

 **ROJUKISS**
INTERNATIONAL

ONE REPORT 2022

FUTURE READY

ROJUKISS INTERNATIONAL PUBLIC COMPANY LIMITED



+ ROJUKISS
INTERNATIONAL



FUTURE READY

KISS'S DRIVEN FOR FUTURE *READY*

SOLID STRATEGY
STRONG FUNDAMENTAL
NEW BUSINESS / INNOVATION MODELS
ASIA EXPANSION
PORTFOLIO DIVERSIFICATION

VISION

To be Asia's Health & Beauty for Future

MISSION

To make the best convenience Health& Beauty
Innovation that inspires Thai and Asian consumers
and their needs sustainably



ROJUKISS
세럼 전문

BEST KOREA
베스트 코리아

PhD
K-DERMA

Sis2Sis
비스투비스

VAILL
COVITRAP™

*TO BE
ASIA'S
HEALTH
& BEAUTY
FOR
FUTURE*



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● Message from Chairman



Make further steps to innovate products, develop and invest in distribution channels to be more efficient as well as equipping people with required knowledge and skills under good corporate governance.

Dr. Lackana Leelayuthyothin
Chairman



To Shareholders

The post-pandemic year of 2022 was still filled with challenges that every organization had to face and embrace. Our Board of Directors and executives fully realize that economic and political conditions including global economic factors have impacted the Company's operating performance in the new normal after the COVID-19 outbreak subsided. Therefore, agility and persistence in moving forward are considered crucial for the Company to expand the business in the long run.

The Company has executed the following core strategies to adapt to changes and emphasized expansion plans that help strengthen the business to be able to recover and grow in a sustainable manner in the future.

1. Make further steps to invent and introduce innovative health and beauty products catering to all consumers by offering value for money in terms of size and pricing to suit consumer behaviors in the market. For instance, we invested in a joint venture with Hibiocy Co., Ltd. to create and manufacture nasal sprays with antibody to provide an alternative to reduce the risk of COVID-19 infection which received satisfactory feedback from the market. Moreover, the Company consistently launched new skincare products to respond to demand for cosmetics that has resumed thanks to the return-to-office that replaced 100% work-from-home during the end of the year.
2. Develop and invest in distribution channels to achieve higher efficiency such as e-commerce channel while the channel has experienced high growth during the COVID-19 outbreak. However, after the pandemic situation improved, the Company focuses on main distribution channels including convenience stores and super/hyper markets that recently gained back traffic with the intention to manage distribution channels more efficiently to accommodate consumers so that they can purchase our products more conveniently as they desire.
3. Equip our personnel with skills, knowledge and competencies to be able to embrace emerging changes to promote sustainable growth as the organization's capabilities are elevated which enables us to better search and identify new opportunities and possibilities in the future.

Given our business conduct under sustainable development guidelines and corporate governance principles, the Company recently became a member of the Thai Institute of Directors (IOD) since the beginning of 2023. IOD plays an important role in promoting professionalism of directors and fostering good corporate governance in Thailand. This evidently reflects our purpose to elevate our business conduct to be in accordance with international standards and to build confidence among local and foreign investors including all stakeholders of the Company in the long run.

On behalf of the Board of Directors, executives and employees of Rojukiss International Public Company Limited, I would like to extend our gratitude to all shareholders and stakeholders for your continued trust and support for the Company. This moral support is valuable for us and we are committed to contributing to the advancement and growth of the Company as well as the best interests of everyone in the years to come.

● Message from the Chief Executive Officer



Formulate strategies consistent with business context, expand innovative products and make further investments to attain long-term growth.

Worrawan Chaikamnerd
Chief Executive Officer



To Shareholders

2022 marked another challenging year for the Company as well as skincare and cosmetics market as a whole. Despite the fact that the COVID-19 pandemic became less severe since the second quarter, consumer spending remained weak from the prolonged impact of the outbreak starting at the beginning of 2020. As a result, Thai economy has been recovering only slowly without certainty that it will continue the expansionary path. The second half of the year showed improved signs of recovery for beauty market to resume to the normal state while we observed rapid and significant change in behavior of consumer toward personal care and beauty care products across the persistent COVID-19 crisis as consumers search for products to take care of their holistic wellness and beauty with effective ingredients that offer value for money for them through affordable prices. Therefore, the Company accelerated the growth plan since the second quarter to capitalize the market recovery and address changing needs and behaviors of consumers.

During 2022, the Company introduced more than 60 SKUs of new products to the market with the focus on innovative products that adopted proprietary serum technology of the brand “Rojukiss” to extend to other product categories such as facial cleansing products, facial serum toner products and lip care products that have been warmly-welcomed by the market. This helps enhance brand awareness and motivate consumers to try Rojukiss as these innovative and affordable products meet requirements of consumers through premium quality that is unique to Rojukiss. In addition, the Company reformulated the strategy to boost sales for products distributed through convenience stores which have been affected as consumers opted for lower-priced options. The Company launched new products with higher volume while maintaining the prices or adjusting the prices upward only minimally to offer higher value for money for consumers without compromising on the profitability. This strategy differentiated us from other players in the market as we did not just simply cut prices of our products.

Apart from driving growth in beauty products, the Company aspires to be the leader in health and beauty products according to our vision and mission. As the coronavirus has lasting impact on health and daily lives of the people, the Company spotted the health-conscious trends of consumers and thus has been in active pursuit to search for innovations in the healthcare product category. During the past year, the Company invested in Hibiocy Co., Ltd. with the objective to expand our business to healthcare innovation with the premier of our first product “VAILL COVITRAP Anti-CoV Nasal Spray” to physically keep the coronavirus away. This initiative was made possible through the collaboration with the Faculty of Medicine, Chulalongkorn University, Health System Research Institute (HSRI), Silpakorn University and Government Pharmaceutical Organization (GPO) to promote the work of Thai medical researchers to fight the COVID-19. This collective effort resulted in the nasal spray innovation using Monoclonal Human Antibody Cocktail technology from human antibody research to combat and inhibit the coronavirus. This is considered the pride of Thai people to be able to come up with an innovation that has global potential and impact.

Furthermore, the Company still places high priority on talent acquisition and retention to help drive the organization toward our goals with the emphasis on team management, proper work environment for all employees, talent development to learn required skills as well as promotion and inclusion of all employees to collectively create and support growth of our organization and business.

Without the collaboration, trust and support from different parties including the Board of Directors, executives, employees, suppliers, business partners and all customers, we would not make all these achievements. As a representative of our executives, I would like to share my heartfelt appreciation to everyone for your longstanding support. All of us stay firmly committed to developing business and being adaptive under the fast-changing world to be well-prepared for upcoming opportunities and challenges. We remain unwavering in delivering sustainable growth and promoting innovation in health and beauty for Thailand under proper corporate governance policy to ensure sustainable development in the long run.



*SUCCESS IS NOT FINAL
FAILURE IS NOT FATAL
IT IS THE COURAGE
TO CONTINUE THAT
COUNTS.*

Winston Churchill

Mrs. Worrawan Chaikamnerd
Chief Executive Officer

*PLAY BY THE RULES,
BUT BE FEROCIOUS.*

Phil Knight

Ms. Wipaporn Niamla-ong
Chief Financial Officer





*BUSINESS
OPPORTUNITIES ARE
LIKE BUSES, THERE'S
ALWAYS ANOTHER ONE
COMING.*

Richard Branson

Mr. Thanayus Leeraphan

Chief Marketing Officer

*YOU ONLY HAVE
TO DO A FEW THINGS
RIGHT IN YOUR LIFE
SO LONG AS YOU DON'T
DO TOO MANY
THINGS WRONG.*

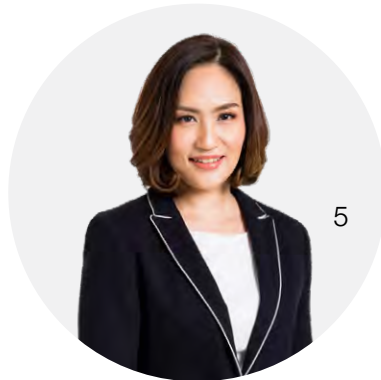
Warren Buffett

Ms. Naruemol Sukkamolwatana

Chief Operating Officer



● Board of Directors



1. Dr. Lackana Leelayouthayotin

Chairman / Independent Director

2. Mrs. Pratana Mongkolkul

Vice Chairman / Chairman of the Audit Committee /
Independent Director

3. Dr. Anuphan Kitnitchiwa

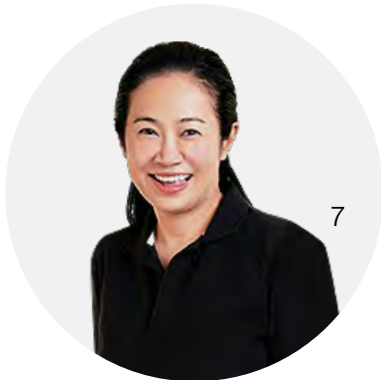
Chairman of the Corporate Governance Committee /
Member of the Nomination and Remuneration Committee /
Independent Director

4. Dr. Chatrchai Tuongratanaphan

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

5. Ms. Pornchanok Tansakul

Member of the Audit Committee /
Independent Director



6. Mrs. Yayus Sulyanni Mak

Member of the Corporate Governance Committee /
Independent Director

7. Ms. Piyawadee Sonsingh

Member of the Corporate Governance Committee /
Authorized Director as per the Company's Affidavit

8. Mr. Anotai Adulbhan

Member of the Nomination and Remuneration Committee /
Authorized Director as per the Company's Affidavit

