am responsible for the audit resulting in this independent auditor's report.

Vatcharin Pasaraongkul

Certified Public Accountant (Thailand) No. 6660

EY Office Limited

Bangkok: 25 February 2025

Neo Corporate Public Company Limited and its subsidiary

Statement of financial position

As at 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Assets					
Current assets					
Cash and cash equivalents	7	169,408,875	488,265,254	115,797,181	168,151,102
Trade and other receivables	8	2,194,941,457	1,991,662,730	3,008,227,008	2,407,218,026
Short-term loan to subsidiary	6	–	–	920,000,000	–
Inventories	9	924,418,291	772,112,514	637,890,578	513,805,004
Prepaid expenses		21,725,138	16,162,216	14,569,687	10,668,289
Other current financial assets	10	1,977,709,497	1,345,500	1,977,709,497	1,345,500
Other current assets		40,912,087	28,964,049	32,591,405	26,262,102
Total current assets		5,329,115,345	3,298,512,263	6,706,785,356	3,127,450,023
Non-current assets					
Advance payments for construction		7,733,539	117,308,525	–	–
Investment in subsidiary	11	–	–	204,000,000	204,000,000
Investment properties	12	5,429,836	5,568,645	2,046,001	2,046,001
Property, plant and equipment	13	5,329,012,401	3,642,471,750	1,461,666,581	1,427,039,238
Right-of-use assets	18	76,930,801	53,312,521	195,856,117	206,308,849
Computer software	14	49,424,603	49,843,426	38,030,485	37,091,251
Deferred tax assets	25	121,849,160	113,870,715	69,093,949	63,326,075
Other non-current assets		14,628,594	6,156,948	15,754,162	6,108,920
Total non-current assets		5,605,008,934	3,988,532,530	1,986,447,295	1,945,920,334
Total assets		10,934,124,279	7,287,044,793	8,693,232,651	5,073,370,357

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	15	–	705,000,000	–	–
Trade and other payables	16	2,675,663,883	2,390,679,638	2,853,847,197	2,678,037,641
Current portion of long-term loans	17	537,851,726	277,375,739	177,720,000	39,720,000
Current portion of lease liabilities	18	25,976,225	18,917,776	59,981,983	49,965,783
Income tax payable		130,322,237	75,407,999	50,992,793	23,035,032
Revenue department payable		22,613,078	102,091,698	16,695,161	84,944,883
Other current financial liabilities		1,190,468	–	–	–
Other current liabilities		12,098,452	18,694,520	7,593,931	14,405,682
Total current liabilities		3,405,716,069	3,588,167,370	3,166,831,065	2,890,109,021
Non-current liabilities					
Long-term loans, net of current portion	17	1,991,842,656	1,704,085,659	819,394,754	840,866,700
Lease liabilities, net of current portion	18	52,826,365	35,565,576	149,823,655	169,379,784
Provision for long-term employee benefits	19	424,548,865	391,719,781	254,235,870	232,928,765
Total non-current liabilities		2,469,217,886	2,131,371,016	1,223,454,279	1,243,175,249
Total liabilities		5,874,933,955	5,719,538,386	4,390,285,344	4,133,284,270

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of financial position (continued)

As at 31 December 2024

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Shareholders' equity					
Share capital					
Registered					
300,000,000 ordinary shares of Baht 1 each		300,000,000	300,000,000	300,000,000	300,000,000
Issued and fully paid up					
300,000,000 (2023: 222,000,000) ordinary shares					
of Baht 1 each	20	300,000,000	222,000,000	300,000,000	222,000,000
Share premium	20	2,901,205,734	–	2,901,205,734	–
Capital surplus on share-based payments	21	26,933,034	26,933,034	26,933,034	26,933,034
Capital surplus on business combination under common control		387,133,264	387,133,264	–	–
Retained earnings					
Appropriated–statutory reserve	22	30,000,000	30,000,000	30,000,000	30,000,000
Unappropriated		1,386,533,414	877,802,394	1,044,808,539	661,153,053
Equity attributable to owners of the Company		5,031,805,446	1,543,868,692	4,302,947,307	940,086,087
Non-controlling interests of the subsidiary		27,384,878	23,637,715	–	–
Total shareholders' equity		5,059,190,324	1,567,506,407	4,302,947,307	940,086,087
Total liabilities and shareholders' equity		10,934,124,279	7,287,044,793	8,693,232,651	5,073,370,357

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of comprehensive income

For the year ended 31 December 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Profit or loss:					
Revenues					
Sales		10,062,221,108	9,484,348,646	10,061,647,019	9,484,348,646
Dividend income from subsidiary	6, 11	–	–	388,579,200	874,344,000
Other income		68,567,792	27,715,285	60,927,940	15,471,490
Total revenues		10,130,788,900	9,512,063,931	10,511,154,159	10,374,164,136
Expenses					
Cost of sales		5,537,399,638	5,448,859,321	7,077,011,791	6,618,688,172
Selling and distribution expenses		2,050,478,573	1,876,387,537	1,472,174,920	1,444,930,686
Administrative expenses		1,171,266,263	1,080,724,533	894,064,890	792,802,622
Total expenses		8,759,144,474	8,405,971,391	9,443,251,601	8,856,421,480
Operating profit		1,371,644,426	1,106,092,540	1,067,902,558	1,517,742,656
Finance cost	23	(85,957,701)	(54,551,981)	(50,644,972)	(25,627,576)
Profit before income tax expenses		1,285,686,725	1,051,540,559	1,017,257,586	1,492,115,080
Income tax expenses	25	(262,279,742)	(212,019,455)	(134,102,100)	(128,324,232)
Profit for the year		1,023,406,983	839,521,104	883,155,486	1,363,790,848

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of comprehensive income (continued)

For the year ended 31 December 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains	19	-	13,050,066	-	10,654,596
Less: Income tax effect		-	(2,610,013)	-	(2,130,919)
Other comprehensive income for the year		-	10,440,053	-	8,523,677
Total comprehensive income for the year		1,023,406,983	849,961,157	883,155,486	1,372,314,525
Profit attributable to:					
Equity holders of the Company		1,008,231,020	829,633,615	883,155,486	1,363,790,848
Non-controlling interests of the subsidiary		15,175,963	9,887,489		
		1,023,406,983	839,521,104		
Total comprehensive income attributable to:					
Equity holders of the Company		1,008,231,020	840,018,860	883,155,486	1,372,314,525
Non-controlling interests of the subsidiary		15,175,963	9,942,297		
		1,023,406,983	849,961,157		
Basic earnings per share (Baht)	26				
Profit attributable to equity holders of the Company		3.60	3.74	3.15	6.14

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of changes in shareholders' equity

For the year ended 31 December 2024

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
		Issued and fully paid-up share capital	Share premium	Capital surplus on share-based payments	Surplus on business combination under common control	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiary	Total shareholders' equity
	Note					Appropriated	Unappropriated			
Balance as at 1 January 2023		222,000,000	-	26,933,034	387,133,264	22,200,000	1,713,247,534	2,371,513,832	39,411,418	2,410,925,250
Transfer retained earnings to statutory reserve		-	-	-	-	7,800,000	(7,800,000)	-	-	-
Profit for the year		-	-	-	-	-	829,633,615	829,633,615	9,887,489	839,521,104
Other comprehensive income for the year		-	-	-	-	-	10,385,245	10,385,245	54,808	10,440,053
Total comprehensive income for the year		-	-	-	-	7,800,000	832,218,860	840,018,860	9,942,297	849,961,157
Dividend paid	29	-	-	-	-	-	(1,667,664,000)	(1,667,664,000)	(25,716,000)	(1,693,380,000)
Balance as at 31 December 2023		222,000,000	-	26,933,034	387,133,264	30,000,000	877,802,394	1,543,868,692	23,637,715	1,567,506,407
Balance as at 1 January 2024		222,000,000	-	26,933,034	387,133,264	30,000,000	877,802,394	1,543,868,692	23,637,715	1,567,506,407
Total comprehensive income for the year		-	-	-	-	-	1,008,231,020	1,008,231,020	15,175,963	1,023,406,983
Increase share capital	20	78,000,000	2,964,000,000	-	-	-	-	3,042,000,000	-	3,042,000,000
Transaction costs – net of income tax	20	-	(62,794,266)	-	-	-	-	(62,794,266)	-	(62,794,266)
Dividend paid	29	-	-	-	-	-	(499,500,000)	(499,500,000)	(11,428,800)	(510,928,800)
Balance as at 31 December 2024		300,000,000	2,901,205,734	26,933,034	387,133,264	30,000,000	1,386,533,414	5,031,805,446	27,384,878	5,059,190,324

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2024

(Unit: Baht)

Separate financial statements						
Note	Issued and fully paid-up share capital	Share premium	Capital surplus on share-based payments	Retained earnings		Total shareholders' equity
				Appropriated	Unappropriated	
Balance as at 1 January 2023	222,000,000	-	26,933,034	22,200,000	964,302,528	1,235,435,562
Transfer retained earnings to statutory reserve	-	-	-	7,800,000	(7,800,000)	-
Profit for the year	-	-	-	-	1,363,790,848	1,363,790,848
Other comprehensive income for the year	-	-	-	-	8,523,677	8,523,677
Total comprehensive income for the year	-	-	-	7,800,000	1,364,514,525	1,372,314,525
Dividend paid	29	-	-	-	(1,667,664,000)	(1,667,664,000)
Balance as at 31 December 2023	222,000,000	-	26,933,034	30,000,000	661,153,053	940,086,087
Balance as at 1 January 2024	222,000,000	-	26,933,034	30,000,000	661,153,053	940,086,087
Total comprehensive income for the year	-	-	-	-	883,155,486	883,155,486
Increase share capital	20	78,000,000	2,964,000,000	-	-	3,042,000,000
Transaction costs – net of income tax	20	-	(62,794,266)	-	-	(62,794,266)
Dividend paid	29	-	-	-	(499,500,000)	(499,500,000)
Balance as at 31 December 2024	300,000,000	2,901,205,734	26,933,034	30,000,000	1,044,808,539	4,302,947,307

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of cash flows

For the year ended 31 December 2024

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Cash flows from operating activities				
Profit before tax	1,285,686,725	1,051,540,559	1,017,257,586	1,492,115,080
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	377,645,482	354,968,176	172,480,669	136,587,512
Allowance for expected credit losses (reversal)	(969,471)	3,502,385	(969,471)	3,502,385
Reduction of inventory to net realisable value (reversal)	(6,858,259)	7,505,610	(534,555)	(2,767,972)
Provision for goods return	379,515	198,608	379,515	320,360
Loss (gain) on sales of property, plant and equipment	11,059,646	(824,795)	9,772,903	(753,072)
Loss on write-off of computer software	2,245,678	-	1,302,493	-
Loss on sales of investment properties	-	20,000	-	20,000
Provision for long-term employee benefits	47,923,532	47,697,397	25,984,765	24,262,679
Gain on changes in fair value of other current financial assets	(9,638,425)	(2,679,765)	(10,828,893)	(2,508,484)
Unrealised loss (gain) on exchange	(363,801)	322,155	(363,801)	322,155
Dividend income from subsidiary	-	-	(388,579,200)	(874,344,000)
Finance income	(26,932,546)	(1,540,641)	(36,557,656)	(973,124)
Finance cost	85,957,701	54,551,981	50,644,972	25,627,576
Profit from operating activities before changes in operating assets and liabilities	1,766,135,777	1,515,261,670	839,989,327	801,411,095
Operating assets (increase) decrease				
Trade and other receivables	(184,772,744)	(66,690,553)	(193,923,799)	(327,232,886)
Inventories	(145,447,518)	84,270,193	(123,551,019)	31,195,512
Other current assets	(17,116,030)	(139,745)	(10,230,701)	(3,810,964)
Other non-current assets	(8,471,646)	(6,201,058)	(9,645,242)	(3,149,523)