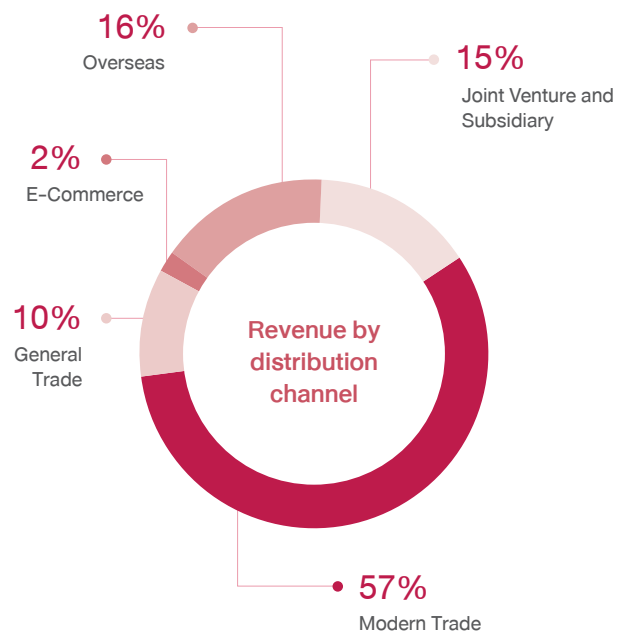
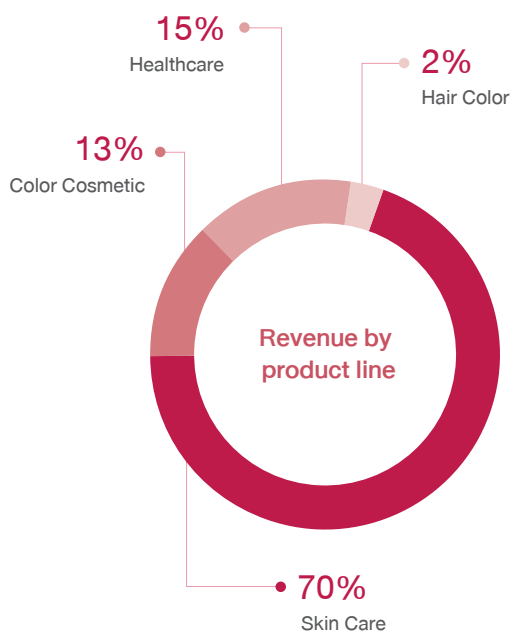
9. Mrs. Worrawan Chaikamnerd

Chairman / Independent Director
Chairman of the Executive Committee / Chairman of the Risk
Management Committee / Chief Executive Officer /
Authorized Director as per the Company's Affidavit

● Important Financial Information

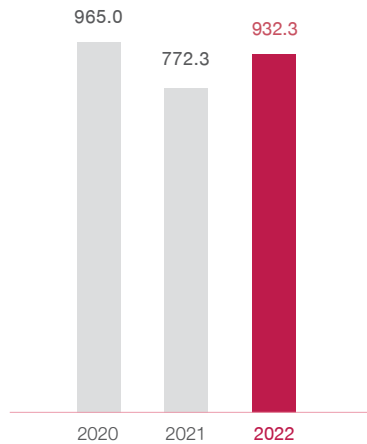


2022 Revenue Contribution

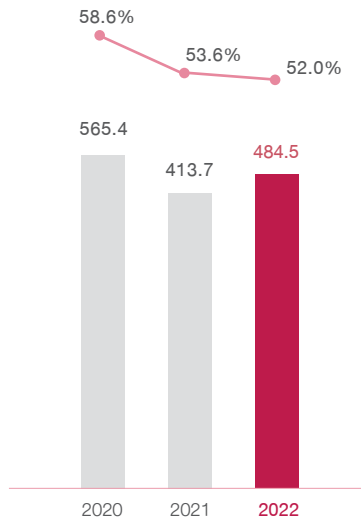




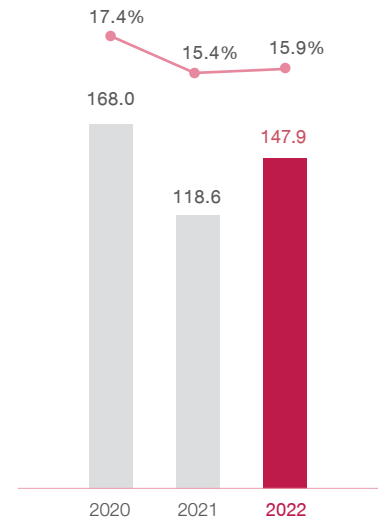
Revenue from sales and services (Million Baht)



Gross Profit (Million Baht)



Profit for the year (Million Baht)



Operating Income



932
(Million Baht)

Net Profit



148
(Million Baht)

Net Profit Margin



15.9%
(Million Baht)

Total Assets



1,297
(Million Baht)



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Part 1

Business Overview and Performance

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● Business Overview and Performance

Overview of Policy and Business

Vision, Mission, Business Overview, Target and Strategies

VISION

To be Asia's Health & Beauty for Future

MISSION

To make the best convenience
Health& Beauty Innovation that inspires
Thai and Asian consumers and their
needs sustainably





Business Overview

Rojukiss International Public Company Limited was founded on 2 March 2007 and listed on the Stock Exchange of Thailand on 19 February 2021 to operate a business in developing, outsourcing manufacturing and distributing health and beauty products under different brands covering skincare products under “Rojukiss”, “Best Korea”, color cosmetics under “Sis2Sis”, as well as “PhD K-Derma” derma skincare products and “Qi” nutritional supplement products. with over 100 SKUs in our product portfolio. The Company has conducted R&D and developed formulas and packaging jointly with manufacturers to be distributed through both domestic and international sales channels. In addition, the Company has grown continuously over years through marketing campaigns focused on building brands as well as developing innovative products to address diverse and fast-changing needs of consumers to support Beauty & Health Convenience concept to be accessible for all consumers and help solve problems that they may have. Our products are affordable with sizes and formats which offer best value for money and attractive for consumers to make decision for trial and purchases. Moreover, the Company has consistently improved existing products for better quality to serve loyal consumers needs. At present, the Company engages in the business to develop, outsource production and distribute 4 product categories which are Skincare, Color Cosmetics, Hair Color, and Healthcare with the distribution footprint in not only Thailand but also ASEAN countries such as Indonesia, Vietnam, Laos, Cambodia and Myanmar. During 2022, the Company invested in a company who operates in manufacturing and packaging of pharmaceuticals, medical supplies, medical devices, and medical equipment to fully enter into healthcare business in accordance with the Company’s vision and mission to be a leader in Asia’s health and beauty for the future.

The Company’s Business Objectives:

The company intends to be Asia’s future beauty and health leader by achieving the following goals:

1. Work with top business partners all around the world to grow the firm and broaden our range of health and beauty products. After facing the threat of COVID-19, beauty and health beliefs and lifestyle trends are likely to grow and spread sluggishly even though beauty and good health may go hand in hand. The healthcare industry is a sizable business with promising growth possibilities. As a result, the company is dedicated to expanding its business to include a complete variety of beauty and health products, as well as reaching a wide range of consumers to address their needs.

2. Be a leader in beauty and health innovation for the urban lifestyle (Convenience Health & Beauty) by developing innovative products that are simple to use, convenient, cost-effective, and in line with the rapid changes of consumers in the market. The company’s earlier expansion was fueled by the development of new products, which focused on innovations that meet the demands and lifestyles of urban consumers (urbanization). To stay up with market developments, the company’s new product launch concerns include cost-effectiveness, the convenience of use, and ease of purchase (Marketing Landscape). The technology-driven and automated processes during the COVID-19 pandemic have a direct impact when consumers have full awareness of online shopping, making a significant change and the best convenience. Today, as life changes, what we want to seek can be found on the entire internet globe, and people realize that online shopping is too convenient to the point where they don’t want to go back to shopping offline.

3. Strengthen distribution channels to cover both offline and online channels. Despite the Company's continuous success in making our major brand "Rojukiss" the No.1 Thai brand for the category of women's skincare in convenience store channel (from 2019-2021) and health and beauty store channel in 2021 (according to Nielsen, 2021), changing consumer behaviors during the COVID-19 pandemic proved that new sales channel expansion to reach target consumers is necessary for the business. As a result, the Company extended new distribution points for offline channels such as Took-D and Robinson GO and focused on an integrated online platform both e-commerce and social commerce that are famous among consumers in purchasing products.

4. Strive to become a leader in both domestic market and overseas through strong partnerships with business alliances in ASEAN for Indonesia and Vietnam. These 2 are key markets with growing demands for health and beauty products while the population of both countries share same interests and trends such as Korean wave and urbanized trend. The Company can leverage our consumer knowledge and business network of experienced partners to achieve the revenue target with 15-20% of gross sales coming from overseas channels.

Business Strategies

The company is dedicated to being a true health and beauty company, inspired to see and grow their potential by the world's greatest beauty and wellness companies on a long-term basis. The company aims to generate revenue of 3,000 million baht by 2026, with the long-term goal of becoming Asia's leading beauty and health company, or accounting for an average growth rate of around 29 % per year from 2021, compared to the company's rate of revenue growth of 39 % per year between 2017 and 2019, prior to the COVID-19 epidemic situation. The company's goal is to have a 40-45 % revenue share from skin care products sales in the country, as well as approximately 15-20 % of revenue from healthcare products, color cosmetics and related in hair products about 15-20 % while having a foreign revenue of approximately 20-25 %. The future success of the company's growth strategy will be determined by the following strategic moves: (1) the Rojukiss skincare brand's success in becoming a 1,000 million baht business; (2) the ability to build and increase the health and beauty portfolio by reaching out to business partners' consumer base and generating sales through the distribution channel; and (3) the expansion of the company's brands in Indonesia and Vietnam, which has resulted in significant corporate growth; and (4) The expansion of the business into healthcare products by investing in Hibiocy Co., Ltd., the company's subsidiary. However, the company's growth strategy can be altered based on the business scenario. The altered strategies would be implemented with the knowledge of executives in the beauty products industry. The company also has many flexibilities to implement them, such as being an asset-light company, having a strong brand group (Multi-category Brand Portfolio), multiple packaging (multi-format packaging) as backups, and the capability of non-stop inventing new quality health and beauty convenience products for the market.

(1) Build Rojukiss as the "One Billion Brands" by 2024

The company's flagship brand, Rojukiss, offers a unique selling point that distinguishes it from other skin care products on the market. It's a very effective facial serum produced with South Korean skin-care technology to treat a variety of difficult-to-resolve skin problems. The company already has a goal of developing the Rojukiss brand into a brand with sales of 1,000 million baht by 2024 (including all product groups such as facial care, hair products, etc.) with a desire to grow from a skin care line to a full-service beauty line. As of 2021, according to The Nielsen Company (Thailand) Co., Ltd. ("Nielsen"), covers the collection of sales

data of the entire market (mass market), including modern trade channels and general trade stores, excluding the luxury market, where products are sold over the counter in department stores. The facial skincare market in Thailand has declined to - 13.8 % since the outbreak of COVID-19. Rojukiss brand, on the other hand, declined at a slower rate than the market, at -12.6 %, and Rojukiss increased its share of beauty and wellness stores by + 13.8 %. However, the growth of skincare goods in this channel has slowed to -11.6 %. Rojukiss was severely impacted by the convenience store channel, which restricted their opening hours or closed during the lockdown measures and lower spending trends of this consumer segment. Even in unusual circumstances, the business results show that Rojukiss is a well-known and trusted brand and still a popular choice among customers.

Innovative skincare “Korean Serum”—the solution for all of your skin’s problems.

Rojukiss is a unique product with a high concentration of active ingredients that work primarily on the skin and are more effective and absorbent than traditional skin care solutions. Rojukiss is also the first brand to highlight the benefits of pore-solving products on the face, making it the only brand that can truly claim to provide “Innovative Facial Skincare.” The company is always developing new serums and other items for its portfolio. Rojukiss serum was a brand-new product that quickly gained traction and eventually became the brand’s star product after a lengthy time on the market. (1) Rojukiss Perfect Poreless Serum (2) Rojukiss Spotless Acne Serum (3) Rojukiss 5X Intensive Mask (4) Rojukiss Eye for Face Cream and (5) Rojukiss White Poreless Serum are some of Rojukiss’ best-selling products. In 2022, the company released new products to serve consumers’ need, for a total of approximately 50-60 SKUs. In this regard, the company has set a target of about 40–45 % of gross sales from domestic skin care products in 2026.

(2) Strengthening of sales channels through multi-channel stores both with a storefront (offline), e-Commerce and Media Commerce.

Both by building a brand that is appropriate for the customer base of business partners in that distribution channel and by selling well-known brand items so that target customers can easily select products that satisfy their demands and are more convenient.

- E-commerce: Following the COVID-19 incident, Rojukiss e-marketplace sales surged in unison with the behavior of customers who were unable to leave their houses to buy products in a traditional store. through the distribution stores in Shopee and Lazada. It is also complemented by the brand’s e-commerce channel, where customers can order their own products at www.rojukiss.com or ask for information and advice about products via social commerce channels, including www.facebook.com/rojukissthailand and Line official Account: @rojukiss as well as in TikTok shop: @rojukissth.official

The organization follows the philosophy of balancing the strengths of several sales channels. Simultaneously, we drive growth through new channels that will be able to reach consumers and allow the company to grow sustainably while keeping in touch with the target customer group who has diversified their behavior.

(3) Focus on expanding business to foreign countries.

In 2021-2022, even in the middle of the global COVID-19 epidemic, Rojukiss skincare products were successful launched in Indonesia by local distributors, It was first sold in convenience stores and through online channels at www.sociolla.com. Nowadays, There are many products that are available in the Indonesian market, including facial masks, serums both in sachets and bottles format, and cleansers. In 2023, the company intends to launch new products in Indonesia and implement a marketing strategy to promote Rojukiss products in Vietnam. Meanwhile, in 2023, the company will begin researching and evaluating potential business partners in other foreign countries for future growth.

(4) Play a part in health innovation to be in line with the company's vision and mission.

The company has invested in Hibiocy Co., Ltd. ("HIB") on March 9, 2022. HIB is a pharmaceuticals, medical supplies, medical device and medical equipment production and packing company. The objective of the investment in HIB is to leverage the expertise and legitimate right in transferring of knowledge to research, develop and commercialize in serving both locally and internationally of medical innovation decoded from antibody technology for SARS-CoV-2 prevention led by renowned World Class researcher and medical experts from Chulalongkorn University. This new-to-the-world innovation has scientifically proven in preventing or inhibiting Covid-19 virus (as per Memorandum of Understanding in Transferring Technology Knowledge). The company has viewed this investment as a key milestone in accelerating our capability to the next level especially for leading innovation of health which is in line with our corporate vision and mission – be the forefront player in both health and beauty innovations of Asia. Lastly, the company eagerly and proudly intent to be a part of driving technology and innovation led by Thai researchers & medical experts. The company started to commercialize this product by end of Q3/2022 after getting approval from Thai FDA.

Major changes and Developments

Business Overviews:

Rojukiss International Public Company Limited (KISS), formerly known as "AISANCE Company Limited," was founded on March 2, 2007, to create, outsource, and distribute health and beauty products under "Rojukiss," "Best Korea," and "PhD K-Derma", as well as "Sis2Sis" color cosmetics brands, and also healthcare product under the brand "Qi" and "VAILL COVITRAP™ Anti-CoV Nasal Spray". All the brands have more than 100 SKUs in total and are distributed both in Thailand and internationally through the in channel.

Because of marketing efforts to strengthen the company's brands, the company has grown gradually. KISS continues to create and improve existing solutions to better satisfy the various and ever-changing demands of its clients. During the past 5 years, the company sold over 100 SKUs of items entirely within the country. The company is constantly improving existing products or developing new ones, and it qualifies products, packaging designs, and prices to fulfill the needs of consumers at any given time. KISS focuses on having unique inventions that stand out from the competition, which entails the process of creating new products. It's a process that the company goes through on a regular basis, based on the results of market research and consumer demand. A continual study and follow-up process is in place. It is critical to gain fresh inventions, or even innovation that produces new requirements for consumers (unmet consumer needs). Every year, the company introduces new items by focusing on market research speed and studying consumer wants. In the creation and distribution of new products, speed and flexibility are essential. On average, it takes to develop a product and bring it to market can range from 9 to 12 months, depending on the product.



In 2022, the company released new products under its own brand for domestic and international distribution, as follows:

Domestics distribution

Brand	Product Name	Launch
ROJUKISS	Rojukiss Hemp Seed Oil 5X Micellar Water	Jan-22
	Rojukiss Anti Acne Serum Soap	Feb-22
	Rojukiss Terpene Anti Acne Serum Cleanser	May-22
	Rojukiss Glow and Bright Serum Foam	
	Rojukiss 5X Hya Pink Lip Serum Treatment	Sep-22
	Rojukiss 5X Ceramide Lip Serum Treatment	
	Rojukiss 5X Hya Coral Lip Serum Treatment	
	Rojukiss 5X Glow and Bright Toner and Essence Water	
	Rojukiss Anti-Acne Toner and Essence Water	
	Rojukiss Hemp Seed Oil 5X Serum Mask	
	Rojukiss White Poreless Serum Soap	
	Rojukiss Collagen Poreless Red Serum Soap	
	Rojukiss Vit C White Poreless Serum	
	Rojukiss Vit B Spot and Melasma Correcter Serum	
	Rojukiss Super charge Super Soft Whitening Mask	Nov-22
	Rojukiss Super charge Super Soft Lifting Mask	
	Rojukiss Super charge Super Soft Anti Acne Mask	
	Rojukiss Super charge Super Soft Hydrating Mask	
	Rojukiss Face Eye Neck Cream	Dec-22
BEST KOREA	Best Korea Anti-Acne Ampoule Cleanser	May-22
	Best Korea Anti-Acne Ampoule Serum	
	Best Korea Anti-Acne Ampoule Toner	
	Best Korea Anti-Acne Fast Serum	Sep-22
SIS2SIS	Sis2Sis Ultra Moist Lip Tint 41	Jun-22
	Sis2Sis Ultra Moist Lip Tint 42	
	Sis2Sis Ultra Moist Lip Tint 43	
	Sis2Sis Shimmery Eyeshadow 01	
	Sis2Sis Shimmery Eyeshadow 02	
	Sis2Sis Hya Collagen Lip Filler 51	Sep-22
	Sis2Sis Hya Collagen Lip Filler 52	
	Sis2Sis Hya Collagen Lip Filler 54	
	Sis2Sis Super Black Suoer Sharp Eyeliner 01	Oct-22
	Sis2Sis Perfect Slim Brow Pencil	
	Sis2Sis All Day Fresh and Bright Finishing Powder	
	Sis2Sis All in One Perfect Skin Foundation Powder	
	Sis2Sis Glam & Glow Eyeshadow 01	Dec-22
	Sis2Sis Glam & Glow Eyeshadow 02	
	Sis2Sis Mousse Velvet Lip 61	
	Sis2Sis Mousse Velvet Lip 62	
	Sis2Sis Mousse Velvet Lip 63	

International distribution

Brand	Product Name	Launch
ROJUKISS	Rojukiss Tea Tree Bija Pro Acne Serum Cleanser	Feb-22
	Rojukiss Jeju Lotus Glow & Bright Serum Cleanser	

As of December 31, 2022, the company developed, outsourced production of and distributed four product categories, including (1) skincare products represented 70%, (2) color cosmetics representing 13%, (3) hair color products representing 3% and (4) healthcare products representing 14% of sales before discount and return provision. The company distributes products under a variety of brands in Thailand and the other five countries which are Laos, Cambodia, Myanmar, Indonesia, and Vietnam.