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of cash flows (continued)

For the year ended 31 December 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2024	2023	2024	2023
Operating liabilities increase (decrease)					
Trade and other payables		(6,031,688)	139,368,090	90,169,996	453,377,270
Other current liabilities		(86,454,203)	75,451,111	(75,440,988)	68,311,404
Long-term employee benefits payments		(15,094,448)	(25,684,241)	(4,677,660)	(14,210,140)
Cash paid from transfer long-term employee benefits from subsidiary	19	-	-	-	(265,133)
Cash from operating activities		1,302,747,500	1,715,635,467	512,689,914	1,005,626,635
Interest received		9,781,588	1,540,641	9,360,865	973,124
Interest paid		(110,278,664)	(58,194,999)	(50,839,429)	(29,862,803)
Corporate income tax paid		(199,645,382)	(218,304,321)	(96,213,646)	(154,574,194)
Net cash from operating activities		1,002,605,042	1,440,676,788	374,997,704	822,162,762
Cash flows from investing activities					
Cash paid for investment in current financial assets		(10,620,297,085)	(1,310,000,000)	(10,620,297,085)	(1,310,000,000)
Proceeds from investment in current financial assets		8,654,761,981	1,311,201,049	8,654,761,981	1,311,201,049
Cash paid for short-term loan to subsidiary		-	-	(920,000,000)	-
Cash paid for advance for construction		-	(127,000,000)	-	-
Acquisitions of property, plant and equipment		(1,629,361,306)	(885,231,055)	(68,630,800)	(542,701,271)
Cash paid for accounts payable for property, plant and equipment		-	(83,492,469)	-	(119,367,827)
Proceeds from sales of property, plant and equipment		2,818,606	23,672,074	2,152,150	23,168,932
Proceeds from sales of investment properties		-	2,000,000	-	2,000,000
Acquisitions of computer software		(9,246,838)	(26,351,583)	(8,226,588)	(18,664,243)
Cash received from dividend from subsidiary		-	-	-	874,344,000
Interest received from short-term loan to subsidiary		-	-	10,045,833	-
Net cash from (used in) investing activities		(3,601,324,642)	(1,095,201,984)	(2,950,194,509)	219,980,640

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Statement of cash flows (continued)

For the year ended 31 December 2024

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2024	2023	2024	2023
Cash flows from financing activities					
Increase in short-term loans from banks		695,000,000	3,412,170,083	400,000,000	1,080,000,000
Repayment of short-term loans from banks		(1,400,000,000)	(2,848,757,592)	(400,000,000)	(1,080,000,000)
Proceeds from long-term loans	17	826,218,054	1,272,311,398	156,248,054	711,866,700
Repayment of long-term loans	17	(278,380,000)	(203,400,000)	(39,720,000)	(39,720,000)
Payment of principal portion of lease liabilities		(26,982,000)	(19,797,868)	(57,692,337)	(49,263,285)
Proceeds from increase in share capital	20	3,042,000,000	-	3,042,000,000	-
Cash paid for transaction costs on issue of shares	20	(78,492,833)	-	(78,492,833)	-
Dividend paid to the Company’s shareholders	29	(499,500,000)	(1,667,664,000)	(499,500,000)	(1,667,664,000)
Dividend paid to non-controlling interests of subsidiary		-	(25,716,000)	-	-
Net cash from (used in) financing activities		2,279,863,221	(80,853,979)	2,522,842,884	(1,044,780,585)
Net increase (decrease) in cash and cash equivalents		(318,856,379)	264,620,825	(52,353,921)	(2,637,183)
Cash and cash equivalents at beginning of year		488,265,254	223,644,429	168,151,102	170,788,285
Cash and cash equivalents at end of year		169,408,875	488,265,254	115,797,181	168,151,102
Supplemental disclosure of cash flows information					
Non-cash transactions					
Payables from contruction and purchase of equipment for which payments have yet to be made		280,112,374	-	85,654,439	-
Payables from purchase of computer software for which payments have yet to be made		157,825	130,979	157,825	130,979
Transfer advance for construction to plant and equipment		109,574,986	13,455,834	-	-
Transfer computer software to (from) equipment		(2,925,933)	1,009,000	-	1,009,000
Right-of-use assets to obtain under lease liabilities		51,301,238	39,977,995	48,152,408	37,483,567
Dividend receivable		-	-	388,579,200	-

The accompanying notes are an integral part of the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

1. General information

Neo Corporate Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the sale of consumer products. The registered office of the Company is at 888 Soi Sukhumvit 54, Pra Khanong Tai, Pra Khanong, Bangkok.

As described in Note 20 to the financial statements, the Company made an Initial Public Offering of the 78 million additional shares at a price of Baht 39 per share, or for a total of Baht 3,042 million. The Stock Exchange of Thailand (“SET”) approved the listing of the ordinary shares of the Company as securities on the SET, to be traded from 9 April 2024.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statement of Neo Corporate Public Company Limited (“the Company”) and the following subsidiary company “(the subsidiary)” (collectively as “the group”).

<u>Company's name</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of Shareholding</u>
Neo Factory Co., Ltd.	Manufacture and distribution of consumer products	Thailand	97.14

b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.

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

f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statements of financial position.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

- 2.3 The separate financial statements present investment in the subsidiary under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Accounting policies

4.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

When a contract provided a customer with a right to return the goods within a specified period, the Group recognises the amount ultimately expected they will have to return to customers as a refund liability and recognise the right to recover the goods expected to be returned by customers as a right of return asset in the statement of financial position. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis.

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividend income is recognised when the right to receive the dividends is established.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

4.2 Cash and cash equivalents

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

4.3 Inventories

Finished goods and work in process are valued at the lower of cost (under the weighted average method) and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes all production costs, labour costs and attributable factory overheads.

Raw materials, packaging material, spare parts and factory supplies are valued at the lower of average cost (under the weighted average method) and net realisable value and are charged to production costs whenever consumed.

4.4 Investments in subsidiary

Investments in subsidiary are accounted for in the separate financial statements at cost net of allowance for loss on impairment (if any).

4.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 and 30 years. Depreciation of the investment properties is included in determining income. No depreciation is provided on land.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.6 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	5 – 20 years
Buildings	5 – 40 years
Building improvements	5 – 25 years
Machines and equipment	4 – 12 years
Furniture, fixtures and equipment	3 – 10 years
Motor vehicles	5 years

Depreciation is included in determining income. No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

4.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.8 Computer software

Computer software is stated at cost less any accumulated amortisation and allowance for impairment losses (if any).

Computer software with finite lives is amortised on the straight-line basis over the economic useful life of 3, 5 and 10 years. No amortisation provided computer software under development. The Group will test impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method of such computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

4.9 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. 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.

The Group as a lessee

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Buildings	3 – 10 years
Machinery and equipment	2 – 4 years
Motor vehicles	4 – 5 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a 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

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.10 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. 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.

An impairment loss and a reversal of allowance for impairment loss are recognised in profit or loss.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

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

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan. In addition, the Group provides other long-term employee benefit plan, namely long service awards.

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 plan are recognised immediately in other comprehensive income and from other long-term benefit are recognised immediately in profit or 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 Group recognises restructuring-related costs.

4.14 Share-based payments

The Group recognised cash-settled share-based payment transactions when services by employees are rendered, based on the fair value of the shares on the grant date by recording them as an expense in profit or loss, in accordance with the conditions regarding the length of services rendered by employees stipulated in the share-based payment plan.

4.15 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.16 Income tax

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

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

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

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Financial instruments

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

Derivatives 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.

Classification and measurement of financial liabilities

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

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group 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 Group 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 Group considers a significant increase in credit risk to have occurred when contractual payments are more than 120 days past due and considers a financial asset as credit impaired or default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated 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.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

4.18 Derivatives

The Group uses derivatives, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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 Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 – Use of quoted market prices in an active market for such assets or liabilities
- Level 2 – Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 – Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. 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:

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

Leases

Determining the lease term with extension and termination options – The Group as a lessee

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate – The Group as a lessee

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Property plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligation under the defined benefit plan and other long-term employee benefit plans are 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.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024**6. Related party transactions**

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Pricing policy
	2024	2023	2024	2023	
<u>Transactions with subsidiary company</u>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	389	874	Announcement rate
Other income	-	-	4	4	Contract price
Purchases of goods	-	-	7,019	6,459	Cost plus margin
Grant for advertising, public relations and promotion	-	-	521	388	Contract price
Consulting, planning and managing income	-	-	86	97	Contract price
Other service expenses	-	-	26	26	Contract price
Warehouse rental and service expenses	-	-	37	37	Contract price
Interest income	-	-	10	-	2.25 to 3.00 percent per annum
<u>Transactions with management and directors</u>					
Sales of property, plant and equipment	-	23	-	23	Net book value plus margin

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

The balances of the accounts between the Company and the related company are as follows:

	(Unit: Thousand Baht)	
	2024	2023
<u>Balances with subsidiary</u>		
Other receivable (Note 8)	478,269	453,466
Dividend receivable (Note 8)	388,579	-
Other non-current assets	3,174	3,052
Trade and other payable (Note 16)	1,774,195	1,529,599
Lease liabilities	135,728	169,627
<u>Balances with management and directors</u>		
Lease liabilities	184	602

Short-term loan to subsidiary

The balance of the short-term loan to the subsidiary and its movements are as follows:

	(Unit: Million Baht)			
	Separate financial statements			
	Balance as at 31 December 2023	During the year		Balance as at 31 December 2024
		Increase	Decrease	
Neo Factory Co., Ltd.	-	920	-	920

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

The short-term loan to the subsidiary is in the form of a promissory note, bearing interest 2.25 percent per annum. The loan is unsecured and repayable at call.

Directors and management's benefits

During the years, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Short-term employee benefits	162	176	162	176
Post-employment benefits	14	10	14	10
Share-based payment (Note 21)	13	-	13	-
Total	189	186	189	186

Guarantee obligations with related party

The Company has outstanding guarantee obligations with its subsidiary, as described in Note 30.5 to the consolidated financial statements.

7. Cash and cash equivalents

As at 31 December 2024, bank deposits in saving accounts carried interests between 0.25 to 0.55 percent per annum (2023: between 0.30 to 0.55 percent per annum).