Major Developments

Year	Major Developments
2007	<p>The company was established to operate the business of importing and marketing skincare products under the trademark Rojukiss from the trademark owner in South Korea to distribute products in Thailand</p> <ul style="list-style-type: none"> - On March 2, 2007, Khun Piyawadee Sonsingh, founded a company to import and promote Rojukiss skin care products from the South Korean trademark owner, as well as distribute them in Thailand. - "Rojukiss" product firstly was imported and sold in the health and beauty sector, Watsons was the first distribution channel.
2008	<p>Expand product distribution channels to convenience stores</p> <p>The company has expanded distribution channels for products under the Rojukiss brand to convenience stores, including 7-Eleven and Family Mart, and has expanded distribution channels for products from health and beauty stores to Boots.</p>
2009	<p>Expanding the distribution network of products to modern trade channel</p> <ul style="list-style-type: none"> - To reach more consumers via Tops, the firm expanded its distribution channel to modern trade retailers
2011	<p>Renaming the company and expanding the goods distribution network with contemporary retail channels</p> <ul style="list-style-type: none"> - Name changed from I.X. Company Limited to AISANCE Company Limited. - Rojukiss has embraced Tesco as a new open channel.



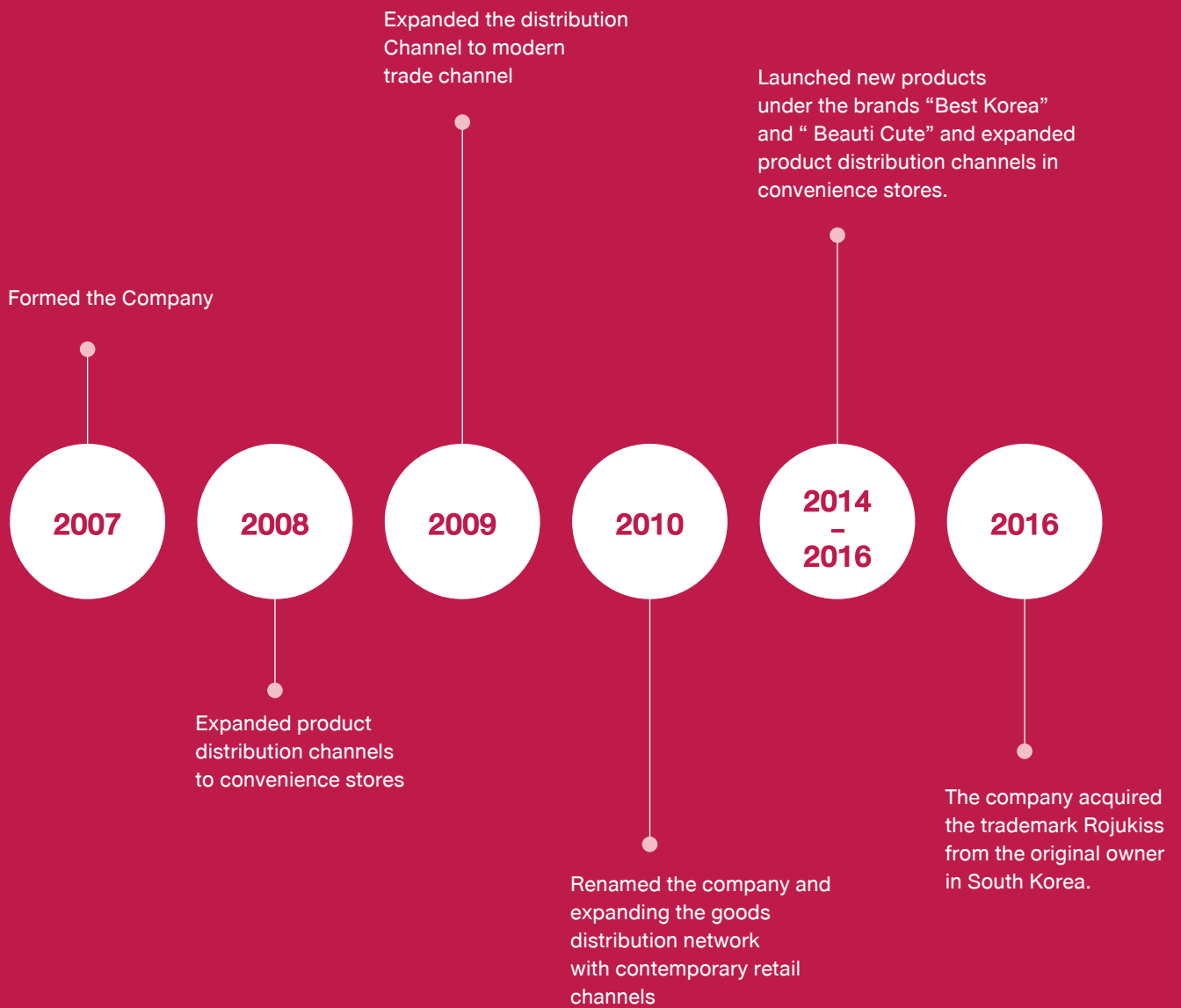
Year	Major Developments
2014 – 2016	<p>Launched new products under the brands “ Best Korea “and “ Beauti Cute” and expanded product distribution channels in convenience stores.</p> <ul style="list-style-type: none"> - The corporation had introduced a new brand, “Best Korea,” that offered facial skin care items in convenience stores around the country. Customers had more access to the company’s services, and it was easier for them to check out new goods as a result. - This year, there was also a new cosmetic line called “BeautiCute.” It was largely distributed through health and beauty stores, as well as other channels, to provide consumers with additional options for testing new items. - In addition to 7-Eleven and Family Mart, the company has expanded its distribution network to include convenience outlets such as Tesco Express, eXta, and Jiffy.
2016	<p>The company acquired the trademark Rojukiss from the original owner in South Korea.</p> <ul style="list-style-type: none"> - PhD International Limited (“PhD”) is an AISANCE subsidiary that purchased the Rojukiss trademark from the original owner in South Korea, anticipating the opportunity to grow South Korean skin care products in Thailand and other markets because the company has foreseen the opportunity to grow skin care products from South Korea, as well as the opportunity to develop the brand and develop various products to better meet the needs of consumers. - “PhD” is a corporation that was formed to possess all trademark rights and to be the exclusive user of such rights. “PhD” was formed in Hong Kong to help the company’s trademark gain a more global image. This will help extend the firm internationally in the future.
2017	<p>Issued ordinary shares and increased the Company’s registered capital by allocating existing and newly issued ordinary shares to Aurora Asia Holding Pte Limited (“AAH”)</p> <ul style="list-style-type: none"> - The Company issued ordinary shares and increased its registered capital to THB 173.33 million by allocating existing ordinary shares and newly issued ordinary shares to AAH that is a juristic person incorporated to hold shares of the Company for Lakeshore Capital I LP (“LC1LP”) and LC1 Aurora Co-investment LP (“LC1AC”) (collectively referred to as “Lakeshore Group”), both of which are private equity funds. (Please see additional information in Section 1.3 on the topic of shareholding structure of the Group of Companies) - The Company hired a professional management team with extensive experience in the consumer goods industry, to manage the Company and grow it quickly.
2018	<p>Launched new cosmetic brand, “Sis2Sis”</p> <ul style="list-style-type: none"> - The firm has launched a new brand called Sis2Sis, which was sold at the most well-known convenience stores, making items simpler, portable, and easier to use for consumers, as well as making it easier for customers who want to try new products.
2019	<p>Manufacturers and distributors in Indonesia have been awarded a license to use the Sis2Sis trademark, and the company provides business operations and marketing consulting services for the sale of products under the company’s brand in Indonesia.</p> <ul style="list-style-type: none"> - The company has signed a license agreement with a manufacturer and distributor in Indonesia for the use of the Sis2Sis trademark, as well as a business consulting service agreement and a strategic sales and marketing planning service agreement with a partner for the distribution of products under the Sis2Sis brand through an Indonesian convenience shop network that stretches the length and breadth of the country <p>Guts and Good was formed by the company’s management to handle the company’s shares.</p> <ul style="list-style-type: none"> - 2017-2019 The Lakeshore Group sold 12.60 percent of WWV’s total shares to AAH’s management and employees to create incentives for personnel to generate favorable results for the company. Following that, the company’s management and employees transferred their indirect shareholding to Guts and Good, a Singapore-based company that holds shares for executives and employees.