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

8. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
<u>Trade receivables – unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,634,343	1,396,171	1,634,343	1,396,171
Past due				
Up to 3 months	486,929	556,953	486,929	556,953
3 – 6 months	–	2,282	–	2,282
6 – 12 months	1,313	–	1,313	–
Over 12 months	6,253	4,074	6,253	4,074
Total	2,128,838	1,959,480	2,128,838	1,959,480
Less: Allowance for expected credit losses	(8,383)	(9,352)	(8,383)	(9,352)
Total trade receivables – unrelated parties, net	2,120,455	1,950,128	2,120,455	1,950,128
Total trade receivables – net	2,120,455	1,950,128	2,120,455	1,950,128
<u>Other receivables</u>				
Other receivable – subsidiary	–	–	478,269	453,466
Other receivables – unrelated parties	57,335	41,535	3,773	3,624
Dividend receivable – subsidiary	–	–	388,579	–
Interest receivable – unrelated parties	17,151	–	17,151	–
Total other receivables	74,486	41,535	887,772	457,090
Trade and other receivables – net	2,194,941	1,991,663	3,008,227	2,407,218

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

The normal credit term is 15 to 75 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2024	2023
Beginning balance	9,352	5,850
Provision for expected credit losses (reversal)	(969)	3,502
Ending balance	8,383	9,352

9. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	540,405	436,260	(9,609)	(10,034)	530,796	426,226
Work in process	-	415	-	(54)	-	361
Raw materials	241,167	224,793	(6,175)	(8,024)	234,992	216,769
Packaging materials	131,678	120,181	(2,887)	(7,647)	128,791	112,534
Spare parts and factory supplies	30,367	16,521	(528)	(298)	29,839	16,223
Total	943,617	798,170	(19,199)	(26,057)	924,418	772,113

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2024	2023	2024	2023	2024	2023
Finished goods	634,544	522,391	(10,348)	(10,883)	624,196	511,508
Spare parts and actory supplies	13,695	2,297	-	-	13,695	2,297
Total	648,239	524,688	(10,348)	(10,883)	637,891	513,805

During the current year, the Group reduced cost of inventories by Baht 21.1 million (2023: Baht 44.6 million) and of the Company only by Baht 12.1 million (2023: Baht 4.5 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-off of cost of inventories by Baht 28.0 million (2023: Baht 37.1 million) and the Company only by Baht 12.6 million (2023: Baht 7.3 million), and reduced the amount of inventories recognised as cost of sales during the year.

10. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements/ Separate financial statements	
	2024	2023
Debt instruments at amortised cost		
Fixed deposits over 3 months but less than 1 year	1,000,000	-
Financial asset at FVTPL		
Investment in open-ended fund – debt securities	977,133	-
Derivative assets	576	1,346
Total other current financial assets	1,977,709	1,346

As at 31 December 2024, the fixed deposits carried interest between 2.30% and 2.35% per annum.

Investment in open-ended fund – debt securities and derivative assets were measured at fair value with hierarchy level 2 and there were no transfers within the fair value hierarchy during the current period.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024**11. Investments in subsidiary**

(Unit: Thousand Baht)

Company's name	Paid-up capital		Cost		Dividend received during the year	
	2024	2023	2024	2023	2024	2023
Neo Factory Co., Ltd.	210,000	210,000	204,000	204,000	388,579	874,344
Total					388,579	874,344

12. Investment properties

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
As at 31 December 2024		
Cost	6,274	2,046
Less: Accumulated depreciation	(844)	-
Net book value	5,430	2,046
As at 31 December 2023		
Cost	7,728	3,500
Less: Accumulated depreciation	(2,159)	(1,454)
Net book value	5,569	2,046

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

A reconciliation of the net book value of investment properties is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Net book value at the beginning of year	5,569	7,727	2,046	4,066
Disposals – net book value	–	(2,020)	–	(2,020)
Depreciation for the year	(139)	(138)	–	–
Net book value at the end of year	5,430	5,569	2,046	2,046

The additional information of the investment properties stated below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
The fair value	24,290	23,786	20,304	19,800

The fair values for some land and construction for rent have been determined based on valuations performed by an accredited independent valuer, using market approach and replacement cost approach and determined by management based on market approach, which is the fair value measurement level 2 based on the fair value hierarchy.

The subsidiary has mortgaged investment properties amounting to approximately Baht 3.4 million as collateral against credit facilities received from banks as described in Note 15 and Note 17 to the consolidated financial statements.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024**13. Property, plant and equipment**

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land and land improvements	Building and building improvements	Machinery and equipment	Furniture, fixtures and equipment	Motor vehicles	Assets under construction and installation	
Cost:							
1 January 2023	733,393	1,530,169	1,642,846	644,805	8,972	339,815	4,900,000
Additions	-	400,768	100,934	61,533	61	335,391	898,687
Disposals/write-off	(9,582)	(9,715)	(14,014)	(7,590)	(57)	-	(40,958)
Transfers in (out)	138	159,544	231,706	47,493	-	(437,872)	1,009
Capitalised interest	-	-	-	-	-	4,768	4,768
31 December 2023	723,949	2,080,766	1,961,472	746,241	8,976	242,102	5,763,506
Additions	18,525	7,906	60,421	27,959	93	1,904,144	2,019,048
Disposals/write-off	-	(983)	(61,822)	(4,271)	-	-	(67,076)
Transfers in (out)	-	77	57,833	2,724	-	(63,560)	(2,926)
Capitalised interest	-	-	-	-	-	23,616	23,616
31 December 2024	742,474	2,087,766	2,017,904	772,653	9,069	2,106,302	7,736,168

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

(Unit: Thousand Baht)

	Consolidated financial statements						
	Land and land improvements	Building and building improvements	Machinery and equipment	Furniture, fixtures and equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated depreciation:							
1 January 2023	50,752	306,565	1,048,256	407,894	1,121	-	1,814,588
Depreciation for the year	10,899	72,710	155,700	83,487	1,761	-	324,557
Depreciation on disposals/ write-off	-	(787)	(10,168)	(7,134)	(22)	-	(18,111)
31 December 2023	61,651	378,488	1,193,788	484,247	2,860	-	2,121,034
Depreciation for the year	11,011	85,568	161,510	79,470	1,761	-	339,320
Depreciation on disposals/ write-off	-	(467)	(48,841)	(3,890)	-	-	(53,198)
31 December 2024	72,662	463,589	1,306,457	559,827	4,621	-	2,407,156
Net book value:							
31 December 2023	662,298	1,702,278	767,684	261,994	6,116	242,102	3,642,472
31 December 2024	669,812	1,624,177	711,447	212,826	4,448	2,106,302	5,329,012
Depreciation for the year							
2023 (Baht 184 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)							324,557
2024 (Baht 178 million included in manufacturing cost, and the balance in selling and distribution expenses and administrative expenses)							339,320

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

(Unit: Thousand Baht)

	Separate financial statements						Total
	Land and land improvements	Building and building improvements	Machinery and equipment	Furniture, fixtures and equipment	Motor vehicles	Assets under construction and installation	
Cost:							
1 January 2023	300,079	427,573	236,870	198,853	233	239,791	1,403,399
Additions	-	400,768	84,909	56,844	61	119	542,701
Disposals/write-off	(9,582)	(9,715)	(4,345)	(3,670)	(57)	-	(27,369)
Transfers in (out)	-	140,096	103,789	1,491	-	(244,367)	1,009
Capitalised interest	-	-	-	-	-	4,626	4,626
31 December 2023	290,497	958,722	421,223	253,518	237	169	1,924,366
Additions	9,697	4,040	-	7,917	93	132,539	154,286
Disposals/write-off	-	-	(33,218)	(1,643)	-	-	(34,861)
Transfers in (out)	-	77	-	92	-	(169)	-
31 December 2024	300,194	962,839	388,005	259,884	330	132,539	2,043,791

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

(Unit: Thousand Baht)

	Separate financial statements						
	Land and land improvements	Building and building improvements	Machinery and equipment	Furniture, fixtures and equipment	Motor vehicles	Assets under construction and installation	Total
Accumulated depreciation:							
1 January 2023	7,155	138,446	103,764	173,632	197	-	423,194
Depreciation for the year	-	30,968	29,600	18,506	12	-	79,086
Depreciation on disposals/ write-off	-	(787)	(704)	(3,441)	(21)	-	(4,953)
31 December 2023	7,155	168,627	132,660	188,697	188	-	497,327
Depreciation for the year	-	43,489	42,123	22,108	13	-	107,733
Depreciation on disposals/ write-off	-	-	(21,406)	(1,530)	-	-	(22,936)
31 December 2024	7,155	212,116	153,377	209,275	201	-	582,124
Net book value:							
31 December 2023	283,342	790,095	288,563	64,821	49	169	1,427,039
31 December 2024	293,039	750,723	234,628	50,609	129	132,539	1,461,667
Depreciation for the year							
2023 (all included in selling and distribution expenses and administrative expenses)							79,086
2024 (all included in selling and distribution expenses and administrative expenses)							107,733

On 25 April 2023, a windstorm occurred at the subsidiary's factory, resulting in an adverse effect on its inventories and assets was damaged of Baht 25 million. The subsidiary already received the compensation of insurance claims of Baht 22 million. The subsidiary presented the insurance claims net of damage loss including under the caption of "administrative expenses" in the 2023 consolidated income statement.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

As at 31 December 2024, the Group had an outstanding balance of asset under construction amounting to Baht 1,805.8 million (2023: Baht 164.6 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 23.6 million were capitalised during the year ended 31 December 2024 (2023: Baht 4.8 million) and of the Company only by nil (2023: Baht 4.6 million). The weighted average rate of 4.3% – 4.6% has been used to determine the amount of borrowing costs eligible for capitalisation (2023: 3.2% – 4.6%) and of the Company only by nil (2023: 3.2% – 4.4%).

As at 31 December 2024, certain items of buildings and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 1,062.7 million (2023: Baht 954.7 million) and of the Company only by Baht 189.5 million (2023: Baht 170.5 million).

The Group has mortgaged its property, plant and equipment amounting to approximately Baht 3,866.3 million (2023: Baht 2,632.3 million) and of the Company only by Baht 1,149.4 million (2023: Baht 1,205.5 million) as collateral against credit facilities received from financial institutions as described in Note 15 and Note 17 to the consolidated financial statements and to secure bank credit facilities of the subsidiary.

14. Computer software

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software	Computer software under development	Total	Computer software	Computer software under development	Total
As at 31 December 2024						
Cost	211,847	11,231	223,078	186,047	11,230	197,277
Less: Accumulated amortisation	(173,653)	-	(173,653)	(159,247)	-	(159,247)
Net book value	38,194	11,231	49,425	26,800	11,230	38,030
As at 31 December 2023						
Cost	207,975	7,272	215,247	184,231	7,272	191,503
Less: Accumulated amortisation	(165,404)	-	(165,404)	(154,412)	-	(154,412)
Net book value	42,571	7,272	49,843	29,819	7,272	37,091

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

A reconciliation of the net book value is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Net book value at beginning of year	49,843	35,291	37,091	26,467
Acquisition	9,405	26,482	8,384	18,795
Transfer from (to) equipment	2,926	(1,009)	-	(1,009)
Disposals/write-off	(2,246)	-	(1,302)	-
Amortisation	(10,503)	(10,921)	(6,143)	(7,162)
Net book value at end of year	49,425	49,843	38,030	37,091

15. Short-term loans from banks

(Unit: Thousand Baht)

	Consolidated financial statements	
	2024	2023
Short-term loans from banks	-	705,000
Total	-	705,000

As at 31 December 2023, short-term loans from banks of the subsidiary carried interests between 2.75 and 2.85 percent per annum.