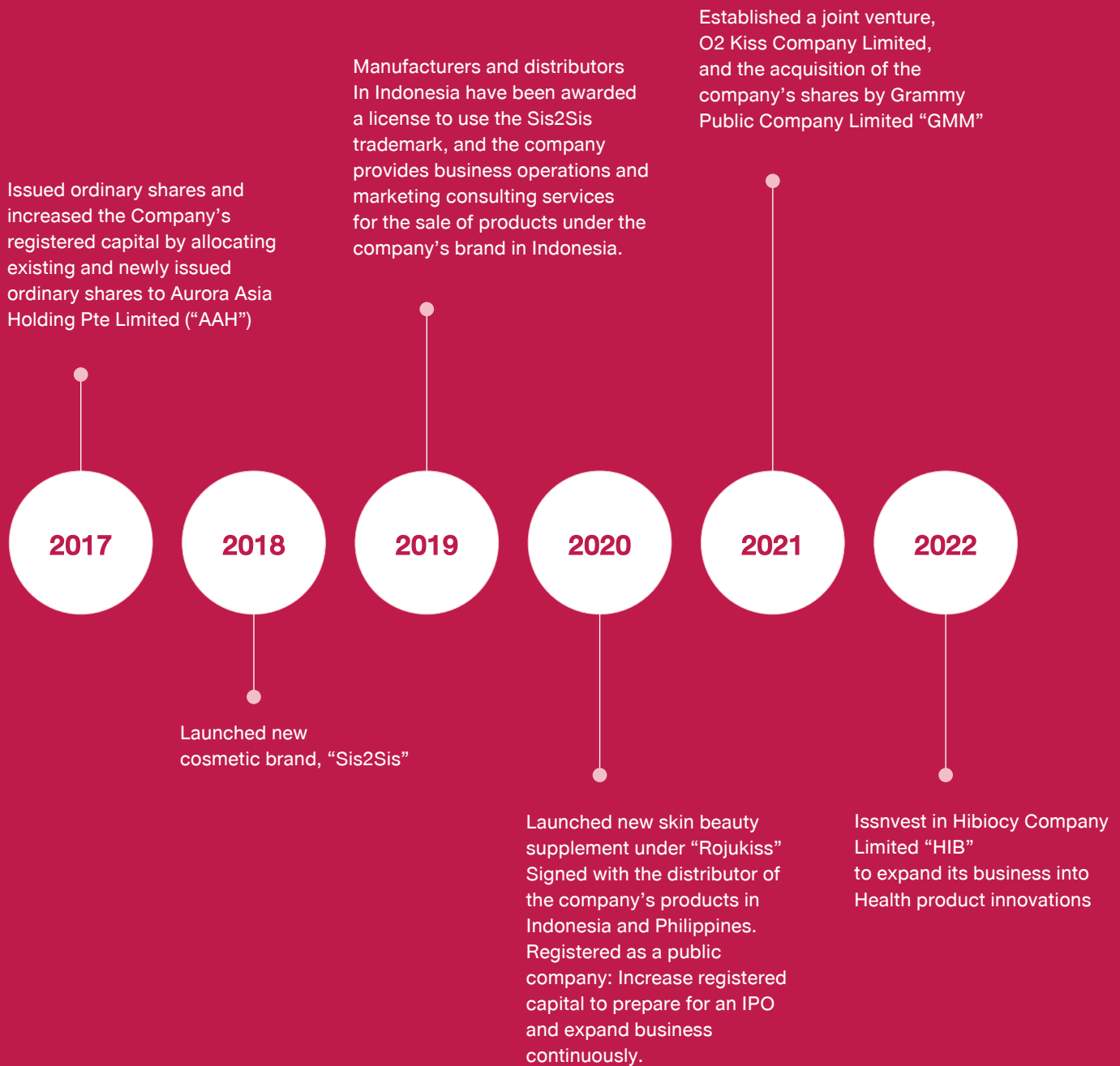
Year	Major Developments
2020	<p>Launched new skin beauty supplement under “Rojukiss”</p> <ul style="list-style-type: none"> - Rojukiss has created skincare supplements under the Rojukiss label to widen the Rojukiss brand from a beauty to a beauty and health brand. <p>Signed with the distributor of the company’s products in Indonesia and the Philippines.</p> <ul style="list-style-type: none"> - On January 31, 2020, and March 31, 2020, the Company entered into distribution agreements in the Philippines and Indonesia, respectively, to increase the sale of the company’s products through dealer partners in these two countries. <p>Registered as a public company: Increase registered capital to prepare for an IPO and expand business continuously.</p> <ul style="list-style-type: none"> - The Extraordinary General Meeting of Shareholders No. 1/2020 on May 9, 2020 resolved to 1) approve the payment of dividends from operating profits for the year 2019 to shareholders at the rate of 6.2 baht per share, amounting to total THB 107,407,731.27 and 2) increase the registered capital from THB 173 million to THB 270 million and allocate not more than 9,666,667 new ordinary shares with a par value of THB 10 per share to offer to the existing shareholders. - The Extraordinary General Meeting of Shareholders No.2/2020 on July 14, 2020, passed a resolution 1) to change the par value from the original par value of 10 baht per share to a par value of 0.50 baht per share. 2) to register as a public company and changed its name to Rojukiss International Public Company Limited. 3) to increase the registered capital from THB 270 million to 309 million to support the stock exchange listing 4) to allocate not more than 60 million newly issued ordinary shares with a par value of 0.50 baht per share for the public offering (IPO) and not exceed 18 million shares to support the exercise of warrants to purchase the company’s shares, warrants to the management and employees of the company (“KISS ESOP”). 5) to issue and offer warrants to purchase the company’s shares to the management and employees of the company under the KISS ESOP.
2021	<p>Established a joint venture, O2 Kiss Company Limited, and the acquisition of the company’s shares by GMM Grammy Public Company Limited</p> <ul style="list-style-type: none"> - On January 5, 2021, the meeting of the Board of Directors No. 1/2021 resolved to approve the company’s investment in ordinary shares of O2 Kiss Company Limited (“O2KISS”), a newly established company, by investing in 2,000,000 ordinary shares, representing a value of THB 20,000,000 with proportion of 40% of total shares. In this regard, the company has joint control through a contract between the shareholders and O Shopping Company Limited (“O Shopping” is a subsidiary of GMM Grammy Public Company Limited (“GMM”)). O2KISS was registered with the Department of Business Development on March 25, 2021. - On January 15, 2021, AAH and Ms. Piyawadee Sonsingh signed a Letter of Intent to grant GMM the conditional rights to purchase up to 40,459,500 shares and up to 19,480,500 shares of the company from AAH and Ms. Piyawadee respectively, totaling up to 59,940,000 shares or up to 9.9% of the company’s total shares after the IPO at the IPO price. The conditions which must be met if shares are to be purchased include: (a) a joint venture between the Company and O-Shopping Company Limited which is a subsidiary of GMM will have been set up and a shareholders’ agreement will have been executed, and (b) GMM will have received approval from its Board of Directors’ meeting to enter into the transaction. This Letter of Intent specifies that the conditional rights may not be exercised after 7 July 2021 and that GMM must be subject to a share lock up period of one year from the day of the transaction (Voluntary Share Lock-up). After this share lock-up period, should GMM wish to sell the shares to a third party, GMM must in writing notify its intention to sell, the number of shares, and price, and the Company and AAH has the right to find a purchaser of the shares that are held by GMM within 15 days from the date the notice is received at the higher price of: (a) offer price proposed to GMM by the third party or (b) 90% of the closing price which is determined from a weighted average price during a 30-day period before the notice of share sales. However, the Letter of Intent does not mention that GMM will have representation in the Board of Directors of the Company. As of June 10, 2021, the share sales transactions from AAH and Ms. Piyawadee to GMM have already been completed with 40,459,500 shares and 19,480,500 shares respectively, totaling of 59,940,000 shares or 9.99% of total number of shares of the Company at the IPO price, THB 9.00 per share, total amount of Baht 539.46 million. After shares sales transactions, AAH will hold 176,226,420 shares or 29.4% of total number of shares and Ms. Piyawadee Sonsingh will hold 108,219,460 shares or 18% of total number of shares. <p>Launched skin care products under the name of the joint venture O2KISS.</p> <ul style="list-style-type: none"> - March 2021 PhD K-Derma Anti Spot and Melasma Brightening Program, the skincare product was launched under joint venture of the company and O Shopping, O2KISS through O Shopping channel. <p>Release new products to export for sale to Indonesia.</p> <ul style="list-style-type: none"> - Rojukiss Facial Serum began selling in sachets in Indonesia in April 2021. - October 2021, Rojukiss Facial Serum 30 ml. bottle format was released in Indonesia.



Year	Major Developments
2021	<p>Release new products to export for sale to Vietnam</p> <ul style="list-style-type: none"> - December 2021, 4 SKUs of Facial Mask Intensive 5x were launched in Vietnam.
2022	<p>Investment in Hibiocy Company Limited to expand its business into Health product innovations</p> <ul style="list-style-type: none"> - On 9 March, 2022. the Company has successfully invested in Hibiocy Co., Ltd. ("HIB") by increasing the registered capital of 5.2 million baht or 50.93% of the total registered capital of 10.21 million baht using the Company's working capital. The objective of the investment in HIB is to increase the potential of growth with health innovations which is one of the Company's strategic growth to be a leader in Health and Beauty industry. The first HIB product will be the nasal spray, which is a medical device product that uses human antibodies against SARS-CoV-2 for COVID-19 prevention. <p>Change in shareholding proportion in O2 Kiss Company Limited (O2KISS)</p> <ul style="list-style-type: none"> - On 23 June, 2022. The company increase an investment in O2 Kiss Company Limited ("O2KISS") which was originally a joint venture in which the Company holds 40% of total shares by purchasing another 60% of shares from existing shareholders As a result, O2KISS has changed status from a joint venture company to a subsidiary of the company. O2KISS's products portfolio includes Qi nutritional supplement and PhD K-Derma skincare products. After this transaction, the Company continued to step into a platform that has a variety of health and beauty products. and comprehensive in the future <p>Change in shareholding proportion in Hibiocy Co., Ltd.</p> <ul style="list-style-type: none"> - On 19 October 2022, Hibiocy Co., Ltd. ("HIB"), has issued 11,950 newly issued preferred shares, having a par value of THB 100 per share or equivalent to THB 1,195,000. In this regard, the Company has additionally subscribed for 1,150 newly issued preferred shares, having a par value of THB 100 per share or equivalent to THB 115,000. The Company has already paid 25 % of the total share value or THB 28,750 and minority shareholders increased their capital to 10,800 shares with a par value of THB 100 per share, with a value of THB 1,080,000, in which minority shareholders paid 25 % of the total share value or THB 270,000. As a result, the Company's shareholding ratio changed from 50.93 % to 46.60 % of the total share value. However, the total voting right of the Company in HIB is equivalent to 50.99 % of the total voting rights of all shareholders after HIB's increase of capital, whereby the board of directors and management in HIB remain unchanged. <p>Officially launched "VAILL COVITRAP™ Anti-CoV" Nasal Spray under the management of Hibiocy Co., Ltd. ("HIB")</p> <ul style="list-style-type: none"> - On 27 September 2022. The product "Vaill CoviTRAP™ Anti-CoV Nasal Spray" has been officially launched and has been distributed since the end of September 2022. The innovative product is joint partnerships from 5 leading organizations from both government and private sector, comprising of the Faculty of Medical of Chulalongkorn University, the Institute of Health Systems Research (HSRI), Silpakorn University, the Government Pharmaceutical Organization (GPO) and Hibiocy Co., Ltd. The partnership has brought innovative research to the product commercialization a nasal spray that forms physical protective shield that traps and inhibits Covid-19 specifically in the nasal cavities. The short-term plan is to continue accelerating the production capacity to meet the consumer demand based on good response after the launch. While the medium to long term plan, the Company aims to distribute this product to other markets as well as develop other new innovative healthcare products through specialized partnership or experts to strengthen company portfolio and drive growth momentum which is part of near to long term company growth plan.