Short-term loans from banks are secured by the mortgage of certain land with constructions thereon of the Group and the subsidiary's machinery and equipment, the subsidiary's investment property and corporate guarantee by the subsidiary. The loan agreements contain several covenants as specified in the agreement that, among other things, require the Company and its subsidiary to maintain net interest-bearing debt to equity ratio and debt service coverage ratio at the rate prescribed in the agreement.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024**16. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Trade payable – subsidiary	–	–	1,772,348	1,519,730
Trade payables – unrelated parties	1,130,378	1,036,507	21,446	27,076
Other payable – subsidiary	–	–	1,847	9,869
Other payables – unrelated parties	424,511	396,615	373,128	367,587
Payables for construction and purchase of assets	372,308	92,196	103,252	17,598
Payables for purchase of computer software	890	733	890	733
Retention payables	97,749	35,149	24,284	26,131
Accrued expenses – unrelated parties	649,828	829,480	556,652	709,314
Total trade and other payables	2,675,664	2,390,680	2,853,847	2,678,038

17. Long-term loans

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Long-term loans	2,529,694	1,981,461	997,115	880,587
Less: Current portion	(537,852)	(277,375)	(177,720)	(39,720)
Long-term loans, net of current portion	1,991,842	1,704,086	819,395	840,867

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

Movements of the long-term loans account are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Beginning balance	1,981,461	912,550	880,587	208,440
Add: Addition borrowings	826,218	1,272,311	156,248	711,867
Less: Repayment	(278,380)	(203,400)	(39,720)	(39,720)
Add: Amortisation loans front-end fee	395	-	-	-
Ending balance	2,529,694	1,981,461	997,115	880,587

Long-term loans from banks comprise credit facilities totaling Baht 4,996 million (2023: Baht 5,246 million) and of the Company only by Baht 1,361 million (2023: Baht 1,361 million) under numerous agreements, on which interest is charged at rates based on the Thai Overnight Repurchase Rate (THOR) plus a certain percentage as specific in the loan agreements. Repayment is to be made by monthly basis. Full settlement of these loans is to be made within November 2027 to April 2031 (2023: June 2024 to February 2030). The loans have been secured by the mortgage of the Group's land with constructions thereon, the Group's machinery and equipment, the subsidiary's investment property and guaranteed by the subsidiary. The loan agreements contain several covenants as specified in the agreement that, among other things, require the Group to maintain net interest-bearing debt to equity ratio and debt service coverage ratio at the rate prescribed in the agreement.

The long-term credit facilities of the Group which have yet been drawn down are as follow.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Long-term credit facilities which have yet been drawn down	1,155	2,163	-	226

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024**18. Leases**

The Group has lease contracts used in its operations. Leases generally have lease terms between 2 – 5 years (the Company only: 3 – 5 years).

a) Right-of-use assets

(Unit: Thousand Baht)

	Consolidated financial statements			
	Land and structures	Equipment	Motor vehicles	Total
1 January 2023	1,157	637	31,536	33,330
Additions	-	115	39,863	39,978
Depreciation for the year	(562)	(252)	(18,538)	(19,352)
Decrease from lease modification	-	-	(643)	(643)
31 December 2023	595	500	52,218	53,313
Additions	324	-	50,977	51,301
Depreciation for the year	(742)	(252)	(26,689)	(27,683)
31 December 2024	177	248	76,506	76,931

(Unit: Thousand Baht)

	Separate financial statements		
	Land and structures	Motor vehicles	Total
1 January 2023	192,767	27,041	219,808
Additions	-	37,484	37,484
Depreciation for the year	(34,611)	(15,729)	(50,340)
Decrease from lease modification	-	(643)	(643)
31 December 2023	158,156	48,153	206,309
Additions	324	47,828	48,152
Depreciation for the year	(34,885)	(23,720)	(58,605)
31 December 2024	123,595	72,261	195,856

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Lease payments	83,930	58,361	219,973	231,588
Less: Deferred interest expenses	(5,128)	(3,878)	(10,167)	(12,242)
Total	78,802	54,483	209,806	219,346
Less: Portion due within one year	(25,976)	(18,917)	(59,982)	(49,966)
Lease liabilities – net of current portion	52,826	35,566	149,824	169,380

Movements of the lease liability account are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Balance at beginning of year	54,483	35,119	219,346	231,941
Additions	51,301	39,978	48,152	37,484
Decrease from lease modification	–	(816)	–	(816)
Accretion of interest	3,116	1,175	6,154	4,929
Repayments	(30,098)	(20,973)	(63,846)	(54,192)
Balance at end of year	78,802	54,483	209,806	219,346

A maturity analysis of lease payments is disclosed in Note 31.2 under the liquidity risk.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Depreciation expense of right-of-use assets	27,683	19,352	58,605	50,340
Interest expense on lease liabilities	3,116	1,175	6,154	4,929
Expense relating to short-term leases	1,436	293	1,002	197
Expense relating to leases of low-value assets	26,400	21,629	20,147	16,347
Expense relating to variable lease payments	10,829	6,429	-	-

The Group has lease contracts for power purchase that contains variable payments based on consumption. The lease term is 20 years.

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2024 of Baht 68.8 million (2023: Baht 49.3 million) and of the Company only by Baht 85.0 million (2023: Baht 70.7 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

19. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Consolidated financial statements					
	Post-employment benefits plan		Other long-term employee benefits plan		Total	
	2024	2023	2024	2023	2024	2023
Provision for long-term employee benefits at beginning of year	287,054	279,606	104,666	103,151	391,720	382,757
Included in profit or loss:						
Current service cost	23,507	22,328	13,234	12,727	36,741	35,055
Interest cost	8,625	6,844	2,558	1,850	11,183	8,694
Actuarial (gains) loss arising from						
Financial assumptions changes	-	-	-	(2,656)	-	(2,656)
Experience adjustments	-	-	-	6,604	-	6,604
Benefits paid during the year	(1,890)	(8,674)	(13,205)	(17,010)	(15,095)	(25,684)
Included in other comprehensive income:						
Actuarial (gains) loss arising from						
Financial assumptions changes	-	(17,946)	-	-	-	(17,946)
Demographic assumption changes	-	1,185	-	-	-	1,185
Experience adjustments	-	3,711	-	-	-	3,711
Provision for long-term employee benefits at end of year	317,296	287,054	107,253	104,666	424,549	391,720

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

(Unit: Thousand Baht)

	Separate financial statements					
	Post-employment benefits plan		Other long-term employee benefits plan		Total	
	2024	2023	2024	2023	2024	2023
Provision for long-term employee benefits at beginning of year	205,023	205,418	27,906	28,378	232,929	233,796
Transferred employee of the Company and subsidiary	-	(141)	-	(124)	-	(265)
Included in profit or loss:						
Current service cost	15,071	14,401	4,246	3,633	19,317	18,034
Interest cost	5,969	4,674	699	484	6,668	5,158
Actuarial (gains) loss arising from						
Financial assumptions changes	-	-	-	(789)	-	(789)
Experience adjustments	-	-	-	1,860	-	1,860
Benefits paid during the year	(1,890)	(8,674)	(2,788)	(5,536)	(4,678)	(14,210)
Included in other comprehensive income:						
Actuarial (gains) loss arising from						
Financial assumptions changes	-	(16,375)	-	-	-	(16,375)
Demographic assumption changes	-	1,185	-	-	-	1,185
Experience adjustments	-	4,535	-	-	-	4,535
Provision for long-term employee benefits at end of year	224,173	205,023	30,063	27,906	254,236	232,929

The Group expects to pay Baht 73.0 million of long-term employee benefits during the next year (2023: Baht 17.2 million) and of the Company only by Baht 58.5 million (2023: Baht 4.4 million).

As at 31 December 2024 and 2023, the weighted average duration of the liabilities for long-term employee benefit of the Group is 15.4 years and of the Company only is 14.4 years.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

Significant actuarial assumptions are summarised below:

(Unit: Percent per annum)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Discount rate	2 – 5	2 – 5	2 – 5	2 – 5
Salary increase rate	3 – 9	3 – 9	3 – 9	3 – 9
Turnover rate	0 – 35	0 – 35	0 – 20	0 – 20

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation are summarised below:

(Unit: Million Baht)

	2024			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(30.6)	35.6	(16.4)	18.9
Salary increase rate	31.6	(27.5)	18.9	(16.6)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(32.0)	38.3	(14.2)	16.8

(Unit: Million Baht)

	2566			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(29.7)	34.5	(16.2)	18.7
Salary increase rate	27.4	(23.9)	16.4	(14.5)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(27.0)	32.2	(11.9)	13.9

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

20. Share capital and share premium

On 25 August 2023, the Extraordinary General Meeting of Shareholders of the Company No.2/2566 passed a resolution to approve the followings.

1. Approved the proposal to register the change of the Company's status from a limited company to a public limited company and to change the Company's name from "Neo Corporate Co., Ltd." to "Neo Corporate Public Company Limited".
2. Approved the proposal to change the par value of the Company's ordinary shares from Baht 100 per share to Baht 1 per share. This change will result in an increase in the number of ordinary shares (prior to the registered capital increase) from 2.22 million shares to 222 million shares.
3. Approved the proposal to increase the registered share capital of the Company from Baht 222 million (222 million ordinary shares of Baht 1 each) to Baht 300 million (300 million ordinary shares of Baht 1 each) through the issuance of an 78 additional million ordinary shares of Baht 1 each to be reserved for an Initial Public Offering ("IPO") and will also be offered to the public, directors, management and/or employees of the Company and the subsidiary in accordance with the additional Company's shares to directors, management and employees of the Company and the subsidiary ("ESOP") , as well as to the patronage of the Company and/or the subsidiary.
4. Approved the issue and allocation of the additional Company's shares to directors, management and employees of the Company and the subsidiary ("ESOP"). The details are as follows:

Allocate not exceeding 5 million new ordinary shares to directors, management and employees. Eligible recipients for this allocation must be individuals

holding positions directors, management and employees of the Company and its subsidiary until the date of exercising the right to subscribe for the additional ordinary shares of the Company. The offering price for these shares will not be lower than 90% of the Initial Public Offering Price.

The Company registered the changes with the Ministry of Commerce on 29 August 2023.

During 28 – 29 March and 1 – 2 April 2024, the Company offered 78 million issued shares with a par value of Baht 1 through an Initial Public Offering, as well as to the directors and employees of the Company and its subsidiary at a price of Baht 39 per share, totaling Baht 3,042 million. On 3 April 2024, the Company received full payment for these additional shares and subsequently registered the increase in paid-up capital from Baht 222 million to Baht 300 million with the Ministry of Commerce on the same day.

The Company incurred transaction costs amounting to Baht 62.8 million (net of income tax of Baht 15.7 million), which were recorded and presented as a deduction against the share premium.

21. Share-based payment

On 25 August 2023, the Extraordinary General Meeting of Shareholders of the Company passed a resolution to approve the issuance and allocation of additional ordinary shares by the Company for directors, management and employees of the Company and its subsidiary under the Employee Stock Option Plan (ESOP) as described in Note 20 to the financial statements.

The Group recognised expenses totaling Baht 19.5 million (the Company only: Baht 17.0 million) related to cash-settled share-based payment transactions under the ESOP in profit or loss for the first quarter of the current year.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

23. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Interest expenses on borrowings	82,842	53,377	44,491	20,699
Interest expenses on lease liabilities	3,116	1,175	6,154	4,929
Total	85,958	54,552	50,645	25,628

24. Expenses by nature

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Salaries and wages and other employee benefits	1,518,490	1,573,152	751,649	811,870
Depreciation	367,142	344,047	166,338	129,426
Amortisation expenses	10,503	10,921	6,143	7,162
Purchase of finished goods	163,674	126,156	7,183,154	6,585,016
Raw materials and consumables used	4,484,619	4,288,963	-	-
Changes in finished goods and work in progress	103,730	(66,577)	112,153	(32,703)
Advertising and promotion expenses	1,139,723	1,039,998	1,139,723	1,039,998

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024**25. Income tax**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Current income tax:				
Current income tax charge	265,874	220,413	135,470	125,386
Adjustment in respect of income tax of previous year	4,384	-	4,400	-
Deferred tax:				
Relating to origination and reversal of temporary difference	(7,978)	(8,394)	(5,768)	2,938
Income tax expense reported in profit or loss	262,280	212,019	134,102	128,324

The amounts of current tax and deferred tax that recognised directly in equity are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	2024	2023
Current income tax:		
Current income tax on transaction costs for issued share capital	15,698	-

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Accounting profit before tax	1,285,687	1,051,541	1,017,258	1,492,115
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	257,137	210,308	203,452	298,423
Adjustment in respect of income tax of previous year	4,384	-	4,400	-
Effects of:				
Non-deductible expenses	2,429	3,039	1,703	2,320
Additional expense deductions allowed	(4,859)	(5,018)	(871)	(723)
Non-taxable income	-	-	(77,716)	(174,869)
Others	3,189	3,690	3,134	3,173
Total	759	1,711	(73,750)	(170,099)
Income tax expense reported in profit or loss	262,280	212,019	134,102	128,324

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

The components of deferred tax assets are as follows:

(Unit: Thousand Baht)

	Consolidated statements of financial position		Profit or loss in consolidated statements of comprehensive income	
	As at 31 December		For the years	
	2024	2023	2024	2023
Deferred tax assets				
Allowance for expected credit losses	1,676	1,870	194	(700)
Allowance for diminution in value of inventories	3,840	5,211	1,371	(1,501)
Difference of lease liabilities and right-of-use assets	374	234	(140)	124
Other current financial liabilities (assets)	123	(269)	(392)	296
Provision for long-term employee benefits	80,475	73,909	(6,566)	(4,350)
Deferred advertising media expenses	14,941	13,546	(1,395)	5,026
Eliminate discount on inventory	(27,730)	(24,575)	3,155	14,649
Eliminate profit on inventory	46,671	42,469	(4,202)	(21,971)
Provision for goods return	1,324	1,246	(78)	(40)
Eliminate gain on disposal of assets to related party	155	230	75	73
Deferred tax relating to origination and reversal of temporary differences			(7,978)	(8,394)
Deferred tax assets	121,849	113,871		

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

(Unit: Thousand Baht)

	Separate statements of financial position		Profit or loss in separate statements of comprehensive income	
	As at 31 December		For the years	
	2024	2023	2024	2023
Deferred tax assets				
Allowance for expected credit losses	1,676	1,870	194	(700)
Allowance for diminution in value of inventories	2,070	2,177	107	553
Difference of lease liabilities and right-of-use assets	2,790	2,607	(183)	(180)
Other current financial assets	(115)	(269)	(154)	262
Provision for long-term employee benefits	46,465	42,204	(4,261)	(1,959)
Deferred advertising media expenses	14,941	13,546	(1,395)	5,026
Provision for goods return	1,267	1,191	(76)	(64)
Deferred tax relating to origination and reversal of temporary differences			(5,768)	2,938
Deferred tax assets	69,094	63,326		

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

26. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Profit for the period (Thousand Baht)	1,008,231	829,634	883,155	1,363,791
Weighted average number of ordinary shares (Thousand shares)	280,180	222,000	280,180	222,000
Earnings per share (Baht per share)	3.60	3.74	3.15	6.14

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company's Chief Executive Officer.

The Group are principally engaged in the manufacture and distribution of consumer products.

Geographic information

Revenue for the years from external customers is based on locations of the customers.

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Revenue from local sales	9,105	8,238	9,105	8,238
Revenue from export sales	957	1,246	957	1,246
Total	10,062	9,484	10,062	9,484

(Unit: Million Baht)

Revenue from export sales was mainly from sales to customers in the CLMV counties that are Cambodia, Laos, Myanmar and Vietnam.

Major customers

In the year 2024, the Company has revenues from 2 major customers (2023: 1 major customers) in amount of Baht 2,778 million (2023: Baht 1,076 million).

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

28. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group contributes to the fund monthly at the rate of 5% of basic salary and employees contribute to the fund monthly at the rate of 5% – 15% of basic salary. The fund, which is managed by MFC Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions of the Group for the year 2024 amounting to approximately Baht 37.9 million (2023: Baht 36.8 million) and the Company only by Baht 20.6 million (2023: Baht 20.1 million) were recognised as expenses.

29. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Annual dividends for 2022	Annual General Meeting of the shareholders on 20 April 2023	568.6	256.10
Interim dividends for 2023	Board of Directors' Meeting on 9 August 2023	200.0	90.10
Interim dividends for 2023	Board of Directors' Meeting on 30 November 2023	899.1	4.05
Total dividends for 2023		<u>1,667.7</u>	
Annual dividends for 2023	Annual General Meeting of the shareholders on 12 March 2024	499.5	2.25
Total dividends for 2024		<u>499.5</u>	

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 31 December 2024 and 2023 the Group had capital commitments to construction and decoration of office buildings, acquisition of machinery and equipment and office equipment and software development as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Construction and decoration of buildings	314	1,113	144	–
Acquisition of machinery and equipment and office equipment	807	162	341	–
Software development	6	3	3	1

(Unit: Million Baht)

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

30.2 Significant commitments

Furthermore, on 14 February 2025, the subsidiary entered into a design and construction contract with a company amounting to Baht 2,464 million to construct a factory designed to support the production of various household consumer products.

30.3 Lease and service agreements commitments

The Group has entered into several lease agreements in respect of the lease of equipment and service agreements. The terms of the agreements are generally between 1 and 5 years.

As at 31 December 2024 and 2023, the Group future minimum payments required under these non-cancellable leases and services contracts which has not recorded under liabilities in financial statements were as follows.

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Payable within:				
1 year	32	16	11	4
In over 1 and up to 5 years	13	5	5	2

(Unit: Million Baht)

30.4 Long-term commitments

In 2018 and 2022, the subsidiary entered into power purchase and sale agreements with a private company for contractual terms of 20 years from the commencement date (1 March 2019 and 1 January 2024, respectively). The private company invested in construction and installation of electricity generation systems and retains ownership of all related properties. The electricity charges are calculated based on rates as specified in the agreement. However, the subsidiary has the right to purchase the electricity generation systems from the 6th year onwards at rates specified in the agreement (applicable for the agreement made in 2018), or when the subsidiary has fulfilled the contractual terms of 20 years. Since then, the ownership of all electricity generation systems is to be automatically transferred to the subsidiary.

The Group paid electricity charges as below.

	Consolidated financial statements	
	2024	2023
Electricity charges	10,829	6,429

(Unit: Thousand Baht)

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

30.5 Guarantees

- (1) The Company has guaranteed bank credit facilities of a subsidiary amounting to Baht 6,817.9 million and USD 5.0 million (2023: Baht 6,817.9 million and USD 5.0 million).
- (2) As at 31 December 2024, the Group had the outstanding guarantees issued by the banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 5.1 million (2023: Baht 5.0 million).

31. Financial instruments

31.1 Derivatives

(Unit: Thousand Baht)

Derivative assets

Derivatives assets not designated as hedging instruments

Foreign exchange forward contracts

Total derivative assets

Derivative liabilities

Derivatives liabilities not designated as hedging instruments

Foreign exchange forward contracts

Total derivative liabilities

Consolidated financial statements		Separate financial statements	
2024	2023	2024	2023
576	1,346	576	1,346
576	1,346	576	1,346
1,190	-	-	-
1,190	-	-	-

Derivatives not designated as hedging instruments

The Group 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 from one to three months. The fair value has been determined by the fair value measurement level 2 based on the fair value hierarchy.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

31.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, deposits with banks and financial institutions, trade and other receivable, short-term loans from banks, trade and other payables, long-term loans and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade and other receivable, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade and other receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade and other receivables are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type. 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, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty.

Market risk

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

As at 31 December 2024 and 2023, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2024 (Million)	2023 (Million)	2024 (Million)	2023 (Million)	2024 (Baht per 1 foreign currency unit)	2023 (Baht per 1 foreign currency unit)
US dollar	2.3	2.4	0.2	0.1	33.988	34.223

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2024 (Million)	2023 (Million)	2024 (Million)	2023 (Million)	2024 (Baht per 1 foreign currency unit)	2023 (Baht per 1 foreign currency unit)
US dollar	2.3	2.4	0.1	0.1	33.988	34.223

Foreign currency sensitivity analysis

There is no significant impact on the Group's profit before tax arising from the change in the fair value of monetary assets and liabilities due to the possible change in exchange rates of assets and liabilities that are denominated in foreign currencies.

Interest rate risk

The Group is exposed exposure to interest rate risk relates primarily to its deposits with banks and financial institutions, short-term loan to subsidiary, short-term loans from banks and long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. The interest rate risk is expected to be minimal.

Details of deposits with banks and financial institutions, short-term loan to subsidiary, short-term loans and long-term loans were presented in the related notes to consolidated financial statements.

Analysis of effect to changes in interest rates

Financial assets and financial liabilities at the end of reporting period of the Group have floating interest rates or fixed interest rates which are close to the market rate. Effect to change in interest rate does not have any significant impact on the financial statements.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024**Liquidity risk**

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group has current assets exceeded current liabilities by Baht 1,923 million (2023 The group has current liabilities exceeded current assets: Baht 290 million) and of the Company only current assets exceeded current liabilities by Baht 3,540 million (2023: Baht 237 million). The Group has concluded liquidity risk to be low. The Group also has access to a sufficient variety of sources of funding, debt maturing with 12 months can be rolled over with existing lenders and it maintains good cash flow from ongoing operations.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2024 and 2023 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 31 December 2024			
	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other payable	2,675,664	-	-	2,675,664
Long-term loans and interest	636,790	1,963,063	183,235	2,783,088
Lease liabilities	28,691	55,239	-	83,930
Total	3,341,145	2,018,302	183,235	5,542,682

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	As at 31 December 2023			
	Less than 1 year	1 to 5 years	> 5 years	Total
Short-term loans from banks	705,000	-	-	705,000
Trade and other payables	2,390,680	-	-	2,390,680
Long-term loans and interest	360,860	1,687,270	164,280	2,212,410
Lease liabilities	20,755	37,606	-	58,361
Total	3,477,295	1,724,876	164,280	5,366,451

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2024			
	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other payable	2,853,847	-	-	2,853,847
Long-term loans and interest	216,199	722,938	183,235	1,122,372
Lease liabilities	65,044	154,929	-	219,973
Total	3,135,090	877,867	183,235	4,196,192

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2023			
	Less than 1 year	1 to 5 years	> 5 years	Total
Trade and other payable	2,678,038	-	-	2,678,038
Long-term loans and interest	78,126	769,225	164,280	1,011,631
Lease liabilities	54,914	176,674	-	231,588
Total	2,811,078	945,899	164,280	3,921,257

31.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

During the current year, there were no transfers within the fair value hierarchy.

Neo Corporate Public Company Limited and its subsidiary

Notes to financial statements For the year ended 31 December 2024

32. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value and it meets financial covenants attached to the loan agreements. The Group has complied with these covenants throughout the reporting periods.

As at 31 December 2024 and 2023, the Group's debt-to-equity ratios are as follows:

	Consolidated financial statements		Separate financial statements	
	2024	2023	2024	2023
Debt-to-equity ratio	1.2:1	3.6:1	1.0:1	4.4:1

33. Events after the reporting period

On 25 February 2025, a meeting of the Company's Board of Directors passed a resolution to propose the Annual General Meeting of shareholders to be held in April 2025 to pay a dividend of Baht 1.35 per share, or a total of Baht 405 million, to the shareholders in respect of the 2024 operating results for approval. The dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2025.