Majoy Changes and Developments





 **ROJUKISS**
세럼 전문



Report of the Utilization of Capital Increasing from Initial Public Offering (IPO)

Rojukiss International Public Company Limited (“the Company”) had completed the Initial Public Offering (IPO) on 5 and 8-9 February 2021 of 60,000,000 shares at offering price of Baht 9.00 per share, totaling Baht 540 million. The Company received the increased capital in the amount of Baht 512.42 million after deducting related expenses. The Company would like to report the utilization of capital increasing from IPO as of 31 December 2022 as follow:

(Unit: Million Baht)

Objectives	Plan Amount	Amount Used as of 31 December 2022	Remaining Amount as of 31 December 2022
Working capital for product development and new brands launched in Thailand	100.0	54.4	45.6
New product development to expand distribution and new channel (direct-to-consumer)	100.0	20.0	80.0
International business expansion	50.0	-	50.0
Investment in technology and digital development	50.0	-	50.0
Repayment of short-term loan	212.4	177.6	34.8
Total	512.4	252.0	260.4

Obligations to the Registration Statement

The Company submitted the registration statement and the prospectus to the Securities and Exchange Commission (SEC) on 24 July 2020, effective from 3 February 2021. As the submission of such form was in full compliance with SEC’s criteria, therefore, there was no obligation or condition for the permission request from SEC.

Business Structure and operations

Product Information

A. Product feature

The company's main business is producing, outsourcing, manufacturing, and distributing skincare, color cosmetics, and healthcare products under six major brands, three of which are held by the company, namely Rojukiss, Best korea, and Sis2Sis. While three of them are owned by subsidiary companies, namely Qi, PhD K-Derma, and VAILL COVITRAP™. The following are the specifics:

Rojukiss



Rojukiss is the first Korean brand that has been distributed and marketed in Thailand since 2007 with continued success for the past 15 years until today. Given this notable story, the Company acquired “Rojukiss” brand from the previous owner in South Korea to be our own brand. Rojukiss’ strength lies in its positioning as “skincare innovation” that can help solve severe skin problems while the Company adopted the technology used for the facial serum to develop multiple products to serve the beauty market.

Rojukiss offers a variety of skincare products that help alleviate problematic skin conditions including not only the “Facial serum” that is outstanding in the market with overwhelming consumer feedback but also Facial masle products or Eye for Face cream and Hair color serum shampoo.

In 2022, Rojukiss continued to distribute facial care products per following. The facial cleansing product group includes Rojukiss Serum Cleanser and Rojukiss serum Soap with a total of 10 SKUs combined, facial cleansing and preparation products before skin nourishment such as Rojukiss Hemp Seed Oil 5X Micellar Water, Rojukiss 5X Toner & Essence Water with combined properties of toner and essence to tend, nourish and clean skin, all in one bottle. Furthermore, the Company recently extended to lip care products thanks to the inspiration from the success of Rojukiss 5X Intensive Sheet Mask which is our best-seller by launching the Lip Serum Treatment as a lip serum in the form of balm that combines 5X concentrated ceremide to heal dry, cracked or chapped lips and help lips to be soft, moisturized and naturally plump including the clear gel lip serum treatment with concentrated 5X Hya Coral and 5X Hyaluron for cracked, colorless or dark lips to help rejuvenate lips to look soft, moisturized, healthy and fair. These products received good feedback from the market.

At present, there are 90 SKUs of Rojukiss products in total covering 3 product categories which are 1) facial care and cleansing products products, 2) hair and scalp care products, and 3) lip care products as listed below.



Facial care and Cleansing products:

Facial care and cleansing Products	Size	Price
Skincare products		
Rojukiss HYA Poreless Collagen Serum (Sachet)	6 ml.	39 THB
Rojukiss HYA Poreless Collagen Serum	18 ml.	550 THB
Rojukiss HYA Poreless Collagen Serum	30 ml.	990 THB
Rojukiss Perfect Poreless Serum	5 ml.	199 THB
Rojukiss Perfect Poreless Serum (Sachet)	6 ml.	39 THB
Rojukiss Perfect Poreless Serum	15 ml.	490 THB
Rojukiss Perfect Poreless Serum	25 ml.	549 THB
Rojukiss Perfect Poreless Serum	30 ml.	990 THB
Rojukiss Gluta Poreless Serum (Sachet)	6 ml.	39 THB
Rojukiss White Poreless Advance Repair Serum	5 ml.	199 THB
Rojukiss White Poreless Advance Repair Serum (Sachet)	6 ml.	39 THB
Rojukiss White Poreless Advance Repair Serum	18 ml.	535 THB
Rojukiss White Poreless Advance Repair Serum	25 ml.	549 THB
Rojukiss White Poreless Advance Repair Serum	30 ml.	990 THB
Rojukiss White Poreless Night Repair Serum	5 ml.	199 THB
Rojukiss White Poreless Night Repair Serum (Sachet)	6 ml.	39 THB
Rojukiss White Poreless Night Repair Serum	18 ml.	585 THB
Rojukiss White Poreless Night Repair Serum	25 ml.	549 THB
Rojukiss White Poreless Night Repair Serum	30 ml.	990 THB
Rojukiss Acne Poreless Serum	5 ml.	199 THB
Rojukiss Acne Poreless Serum (Sachet)	6 ml.	39 THB
Rojukiss Acne Poreless Serum	18 ml.	399 THB
Rojukiss Acne Poreless Serum	30 ml.	990 THB
Rojukiss Acne Spot Serum (Sachet)	6 ml.	39 THB
Rojukiss Acne Spot Serum	10 ml.	299 THB
Rojukiss Firm Poreless Spot Serum	5 ml.	199 THB
Rojukiss Firm Poreless Red Serum (Sachet)	6 ml.	39 THB
Rojukiss Firm Poreless Red Serum	18 ml.	585 THB
Rojukiss Firm Poreless Red Serum	25 ml.	549 THB

Facial care and cleansing Products	Size	Price
Rojukiss Firm Poreless Red Serum	30 ml.	990 THB
Rojukiss Firm Poreless Red UV Serum	40 ml.	399 THB
Rojukiss Orange C+Bright Pore Care Serum	8 ml.	39 THB
Rojukiss Eggplant Dark Spot Serum	8 ml.	39 THB
Rojukiss Vit-C Poreless Serum	8 ml.	39 THB
Rojukiss Vit-C Poreless Serum	25 ml.	390 THB
Rojukiss Vit B3 Spot & Melasma Corrector Serum	8 ml.	39 THB
Rojukiss Vit B3 Spot & Melasma Corrector Serum	25 ml.	390 THB
Rojukiss Perfect Poreless Eye For Face Cream (Sachet)	8 ml.	49 THB
Rojukiss Perfect Poreless Eye For Face Cream	10 ml.	149 THB
Rojukiss Perfect Poreless Eye For Face Cream	30 ml.	449 THB
Rojukiss White Perfect Poreless Eye For Face Cream (Sachet)	8 ml.	49 THB
Rojukiss White Perfect Poreless Eye For Face Cream	10 ml.	149 THB
Rojukiss White Perfect Poreless Eye For Face Cream	30 ml.	449 THB
Rojukiss White Poreless Day Cream (Sachet)	8 ml.	49 THB
Rojukiss White Poreless Day Cream	45 ml.	399 THB
Rojukiss White Poreless Night Cream	45 ml.	399 THB
Rojukiss Firm Poreless Red Day Cream (Sachet)	8 ml.	49 THB
Rojukiss Firm Poreless Red Day Cream	45 ml.	399 THB
Rojukiss Firm Poreless Red Overnight Sleeping Mask	45 ml.	399 THB
Rojukiss Eye Face Neck Cream	30 ml.	690 THB
Facial Mask Products:		
Rojukiss Perfect Poreless 5X Intensive Mask	15 ml.	39 THB
Rojukiss Perfect Poreless 5X Intensive Mask	25 ml.	69 THB
Rojukiss Hya Poreless 5X Intensive Mask	25 ml.	69 THB
Rojukiss Repair Poreless 5X Intensive Mask	25 ml.	69 THB
Rojukiss Terpene Omega Poreless 5X Intensive Mask	25 ml.	69 THB
Rojukiss White Poreless 5X Intensive Mask	15 ml.	39 THB
Rojukiss White Poreless 5X Intensive Mask	25 ml.	69 THB
Rojukiss Acne Poreless 5X Intensive Mask	15 ml.	39 THB
Rojukiss Acne Poreless 5X Intensive Mask	25 ml.	69 THB
Rojukiss Firm Poreless Red Serum 5X Intensive Mask	15 ml.	39 THB



Facial care and Skincare Products	Size	Price
Rojukiss Firm Poreless Red Serum 5X Intensive Mask	25 ml.	69 THB
Rojukiss Gluta Poreless 5X Intensive Mask	25 ml.	69 THB
Rojukiss Zinc Poreless 5X Intensive Mask	25 ml.	69 THB
Rojukiss Hemp Seed Oil 5X Serum Mask	25 ml.	69 THB
Rojukiss Perfect Poreless Hydrogel Mineral Mask 7	25 ml.	79 THB
Rojukiss Acne Poreless Hydrogel Mineral Mask 7	25 ml.	79 THB
Rojukiss White Poreless Hydrogel Mineral Mask 7	25 ml.	79 THB
Rojukiss Perfect Poreless Micro Fiber Mask	25 ml.	79 THB
Rojukiss Acne Poreless Micro Fiber Mask	25 ml.	79 THB
Rojukiss Firm Poreless Micro Fiber Mask	25 ml.	79 THB
Rojukiss White Poreless Micro Fiber Mask	25 ml.	79 THB
Rojukiss Supercharge Supersoft Whitening Mask	25 ml.	79 THB
Rojukiss Supercharge Supersoft Lifting Mask	25 ml.	79 THB
Rojukiss Supercharge Supersoft Anti Acne Mask	25 ml.	79 THB
Rojukiss Supercharge Supersoft Hydrating Mask	25 ml.	79 THB
Facial Cleansing Product		
Rojukiss Acne Poreless Soap	100 g	165 THB
Rojukiss White Poreless Resum Foam	100 g	165 THB
Rojukiss Glow and Bright Serum Foam	100 g	165 THB
Rojukiss Terpene Anti Acne Serum Cleanser	100 g	165 THB
Rojukiss Anti Acne Serum Soap 30g. X2	30 gX2	49 THB
Rojukiss Gluta Vit-C Poreless Serum Soap 30g. X4	30 gX4	69 THB
Rojukiss Anti Acne Serum Soap 30g. X4	30 gX4	69 THB
Rojukiss White Poreless Serum Soap 30g. X4	30 gX4	79 THB
Rojukiss Collagen Poreless Red Serum Soap 30g. X4	30 gX4	79 THB
Rojukiss Gluta Vit-C Poreless Serum Soap	70 g	69 THB
Rojukiss Hemp Seed Oil 5x Micellar Water	400 ml.	199 THB
Rojukiss 5X Glow & Bright Toner & Essence Water	40 ml.	49 THB
Rojukiss 5X Anti-Acne Toner & Essence Water (40 ml.)	40 ml.	49 THB