Section 4:

Certification of Information Accuracy

Annex 1	Information of the Directors, Executives, Individuals with Controlling Authority, Those Assigned the Highest Responsibility for Accounting and Finance Functions, Those Directly Responsible for Overseeing Accounting Practices, and the Corporate Secretary	264
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Annex 1 Information on the Directors, Executives, Individuals with Controlling Authority, Those Assigned the Highest Responsibility for Accounting and Finance Functions, Those Directly Responsible for Overseeing Accounting Practices, and the Corporate Secretary

1. Information on the Directors, Executives, Individuals with Controlling Authority, Those Assigned the Highest Responsibility for Accounting and Finance Functions, Those Directly Responsible for Overseeing Accounting Practices, and the Corporate Secretary

Mr. Virapan Pulges

Age 63 years

Position

Chairman of the Board of Directors / Independent Director / Chairman of the Nomination and Remuneration Committee

Date of Appointment

August 25, 2023

Educational qualifications / Training history

- Master's Degree in Electrical Engineering, University of Colorado, United States
- Bachelor of Electrical and Computer Engineering, University of Colorado, United States
- Directors Certification Program (DCP), Class 14, Thai Institute of Directors Association (IOD), 2002
- Audit Committee Program (ACP), Class 30, Thai Institute of Directors Association (IOD), 2010
- Executive Program, Securities and Exchange Commission Institute (SEC Institute), 2010

Shareholding in the Company (%)

0.08

Family relationships between directors and executives

-

Work experience during past 5 years

- 2018 – Present Chairperson of the Board / Independent Director /
Chairperson of the Nomination and Remuneration Committee
Neo Corporate PCL
- 2023 – Present Independent Director Udom Medical Equipment Co.,Ltd
- 2022 – Present Director Asia Industrial Estate Co., Ltd.
- 2022 – Present Chairperson of the Board / Independent Director
Nutrition Profess Co., Ltd.
- 2018 – Present Independent Director Dusit Thani Properties REIT Co. Ltd.
- 1989 – Present Director Thai Seree Fishery Co., Ltd.

2022 – 2024	Chairperson of the Board / Audit Committee Altitude Development Co., Ltd.
2018 – 2020	Subcommittee for Reviewing Criteria Related to the Management of Real Estate Investment Funds, Infrastructure Funds, and Real Estate Investment Trusts (REITs) Securities and Exchange Commission Office
1997 – 2019	Director SVI PCL
2016 – 2018	Director TPARK BFTZ Co., Ltd.
2016 – 2018	Director Singapore–Thai Chamber of Commerce
2005 – 2018	Director Frasers Property (Thailand) Co., Ltd.

Mr. Wutthichai Tankuranand

Age 58 years

Position

Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee

Date of Appointment

August 25, 2023

Educational qualifications / Training history

- Master of Business Administration, University of Michigan (Ann Arbor), United States
- Bachelor of Engineering, Electrical Engineering, Chulalongkorn University
- Director Accreditation Program (DAP), Class 103, Thai Institute of Directors (IOD), 2013

Shareholding in the Company (%)

0.05

Family relationships between directors and executives

–

Work experience during past 5 years

2018 – Present	Independent Director / Chairman of the Audit Committee / Nomination and Compensation Committee Member Neo Corporate PCL
2020 – Present	Chief Financial Officer Impact Electrons Siam Co., Ltd.
2017 – 2020	Chief Financial Officer Chememan PCL

Mr. Amornsak Pimarntip

Age 61 years

Position

Independent Director / Member of the Audit Committee

Date of Appointment

August 25, 2023

Educational qualifications / Training history

- Master of Political Science, Faculty of Political Science, Ramkhamhaeng University
- Bachelor of Laws (LL.B.), Faculty of Law, Ramkhamhaeng University
- Director Accreditation Program (DAP), Class 202, Thai Institute of Directors Association (IOD), 2023

Shareholding in the Company (%)

0.05

Family relationships between directors and executives

–

Work experience during past 5 years

2018 – Present Independent Director / Audit Committee Member
Neo Corporate PCL

2012 – Present Independent Speaker and Legal & Tax Advisor

2011 – 2012 Director of Training and Development for Representatives
Allianz Ayudhya Assurance PCL

Mr. Udomdej Phiromsawat

Age 61 years

Position

Independent Director / Member of the Audit Committee

Date of Appointment

August 25, 2023

Educational qualifications / Training history

- Master of Business Administration, Oklahoma City University, United States
- Bachelor of Accounting and Finance, University of Thai Chamber of Commerce
- Director Accreditation Program (DAP) Class 202, Thai Institute of Directors (IOD), 2023

Shareholding in the Company (%)

0.05

Family relationships between directors and executives

–

Work experience during past 5 years

2019 – Present Independent Director / Audit Committee Member
Neo Corporate PCL

1997 – 2020 Product Research and Development Manager /
Business Policy Manager
S.P.S. Intertech PCL

Mr. Suthidej Thakolsri

Age 62 years

Position

Vice Chairman of the Board of Directors / Chairman of the Executive Committee /
Chief Executive Officer / Chairman of the Corporate Sustainability Committee

Date of Appointment

August 25, 2023

Educational qualifications / Training history

- Bachelor of Mathematics and Management, University of Hartford, United States
- Director Certification Program (DCP), Class 252, Thai Institute of Directors (IOD), 2018

Shareholding in the Company (%)

16.63

Family relationships between directors and executives

The husband of Mrs. Patama Thakolsri / The father of Miss Nitchamon Thakolsri and Miss Nissara Thakolsri.

Work experience during past 5 years

2016 – Present Director / Chairperson of Executive Committee /
Chief Executive Officer
Neo Corporate PCL

2024 – Present Chairperson of Sustainability Committee Neo Corporate PCL

2016 – Present Director / Chief Executive Officer
Neo Factory Co., Ltd.

Mrs. Patama ThakolsriAge 61 years

Position

Director / Vice Chairman of the Executive Committee / Deputy Chief Executive Officer – Commercial

Date of Appointment

August 25, 2023

Educational qualifications / Training history

- Master's Degree in Education, Boston University, United States
- Bachelor of Arts, Chulalongkorn University, Thailand
- Director Certification Program (DCP), Class 252, Thai Institute of Directors (IOD), 2018

Shareholding in the Company (%)

3.89

Family relationships between directors and executives

The wife of Mr. Suthidej Thakolsri / The mother of Miss Nitchamon Thakolsri and Miss Nissara Thakolsri.

Work experience during past 5 years

2016 – Present Director / Vice Chairperson of Executive Committee /
Vice President of Commercial Operations
Neo Corporate PCL

2023 – Present Deputy Chief Commercial Officer Neo Corporate PCL

2016 – 2022 Chief Marketing Officer Neo Corporate PCL

2016 – Present Director Neo Factory Co., Ltd.

Miss Nitchamon Thakolsri

Age 34 years

Position

Director / Member of the Executive Committee / Member of the Corporate Sustainability Committee / Deputy Chief Executive Officer – Business Innovation

Date of Appointment

August 25, 2023

Educational qualifications / Training history

- Master's Degree in Biotechnology, University of Glasgow, United Kingdom
- Bachelor of Biological Sciences, University of Edinburgh, United Kingdom
- Director Accreditation Program (DAP) Class 145, Thai Institute of Directors Association (IOD), 2018

Shareholding in the Company (%)

22.39

Family relationships between directors and executives

The daughter of Mr. Suthidej Thakolsri and Mrs. Patama Thakolsri, and the elder sister of Miss Nissara Thakolsri.

Work experience during past 5 years

- 2023 – Present Deputy Chief Business Innovation Officer
Neo Corporate PCL
- 2015 – Present Director / Executive Committee
Neo Corporate PCL
- 2023 – Present Executive Committee Neo Corporate PCL

2024 – Present Sustainability Committee Neo Corporate PCL

2023 – Present Deputy Chief Executive Officer Neo Factory Co., Ltd.

2016 – Present Director Neo Factory Co., Ltd.

Miss Nissara Thakolsri

Age 32 years

Position

Director / Member of the Executive Committee / Member of the Nomination and Remuneration Committee / Deputy Chief Executive Officer – Operations

Date of Appointment

August 25, 2023

Educational qualifications / Training history

- Bachelor of Management, The London School of Economics and Political Science (LSE), United Kingdom
- Director Accreditation Program (DAP) Class 145, Thai Institute of Directors Association (IOD), 2018

Shareholding in the Company (%)

22.39

Family relationships between directors and executives

The daughter of Mr. Suthidej Thakolsri and Mrs. Patama Thakolsri, and the younger sister of Miss Nitchamon Thakolsri.

Work experience during past 5 years

2023 – Present Deputy Chief Operations Officer Neo Corporate PCL

2015 – Present Director/ Executive Committee/
Nomination and Remuneration Committee
Neo Corporate PCL

2023 – Present Nomination and Remuneration Committee Neo Corporate PCL

2023 – Present Deputy Chief Executive Officer Neo Factory Co., Ltd.

2016 – Present Director Neo Factory Co., Ltd.

Miss Patchanok Worasakyotin

Age 46 years

Position

Member of the Executive Committee / Chief Finance Officer

Date of Appointment

August 1, 2024

Educational qualifications / Training history

- Master of Accounting, Thammasat University
- Bachelor of Accounting, Thammasat University
- Certified Public Accountant (CPA), Thailand Federation of Accounting Professions
- Tax Auditor (TA)
- CFO's Refresher (Thai) 2024, organized by the Stock Exchange of Thailand
- Sustainability-Related Financial Disclosure 2024, organized by the Thai Institute of Directors (IOD)

- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 6/2024: "Cybersecurity & Risk Management for CFOs," 2 hours, organized by the Thai Listed Companies Association.
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 8/2024: "How AI Will Transform the CFO's Role," 2 hours, organized by the Thai Listed Companies Association.
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 7/2024: "Economic Update for CFOs" (Session 2), 2 hours, organized by the Thai Listed Companies Association.
- Investor Relations Professional Development Program (Class 5), organized by the Thai Listed Companies Association.
- CFO's Orientation for New IPOs 2023, organized by the Stock Exchange of Thailand
- Effective Minute Taking (EMT Class 50/2022), organized by the Thai Institute of Directors (IOD)
- Board Reporting Program (BRP Class 36/2021), organized by the Thai Institute of Directors (IOD)
- Director Certification Program (DCP Class 293/2020), organized by the Thai Institute of Directors (IOD)
- Company Secretary Program (CSP Class 111/2020), organized by the Thai Institute of Directors (IOD)
- Successful Formulation & Execution Strategy (SFE 2015), organized by the Thai Institute of Directors (IOD)
- Strategic CFO in Capital Markets, Class 1, 2015, organized by the Stock Exchange of Thailand

Shareholding in the Company (%)

–

Family relationships between directors and executives

–

Work experience during past 5 years

2024 – Present Executive Committee Neo Corporate PCL

2024 – Present Chief Finance Officer Neo Corporate PCL

2023 – 2024 Deputy Chief Finance Officer Neo Corporate PCL

2024 – Present Chief Finance Officer Neo Factory Co., Ltd.

Mrs. Metta Siramongkholkarn

Age 58 years

Position

Member of the Executive Committee / Chief Logistic Officer

Date of Appointment

April 1, 2018

Educational qualifications / Training history

- Bachelor of Business Administration (BBA), major in Business Administration, Assumption University

Shareholding in the Company (%)

0.02

Family relationships between directors and executives

–

Work experience during past 5 years

2018 – Present Executive Director Neo Corporate PCL

2018 – Present Chief Logistics Officer Neo Corporate PCL

Mrs. Sirisupa Ajsanjorn

Age 53 years

Position

Member of the Executive Committee / Chief Marketing Officer

Date of Appointment

January 1, 2023

Educational qualifications / Training history

- Master of International Business, San Francisco State University, United States
- Bachelor of Business Administration (BBA), major in International Marketing, Chulalongkorn University

Shareholding in the Company (%)

0.02

Family relationships between directors and executives

–

Work experience during past 5 years

2023 – Present Executive Director Neo Corporate PCL
 2023 – Present Chief Marketing Officer Neo Corporate PCL
 2016 – 2022 Marketing Director Neo Corporate PCL

Miss Suwanphen Saetae ^{1/}

Age 41 years

Position

Accounting Manager / Person Assigned with Direct Responsibility for Accounting Oversight

Date of Appointment

February 14, 2018

Educational qualifications / Training history

- Master of Business Administration (MBA), major in Finance and Banking, Ramkhamhaeng University
- Bachelor of Accounting, major in Accounting, Dhurakij Pundit University
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 6/2024: “Cybersecurity & Risk Management for CFOs,” 2 hours, organized by the Thai Listed Companies Association.
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 8/2024: “How AI Will Transform the CFO’s Role,” 2 hours, organized by the Thai Listed Companies Association.

- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 7/2024: “Economic Update for CFOs” (Session 2), 2 hours, organized by the Thai Listed Companies Association.
- Personal Income Tax Course 2024, 6 hours, organized by the CPD Tutor Institute.
- Tax Law Course 2023, including Tax Benefit Review Before Filing Tax Returns, 6 hours, Dharmniti Training and Seminar Co., Ltd., 2023

Shareholding in the Company (%)

–

Family relationships between directors and executives

–

Work experience during past 5 years

2018 – Present Senior Accounting Manager Neo Corporate PCL

Miss Yada Rattanaphrutakul

Age 36 years

Position

Corporate Secretary

Date of Appointment

May 12, 2023

Educational qualifications / Training history

- Bachelor of Arts (BA), major in English Language and Literature, Thammasat University
- Refreshment Training Program (RFP), Class 15/2024, Thai Institute of Directors (IOD), 2024
- Board Reporting Program (BRP), Class 48/2024, Thai Institute of Directors (IOD), 2024
- Company Secretary Program (CSP), Class 132, Thai Institute of Directors (IOD), 2022

Shareholding in the Company (%)

–

Family relationships between directors and executives

–

Work experience during past 5 years

2023 – Present Corporate Secretary Neo Corporate PCL

2018 – Present Secretary of Accounting and Finance Department Neo Corporate PCL

Notes: ^{1/}Miss Suwanphen Saetae is a qualified accountant who meets the criteria established by the Department of Business Development.

2. The positions held by directors and executives in the subsidiary, affiliates, and related entities.

Directors and Executives	Mr. Virapan Pulges	Mr. Wuttichai Tankuranand	Mr. Amornsak Pimarnthip	Mr. Udomdej Phiromsawat	Mr. Suthidej Thakolsri	Mrs. Patama Thakolsri	Miss Nitchamon Thakolsri	Miss Nissara Thakolsri	Miss Patchanok Worasakyotin	Mrs. Metta Siramongkholkarn	Mrs. Sirisupa Ajsanjorn	Miss Yada Rattanaphrutakul
List of Companies												
NEO Corporate PCL	X, I, IV	I, II, IV	I, II	I, II	D, III, V, P	D, III, V	D, III, V, P	D, III, V, IV	III, V	III, V	III, V	VI
Subsidiary												
NEO Factory Co., Ltd.					D, V	D, V	D, V	D, V				
Related Companies												
Udom Medical Equipment Co.,Ltd	I											
Asia Industrial Estate Co., Ltd.	D											
Nutrition Profess Co., Ltd.	X, I											
Dusit Thani Properties REIT Co. Ltd.	I											
Thai Seree Fishery Co., Ltd.	D											
Impact Electronics Siam Co., Ltd.		V										

Notes: Board Positions

X = Chairperson

D = Director

I = Independent Director

II = Audit Committee

III = Executive Committee

IV = Nomination and Remuneration Committee

V = Executive

VI = Corporate Secretary

P = Sustainability Committee

3. Punishment Records of Directors, Executives, and Individuals with Controlling Authority during the Past 5 Years

- None -

Annex 2 Information on the Directors of the Subsidiary

Information on the directors of the subsidiary as of December 31, 2024.

No.	Subsidiary Company	
	Name of Directors	NEO Factory Company Limited
1	Mr. Suthidej Thakolsri	D
2	Mrs. Patama Thakolsri	D
3	Miss Nitchamon Thakolsri	D
4	Miss Nissara Thakolsri	D

Note: D = Director

Annex 3 Information on the Head of Internal Audit

The Company has appointed KPMG Phoomchai Business Advisory Co., Ltd., an independent firm specializing in internal control system audits, to assess and evaluate the internal control systems of the Company and its subsidiary for 2024. KPMG Phoomchai Business Advisory Co., Ltd. has designated Mr. Sukit Wongthaworawat as the lead auditor responsible for carrying out the independent internal audit. The details are as follows:

Mr. Sukit Wongthaworawat

Age 51 years

Position

Head of Internal Audit Function

Date of Appointment

February 2024

Educational qualifications / Training history

- Master of Business Administration (MBA), Major in Accounting, California State University
- Bachelor of Accounting, Major in Accounting, Chulalongkorn University
- Certified Internal Auditor (CIA), The Institute of Internal Auditors (IIA)
- Certified Public Accountant (CPA), The Federation of Accounting Professions under the Royal Patronage
- Completed various specialized training programs by the Federation of Accounting Professions, including GRC Conference, NYU Executive Certificate in Advancing Sustainability, Powering Advisory, and Information Protection

Shareholding in the Company (%)

–

Family relationships between directors and executives

–

Work experience during past 5 years

2016 – Present	Partner	KPMG Phoomchai Business Advisory Co., Ltd.
2011 – 2015	Executive Director	KPMG Phoomchai Audit Co., Ltd.

Annex 4 Assets Used in Business Operations

1. Major Fixed Assets Used in Business Operations

The Company possesses significant fixed assets essential for its business operations, with a net book value of 5,329.01 million baht, as reported in the consolidated financial statements as of December 31, 2024. The details of these major fixed assets are as follows:

Item	Type of Ownership	Net Book Value (Million Baht)	Obligation(s)
Land and Land Improvements	Owner	669.81	Partially guaranteed with financial institutions
Buildings and Building Improvements	Owner	1,624.18	Partially guaranteed with financial institutions
Machinery and Equipment	Owner	711.45	Partially guaranteed with financial institutions
Fixtures and Fittings	Owner	212.83	None
Vehicles	Owner	4.44	None
Assets Under Construction and Installation	Owner	2,106.30	Partially guaranteed with financial institutions
Total		5,329.01	

The land, buildings, machinery, and equipment that are secured against financial institutions serve as assets for the Company's factories, raw material and packaging storage facilities, and finished goods warehouses. As of December 31, 2024, the net book value of these assets totals 3,866.34 million baht.

1.1 Land and Land Improvements

The net book value of the land and land improvements, as reflected in the Company's consolidated financial statements as of December 31, 2024, is as follows:

Company	Objectives	Type of Ownership	Net Book Value (Million Baht)	Obligation(s)
Company	Office Building Location: Two land titles, with a total area of 4 rai 1 ngan 94 square wah	Owner	177.93	Partially guaranteed with financial institutions
Company	Automated Finished Goods Warehouse Extension (Khleng 13) Location: Two land titles, with a total area of 58 rai 3 ngan 31 square wah	Owner	97.32	Partially guaranteed with financial institutions
Company	Romklao Finished Goods Warehouse Location ^{1/} : Four land titles, with a total area of 5 rai 1 ngan 29 square wah	Owner	17.79	Guaranteed with financial institutions
NEO-F	NEO-F Manufacturing Plant (Khleng 13) and Automated Finished Goods Warehouse Location: Seven land titles, with a total area of 229 rai 3 ngan 56.2 square wah	Owner	369.00	Partially guaranteed with financial institutions
NEO-F	Wastewater Treatment Pond Location for NEO-F's Previous Manufacturing Plant (Romklao): Eight land titles, with a total area of 3 ngan 20 square wah	Owner	7.77	Guaranteed with financial institutions
Total			669.81	

Note: ^{1/} The Romklao Finished Goods Warehouse acts as a backup storage facility for the Company's finished products when the primary storage at the production facility (Khleng 13) is insufficient. It is located on Romklao Road, Bangkok.

1.2 Buildings and Building Improvements

The net book value of the buildings and building improvements, as reported in the Company's consolidated financial statements as of December 31, 2024, is as follows:

Company	Objectives	Type of Ownership	Net Book Value (Million Baht)	Obligation(s)
Company	Office Building	Owner	205.79	Partially guaranteed with financial institutions
Company	Automated Finished Goods Warehouse	Owner	539.06	Partially guaranteed with financial institutions
Company	Romklao Finished Goods Warehouse	Owner	5.88	Partially guaranteed with financial institutions
NEO-F	Manufacturing Plant, Office Building, and Raw Materials & Packaging Warehouse	Owner	873.45	Partially guaranteed with financial institutions
Total			1,624.18	

1.3 Machinery and Equipment

The net book value of the machinery and equipment, as stated in the Company's consolidated financial statements as of December 31, 2024, is as follows:

Company	Objectives	Type of Ownership	Net Book Value (Million Baht)	Obligation(s)
Company	Automated Storage and Retrieval System (ASRS)	Owner	230.44	Partially guaranteed with financial institutions
Company	Other Equipment	Owner	4.19	None
NEO-F	For the production of household products, personal care products, and baby and kids products	Owner	476.82	Partially guaranteed with financial institutions
Total			711.45	

1.4 Other Fixed Assets

The net book value of other fixed assets, as reported in the Company's consolidated financial statements as of December 31, 2024, is as follows:

Company	Objectives	Type of Ownership	Net Book Value (Million Baht)	Obligation(s)
Company	Fixtures, fittings, and equipment	Owner	50.61	None
Company	Vehicles	Owner	0.13	None
Company	Assets under construction and installation	Owner	132.54	None
NEO-F	Office equipment	Owner	162.22	None
NEO-F	Vehicles	Owner	4.32	None
NEO-F	Assets under construction and installation	Owner	1,973.76	Partially guaranteed with financial institutions
Total			2,323.56	

2. Right-of-Use Assets

The Company holds right-of-use assets that are vital for its business operations, with a net book value of 76.93 million baht as reported in the Company's consolidated financial statements as of December 31, 2024. The details are as follows:

Item	Description	Net Book Value (Million Baht)
Lands	Land used as the Company's parking facility, leased from a party that may have a potential conflict of interest. ^{1/}	0.18
Equipment	Photocopier, leased from a third party.	0.25
Vehicles	Vehicle, leased from a third party.	76.50
Total		76.93

Note: ^{1/}Please refer to additional details regarding related transactions in section 2.3-9 on Internal Control and Related Transactions.

3. Intangible Assets

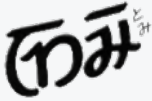









The Company possesses intangible assets, including software and software currently in development, with a net book value of 49.43 million baht, as reported in the Company's consolidated financial statements as of December 31, 2024.


4. Trademarks

The Company has registered its key trademarks in Thailand, which include the Fineline, D-nee, BeNice, Tros, Eversense, Smart, Tomi, and Vevite brands, with the Department of Intellectual Property under the Ministry of Commerce. Additionally, the Company has secured similar trademark registrations for each of its primary brands, resulting in a total of around 80 trademarks registered with the Department of Intellectual Property in Thailand. In this regard, trademark registrations in Thailand are protected for a period of 10 years and can be renewed for additional 10-year terms. The Company plans to renew all trademark protections within three months prior to the expiration of their current terms.