Hair & Scalp Care Products:

Rojukiss Hair & Scalp care Products	Size	Price
Rojukiss Color Naturals Shampoo: Dark Brown	30 ml.	69 THB
Rojukiss Color Naturals Shampoo: Natural Black	30 ml.	69 THB
Rojukiss Color Naturals Shampoo: Mahogany Brown	30 ml.	69THB

Lip care Products:

Lip care Products	Size	Price
Rojukiss 5X Hya Pink Lip Repair	10 ml.	99 THB
Rojukiss 5X Ceramind Lip Repair	10 ml.	99 THB
Rojukiss 5X Hya Coral Lip Repair	10 ml.	99 THB

Best Korea and Best Korea Laboratory

BEST KOREA
베스트 코리아

3 ไอเทม บอกลาสิว
SSUK ANTI ACNE AMPOULE

คลีนเซอร์
ลดแบคทีเรีย
ต้นเหตุของการเกิดสิว
190

โทนเนอร์
ลดสิิว รอยสิิว
พริตติงผิวหน้าอย่างอ่อนโยน
190

เซรั่ม
ลดสิิว
รอยดำ รอยแดง
จากสิิว
249

100% NATURAL PLANT

ถึงแม้วันที่ 21 ก.พ. - 24 ก.พ. 2565

27 ก.พ. 2565 - 25 พ.ค. 2565

*ผลิตภัณฑ์ทำมาจาก Glycolgen ที่ได้จากพืชธรรมชาติ

only at W

Best Korea facial skin care products were initially produced in 2015 with the concept of bringing exotic ingredients from abroad and quickly gaining popularity. The product benefit would be as effective as counter-brand products but sold in sachets and be inexpensive. The brand target is consumer who enjoys experimenting with different products on the market. They generally buy beauty products in convenience stores for less than 50 baht at a time. This price point will help make purchasing decisions easier and reduce the need to buy in bulk. Best Korea focuses on exotic ingredients, effective, actual results, and attractive skin outcomes like Korean women's skin, as well as customizing product textures to suit customer skin concerns and Thai weather conditions.

In 2022, Best Korea expanded its product line as Best Korea Laboratory SSUK with comprehensive acne care products. There is an important ingredient extracted from “SSUK”, a Korean miracle plant that has been a secret for Korean women’s skincare for a long time. With properties to soothe the skin, rich in vitamins A, B, C as well as antioxidants that nourish. It restores and protects the skin. Combined with salicylic acid help reduce clogged acne, and reduce oiliness on the face to make the skin look clear and acne-free, the target group of the product is people with all types of acne problems. There are 4 products in total: ampoule cleanser, ampoule toner, ampoule serum and Anti Acne Fast Serum for acne inflammation overnight.

Recently, Best Korea and Best Korea Laboratory have total product of 10 SKUs includes:

Skincare Product	Size	Price
Best Korea Black Gel Face Pack	10 ml.	49 THB
Best Korea Plankton Collagen Serum	20 ml.	49 THB
Best Korea Tea Tree Perfect Anti-Acne Serum	20 ml.	49 THB
Best Korea Eggplant Melasma Super Serum	20 ml.	49 THB
Best Korea Gold Caviar Collagen Serum	20 ml.	49 THB
Best Korea Aloe Vera Gluta Serum	30 ml.	49 THB
Best Korea Anti-Acne Ampoule Cleanser	200 ml.	190 THB
Best Korea Anti-Acne Ampoule Toner	200 ml.	190 THB
Best Korea Anti-Acne Ampoule Serum	30 ml.	249 THB
Best Korea Anti-Acne (Fast / Ampole) Serum	10 ml.	49 THB

PhD K-Derma

PhD K-Derma is a medical facial skin care brand under a subsidiary company. It’s a brand for consumers who seek facial care products that are gentle on their skin while still being helpful in treating existing skin problems. PhD K-Derma formula was created by a dermatologist in South Korea who was inspired by clinic skin treatment results.



Skincare product	Size	Price
PhD K-Derma and Spot and Spot and Melasma whitening Program	65+65 ml.	1990 THB

Sis2Sis



For the first time in Thailand, Sis2Sis is the first brand that offers revolutionary cosmetic pouch packaging with integrated brushes. The initial release took place in the third quarter of 2018. Sis2Sis has a patented packaging design to prevent imitation both in Thailand and many other countries around the world. Sis2Sis cosmetics is created using behavioral research and a thorough grasp of consumer preferences for compact and lightweight makeup. They are affordable and easily accessible in convenience stores, costing about 49 baht each sachet. Sis2Sis offers a flexible solution that may be used at any time and in any place. Sis2Sis is a

multi-use cosmetic that is comparable to or better than other cosmetics on the market and there are numerous popular color and shades to pick from South Korea's trend. Therefore, consumers can buy as many colors or types of products as they like without worrying about the expense or the risk of wasting them later. The consumer response to Sis2Sis has been positive. Recently, the company has just released a large-size product to cater to the needs of heavy makeup users

Currently, there are a total of 25 products covering eye, lip and face makeup as follows:

Sis2Sis Products	Size	Price
Sis2Sis Volumizing Mascara-01	2 ml.	49 THB
Sis2Sis Super Sharp Eyeliner	0.5 ml.	49 THB
Sis2Sis Pro Gro Mascara	8 g	129 THB
Sis2Sis All Day Eyebrow Pencil 01	0.28 g	49 THB
Sis2Sis Duo Gro Eyebrow 02	0.2g+2g	129 THB
Sis2Sis Hya Matte Foundation N1, N2	5 g	49 THB
Sis2Sis Hya Matte Foundation N1, N2	7 g	99 THB
Sis2Sis Perfect Cover Concealer 02	2 ml.	49 THB
Sis2Sis Matte Forever Stay 31	2 ml.	49 THB
Sis2Sis Matte Forever Stay 32	2 ml.	49 THB

Sis2Sis Products	Size	Price
Sis2Sis Matte Forever Stay 33	2 ml.	49 THB
Sis2Sis Ultra Moist Lip Tint 41	2 ml.	49 THB
Sis2Sis Ultra Moist Lip Tint 42	2 ml.	49 THB
Sis2Sis Ultra Moist Lip Tint 43	2 ml.	49 THB
Sis2Sis Shimmery Eyeshadow 01	1.5 g	49 THB
Sis2Sis Shimmery Eyeshadow 02	1.5 g	49 THB
Sis2Sis Hya Collagen Lip Filler 51	2 g	49 THB
Sis2Sis Hya Collagen Lip Filler 52	2 g	49 THB
Sis2Sis Hya Collagen Lip Filler 54	2 g	49 THB
Sis2Sis Glam & Glow Eyeshadow 01, 02, 03	1.5 g	49 THB
Sis2Sis Mousse Velvet Lip 61, 62, 63	2 g	49 THB
Sis2Sis Perfect Slim Brow Pencil	0.06 g	109 THB
Sis2Sis Super Black Super Sharp Eyeliner.	8 ml.	109 THB
Sis2Sis All Day Fresh & Bright Finishing Powder	4.5 g	79 THB
Sis2Sis All In One Perfect Skin Foundation Power	4.5 g	79 THB

Qi

Qi is a nutritional supplement based on traditional Chinese medicine that believes in the science of health balance and wellness. The product was developed in collaboration with experts in Chinese medicine, dietitians, and modern medicine. Qi combines three of the best dried Asian herbs and natural substances to nourish the body: 100 percent pure Tibetan cordyceps, Korean red ginseng fermented probiotics exclusive to Korean Yakult, and organic Lingzhi in the form of three tablets in one sachet for holistic health care



Currently, there are 2 SKUs as follows :

Healthcare Products	Size	Price
CORDYCEPS GINSENG LINGZHI (Qi) 30 sachets	3 capsule/sachet	1490 THB
CORDYCEPS GINSENG LINGZHI (Qi) 7 sachets	3 capsule/sachet	315 THB

“VAILL COVITRAP™ Anti-CoV Nasal Spray”

This nasal spray that forms a physical protective shield that traps and inhibits Covid-19 specifically in the nasal cavities was developed under the R&D collaboration from 5 agencies, namely the Faculty of Medical, Chulalongkorn University, Silpakorn University, Health System Research Institute (HSRI), Government Pharmaceutical Organization (GPO) and Hibiocy Co., Ltd. from the inception of the development until the approval from the Food and Drug Administration (FDA) as a medical device under Section 17 of the Medical Devices Act through 2 mechanisms which are 1) Trap HPMC will coat the surface of the nasal cavities to reduce the ability of the virus to attach to the nasal cavities and 2) Inhibit: Human Monoclonal Antibodies will physically inhibit the infectious coronavirus from entering into the body through nasal passage. The nasal spray is clinically tested to be effective immediately after spraying for up to at least 6 hours. “VAILL COVITRAP™ Anti-CoV Nasal Spray” is considered safe, effective and reliable as the product was thoroughly researched and tested for safety through different assessments including 1) Biodistribution Study to prove that it works only on nasal septum without being absorbed into the blood streams, 2) Biocompatibility Evaluation Assessment to ensure no hazard or toxicity and 3) Clinical Trial Study that shows no nasal anomalies or side effects.