As of December 31, 2024, the significant trademarks registered in Thailand are detailed as follows:

No.	Trademark	Holder of Rights	Product Type	Registration Number	Coverage Duration
1		NEO-F	Personal Care Products	Kor206950	December 22, 2003 – December 21, 2033
2		NEO-F	Personal Care Products	Kor223866	November 15, 2004 – November 14, 2034
3		NEO-F	Personal Care Products	Kor217294	March 29, 2004 – March 28, 2034
4		NEO-F	Personal Care Products	Kor268797	December 22, 2006 – December 21, 2026
5		NEO-F	Personal Care Products	Kor268798	December 22, 2016 – December 21, 2026

No.	Trademark	Holder of Rights	Product Type	Registration Number	Coverage Duration
6		NEO-F	Household Products	Kor345358	February 8, 2010 – February 7, 2030
7		NEO-F	Household Products	201110233	June 29, 2015 – June 28, 2035
8		NEO-F	Household Products	221107606	January 8, 2021 – January 7, 2031
9		NEO-F	Household Products	221107607	January 8, 2021 – January 7, 2031
10		NEO-F	Household Products	221107608	January 8, 2021 – January 7, 2031
11		NEO-F	Personal Care Products	181115090	January 26, 2016 – January 25, 2026
12		NEO-F	Baby and Kids Products	201103565	September 26, 2018 – September 25, 2028
13		NEO-F	Baby and Kids Products	211111661	March 27, 2020 – March 26, 2030
14		NEO-F	Baby and Kids Products	221107605	December 20, 2019 – December 19, 2029
15		NEO-F	Baby and Kids Products	211117091	March 27, 2020 – March 26, 2030

No.	Trademark	Holder of Rights	Product Type	Registration Number	Coverage Duration
16		NEO-F	Baby and Kids Products	221121493	February 25, 2021 – February 24, 2031
17		NEO-F	Household Products	201103566	October 5, 2018 – October 4, 2028

Furthermore, the Company actively safeguards its trademark rights in all countries where its products are available. To date, it has registered trademarks in 72 countries, encompassing a total of 176 trademarks. Key markets include Vietnam, Cambodia, Laos, and Myanmar, ensuring that the Company's brand names and logos receive robust protection on an international scale.

5. Insurance Policy Contracts

The Company follows a policy of entering into insurance contracts at an appropriate level, consistent with industry standards, to safeguard against potential damage to its key assets, as well as to third parties. The Company also has a policy of renewing insurance policies upon their expiration. As of December 31, 2024, the insured value under the Company's policies fully covers the value of its inventory and the net value of its buildings and equipment. Currently, the Company holds the following significant insurance policies:

Insured Party	Type of Insurance Policy	Location	Insured Assets / Coverage	Sum Insured	Insurance Period
Company	Industrial All Risks	Headquarters	<ul style="list-style-type: none"> All types of property owned or leased by the insured, including buildings, fences, walls, roads, furniture, fixtures, office equipment, office supplies, original documents, business records, data storage media, models, molds, and layouts. 	330.00 million baht	December 31, 2024 – December 31, 2025
Company	Industrial All Risks	Finished Goods Warehouse (Khleng 13)	<ul style="list-style-type: none"> Buildings (excluding foundations), including any improvements and extensions, utility systems, and assets associated with the buildings. Property owned by the insured and assets related to business operations, including but not limited to furniture, fixtures, installations, office equipment, computers, electronics, forklifts, lifts, and shelving units. Inventory of finished goods, raw materials, packaging, spare parts, and all types of stock. Equipment and Automated Storage and Retrieval System (ASRS). Installation of the Solar Roof Platform and associated systems, including installation costs. 	1,400.28 million baht	October 14, 2024 – October 14, 2025

Insured Party	Type of Insurance Policy	Location	Insured Assets / Coverage	Sum Insured	Insurance Period
Company	Industrial All Risks	Finished Goods Warehouse Extension (Khleng 13)	<ul style="list-style-type: none"> Buildings (excluding foundations), including any improvements and extensions, utility systems, and assets associated with the buildings. Property owned by the insured and assets related to business operations, including but not limited to furniture, fixtures, installations, office equipment, computers, electronics, forklifts, lifts, and shelving units. Inventory of finished goods, raw materials, packaging, spare parts, and all types of stock. Equipment and Automated Storage and Retrieval System (ASRS). 	940.10 million baht	October 14, 2024 – October 14, 2025
Company	Public Liability Insurance	Finished Products Warehouse and its extension at the Manufacturing Facility (Khleng 13)	Loss or damage to third parties resulting from business operations, occurring on or due to the use of the insured business premises, with coverage including: <ol style="list-style-type: none"> Loss of life, bodily injury, or harm to third parties. Loss or damage to third-party property. 	Up to 50.00 million baht per incident and up to 50.00 million baht for the entire duration of the insurance policy.	October 14, 2024 – October 14, 2025
Company	Completed Operations and Products Liability Insurance	Thailand	This includes bodily injury or property damage of third parties caused by the Company's operations and products, covering all products under the D-nee, Tros, and Eversense brands.	1.00 million US Dollars	April 11, 2024 – April 11, 2025

Insured Party	Type of Insurance Policy	Location	Insured Assets / Coverage	Sum Insured	Insurance Period
NEO-F	Industrial All Risks	Manufacturing Facility (Khleng 13) and Romklao Warehouse	<ul style="list-style-type: none"> Buildings (excluding foundations), including any improvements and extensions, utility systems, and assets associated with the buildings. Property owned by the insured and assets related to business operations, including but not limited to furniture, fixtures, installations, office equipment, computers, electronics, forklifts, lifts, and shelving units. Machinery and related equipment. Raw material stock, packaging, unfilled liquids (Bulk), work-in-progress, semi-finished products, finished goods, spare parts, and consumables. Utility systems. 	3,016.91 million baht	October 14, 2024 – October 14, 2025
NEO-F	Public Liability Insurance	Manufacturing Facility (Khleng 13) and Romklao Warehouse	<p>Loss or damage to third parties resulting from business operations, occurring on or due to the use of the insured business premises, with coverage including:</p> <p>(1) Loss of life, bodily injury, or harm to third parties.</p> <p>(2) Loss or damage to third-party property.</p> <p>(3) Costs incurred by legal proceedings.</p>	Up to 50.00 million baht per incident and up to 80.00 million baht for the entire duration of the insurance policy.	October 14, 2024 – October 14, 2025

Insured Party	Type of Insurance Policy	Location	Insured Assets / Coverage	Sum Insured	Insurance Period
NEO-F	Liability Insurance for Operations under Controlled Category 3 pursuant to the Petroleum Act, specifically related to the operations of controlling petroleum activities (Compulsory Oil and Gas Liability)	Manufacturing Facility (Khleng 13)	Damage caused by fire or explosion from the operation of a controlled business activity under Category 3, related to the petroleum business, covering (1) Death or permanent total disability; (2) Medical expenses reimbursed based on actual damages; (3) Damage to the property of the affected party.	(1) and (2) combined, up to 0.20 million baht per person, and damages under (1), (2), and (3) combined, up to 1.50 million baht per incident.	June 1, 2024 – June 1, 2025

6. Investment Policy for Subsidiaries and Associates

The Company's investment policy is strategically aligned with its goals, vision, and plans for growth. This policy aims to enhance overall performance and profitability while fostering investments in businesses that offer synergistic benefits, thereby strengthening the Company's competitive edge. Its objective is to become a leading entity in its core industry. The Company, its subsidiary, and/or associates may consider expanding their investments into other businesses that are related, complementary, have growth potential, or can generate synergies that benefit the group. Such investments should offer the opportunity for favorable returns. In evaluating potential investments, the Company will conduct a thorough feasibility analysis, considering factors such as the investment's potential, associated risks, investment share, expected profits, and the Company's financial position before making any decisions. The investment process will be carried out in accordance with appropriate procedures and must receive approval from the Board of Directors and/or the Shareholders' Meeting (as applicable). Furthermore, any requests for investment approval and the related information disclosure will comply with the relevant announcements issued by the Capital Market Supervisory Board and the Securities and Exchange Commission (SEC).

7. Operational Governance Policy for Subsidiaries and Associates

The Company has established a governance policy for overseeing the operations of its subsidiary and/or associates. This policy aims to implement both direct and indirect measures and mechanisms that enable the Company to effectively monitor and manage the activities of these entities. The goal is to ensure that the subsidiary and associates comply with the Company's policies and relevant laws, as well as adhere to the regulations, announcements, and guidelines set by the Capital Market Supervisory Board,

the Securities and Exchange Commission (SEC), and the Stock Exchange of Thailand (SET). This is done to protect and preserve the Company's investment interests in its subsidiary and/or associates. The governance framework operates as follows:

- (1) The Company will appoint representatives to serve as directors in its subsidiary and/or associates based on its shareholding proportion in each company and/or mutual agreements in the case of associates. These representatives must possess the necessary qualifications and experience relevant to the business and must not have any conflicts of interest with the operations of the subsidiary and/or associates. The appointed representatives are responsible for managing the subsidiaries and/or associates in accordance with the Company's policies and applicable laws.
- (2) If a transaction or action of the subsidiary qualifies as an acquisition or disposal of assets and/or a related party transaction under relevant laws and securities regulations, which would require the Company to seek approval from its Board of Directors and/or the shareholders' meeting (as applicable), or from relevant authorities prior to completing the transaction, the subsidiary may proceed only after obtaining the necessary approval from the Board of Directors and/or shareholders' meeting and/or relevant authorities, as required.

Additionally, if a transaction or event involving the subsidiary triggers the Company's obligation to disclose information to the Stock Exchange of Thailand as per applicable regulations, the representative director of the subsidiary must immediately notify the Company's management as soon as they are aware that the subsidiary intends to engage in the transaction or that such an event has occurred.

- (3) The Board of Directors and management of each subsidiary and/or associate will have clearly defined authority, duties, and responsibilities in accordance with applicable laws. This includes the obligation to disclose financial information and

operational performance to the Company. In this regard, relevant announcements and regulations set forth by the Capital Market Supervisory Board and the Securities and Exchange Commission (SEC) may apply mutatis mutandis. Additionally, they are required to disclose their personal interests, as well as those of related parties, to the Company's Board of Directors. This includes informing the Board of any relationships and transactions with the Company, the subsidiary, and/or associates that may give rise to potential conflicts of interest. Furthermore, they must take proactive steps to avoid any transactions that could lead to such conflicts.

- (4) The Company will establish and implement necessary plans to ensure that its subsidiary and/or associates provide accurate and timely disclosures regarding their performance and financial position. The Company will take the necessary steps and closely monitor to ensure that subsidiary and/or associates implement adequate and effective information disclosure systems and internal controls to support the efficient management of their operations.
- (5) The Company will closely monitor the performance and operations of its subsidiary and/or associates, ensuring proper recording and maintenance of their financial data and accounts. It will also present analytical reports, along with recommendations or feedback, to the Company's Board of Directors and the boards of the relevant subsidiary and/or associates. These insights will inform decisions on policy development or adjustments, with the goal of fostering the continuous growth and success of the subsidiary and/or associates.

Annex 5 Corporate Governance and Business Ethics Policy and Practices (Full Version)



[Corporate Governance Policy](#)



[Business Conduct and Code of Ethics in Business Operations](#)



[Charter of the Board of Directors and Subcommittees](#)



[Conflicts of Interest Policy](#)



[Anti-Corruption Policy](#)



[Whistleblowing Policy](#)

Further Details on Corporate Governance and Business Ethics Policy and Practices



Code of Conduct
and Business Ethics



Corporate Governance Policy

NEO