Distribution channel

- Facebook: Covitrap
- Line Official: @covitrap
- Line Official: @senizens
- Senizens and Panacura
- Watsons
- Pharmacy



Healthcare Products	Size	Price
VAILL COVITRAP™ Anti-CoV Nasal Spray	15 ml.	790 THB



New Product Development Policy

The company places a high value on the development and design of new products, not only by developing high-quality innovative products that meet the needs of target consumers or products that arise from the creation of new market demands that do not yet exist, but also by ensuring that the product is innovative and accessible to all consumers. The company has an educational process and constant follow-up using market research results and consumer market data to generate new inventions or innovations to fulfill new demands of consumers (the consumer's unmet needs are key). This allows the organization to undertake ongoing market research and investigate consumer demand to develop and distribute new items with speed and flexibility, which is a competitive advantage. According to the following guidelines and methods, it takes typically 9–12 months from product creation to market release, which may vary from product to product:

1. Understanding Consumer Needs and Market Overview - Marketing and new product development teams will investigate, analyze, and comprehend changes in market and distribution channels, direct and indirect competitor's products, and product trends both locally and globally to use the data and insight to develop new innovative products to respond the needs of consumers. They'll use (1) the AC Nielsen and/or Euromonitor market database of variable categories, (2) both qualitative and quantitative research data conducted by experts to understand consumers' needs and behaviors, such as interviewing consumers to learn about unmet needs (focus group discussion), conducting a consumer survey, and (3) traveling to international markets to learn about new market and technology trends to identify new products for Thai and Asian's consumers.

2. Assessing new product concepts – After learning about consumer demand and the market scenario, the marketing and product development teams will come up with several fresh product concepts. The concept incorporates all aspects of the product, including the active ingredient, novel and distinguishing product qualities from existing products, texture, color, scent, how to use, packaging, size, and product price. The team will put the product concept to the test with the target consumer, both qualitative and quantitative research, and then gather the information in this process to outsource manufacturing and establish product quality and qualification requirements. However, because we did not own the factory, the company lacked R & D, but the team will work closely with the manufacturer's R & D instead.

3. Outsourcing of product manufacturing – after establishing the concept of a product that fits the needs of consumers, the process of finding manufacturers to make this new product began. By allowing manufacturers with experience in creating items in that category from both within and outside the country to compete to exhibit and develop products based on product concepts. Purchasing, Marketing, and new product development teams will analyze and choose the manufacturer based on the offers on product quality, qualification, quality, production method, and cost target. marketing and product development teams collaborate closely with the manufacturer's R&D department to direct product formulation or the use of key components (active ingredients) that meet the requirements, and the company may also be involved in defining or adjusting certain production steps to achieve a finished product that matches the product concept.

As of December 31, 2022, the company has hired 11 contractors, both in Thailand and abroad, to produce products under its trademark, with three foreign manufacturers accounting for 67 % of the entire purchase value. The company considers the manufacturers' knowledge and production technology, as well as their capacity to meet the company's product needs with good features and specificity, as well as respond well and quickly to the company's needs during the manufacturing process

4. Product testing prior to commercial introduction – The marketing and product development teams will assess the product sample created. By soliciting the assistance of other professionals to perform a variety of tests, including

- Clinical Test: The product's quality and safety will be assessed by the target sample under clinical observation and measurement to achieve the expected benefit result and product safety.
- Product Concept & Usage Test: assessing consumer response with the concept and use of a prototype product with enough sample size of target consumers to do a sensing check on their satisfaction.
- Pricing Test: a method for determining recommended prices that consumers will find desirable price to purchase for trial and repeat purchase.

Based on several tests designed, these processes will happen before the company decides to put the new product on the market. Alternatively, use the findings of the tests to improve the product before it goes on the market to ensure that it has the best chance of success and consumer acceptance.

The company has considered the following essential criteria when developing and designing new products:

1) Customers' wants are constantly changing and must be taken into account when producing new items.

In order to succeed in the market, the corporation aspires to provide a product that is unique, original, and exceptional. Market data is collected and analyzed by marketing and new product development teams. As the company strives to be a market leader in bringing new products to consumers, the process of identifying opportunities to develop products that can address unmet consumer needs both in the domestic and international markets, as well as information on technological trends from manufacturers, is an ongoing work process.

2) New products must perform better to generate significant results, and consumer safety is crucial.

The organization places a high value on quality. Product efficacy and safety are the most important factors to consider. The brand's and goods' loyalty must result in the company's success when customers are satisfied with the product and continue to buy it. This will be considered a long-term and sustainable success. Marketing and New Product development divisions must test the product's efficacy to guarantee that the outcomes are as advertised and that it performs better than competing products. Correspondingly, the company will select quality production manufacturers who qualified the international quality and safety standards such as ISO 22716 and ASEAN Cosmetic GMP certificates.

3) New product must offer the best value to consumers in the proper size and price.

In addition to addressing customer needs and being exceptional in terms of features and performance that satisfy customers, new products must be worth their value in terms of size and price that are appropriate for the target consumers. This is an essential strategy for the company's success. Consumers may easily obtain and purchase things for trial since they are the proper size and price. And after being tested, the consumer's satisfaction would lead to a repurchase and eventual brand loyalty.



Product pricing policy

To determine the price, the Marketing and New Product Development team will collect several pieces of information to be assessed for pricing and/or product price modifications, considering the following primary factors:

1) Pricing recommendations based on the brand's market position

Because the company's products are offered under a variety of brand names, the company must determine product prices based on product quality and the brand's pricing strategy, particularly in the facial care product category. The price must be appropriate for both the target audience's purchasing power and the brand's market position, as well as pricing to compare with the company's other brands and competitors in the market.

2) Pricing based on the cost of the product

The cost of production is another important factor in setting pricing. New product development, marketing, and purchasing divisions collaborate to calculate product costs, labor costs, and other expenses. The working group will use data as one of the factors in determining product pricing for each brand based on the company's gross profit standard. The company will not make any cost-cutting sacrifices about quality or the brand's market competition.

3) Pricing compared to other products in similar markets

Market competitiveness is one of the most essential characteristics of price. The product development and marketing divisions will survey the pricing of similar products on the market and compare them to the company's offering price. Appropriately, the firm's competitive advantages increase, as does its ability to meet the stated market share target. The surveys and data collection will be conducted on a regular basis to use its data to help determine the suggested product prices and adjust them if needed.

4) Pricing based on other economic factors

Other economic variables, such as foreign exchange rates, are recognized by product development and marketing departments and are used to assess the cost of procuring items from other nations or the selling price of selling products to distributors in other countries.

B. Marketing and Competitors




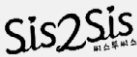

Marketing Strategy

The company continues to grow by developing innovative, efficient products. We have a wide variety of brands, and they are constantly being marketed to create awareness and induce consumers' trial to meet their needs and ever-changing behavior. There are variables that contribute to the company's success. The following is a summary of marketing policies and competitive strategies:

- The company has established a marketing strategy for each brand to develop a unique, distinct, and strong brand to be recalled and attract the target consumers.
- Under several trademarks, the company creates numerous products that cater to distinct market segments.
- The company has consistently and promptly developed innovative products that are unique to respond to consumers' various and ever-changing needs or to develop new demands within consumer groups.
- The company's high-quality product standard will be maintained. The advantages are evident and safe after usage, giving customers with a favorable decision of the brand or product to which they are loyal. Even though new items will be regularly given to the market, the quality of existing products will be maintained.
- The organization has a marketing and communication strategy that focuses on gaining a deep understanding of consumer to generate plans that will satisfy the target group and increase awareness, brand recognition, and product attributes.
- Each brand chooses efficient and effective communication tactics to effectively reach its market.

Consumer Target

The company considers the needs of a vast spectrum of customers, thus the brand was built and evolved to meet their needs.

Brand	Target	Explanation
	Premium/Mass Skincare & Haircare	Consumer with a medium to high purchasing power have complex skin issues and require cutting-edge technologies.
	Derma Skincare	Consumer with a high purchasing power have sensitive skin and seek a product that is both effective and safe.
	Modern Skincare	Younger consumers who appreciate things that are both economical and convenient, as well as unusual and innovative.
	Convenient Beauty Mass	Younger consumers who appreciate things that are both economical and convenient, as well as unusual and innovative.
	Premium Supplement	Consumers with medium-to-high purchasing power gravitate toward natural-ingredient products.

Product distribution channels

The following are the company's sales distribution networks for the years ending 31 December, 2021 and 31 December 2022:

(Unit: Million Baht)

Revenues by distribution channel ⁽¹⁾	2021	%	% YoY	2022	%	%YoY
Revenue from sales						
Modern Trade	560.1	67.7	(28.0)	568.7	57.2	1.6
General Trade	104.0	12.6	(22.4)	94.6	9.5	(9.0)
E-Commerce	25.5	3.1	98.7	20.9	2.1	(18.2)
Joint Venture and Subsidiary ⁽²⁾	13.5	1.6	100.0	149.3	15.0	1003.8
Export through Cross Border	28.2	3.4	38.2	53.6	5.4	90.4
Export through Foreign Distributors	95.5	11.6	285.6	107.8	10.8	13.0
Total revenue from sales and services	826.7	100	(18.0)	995.0	100	20.4

Remark: ⁽¹⁾ are revenue before deduction of trade rebate and discount and accounting estimation.

⁽²⁾ O2KISS Company Limited has changed its status from a joint venture to a subsidiary since 30 June, 2022

Product distribution in Thailand:

1) Modern Trade

1.1 Convenience Store

A small retail store with locations throughout the city, modern management, and a handy location. The products sold are often used in daily life, with a focus on availability 24 hours a day. The convenience stores like 7-Eleven, Family Mart, CJ Express, and TD shop are an example. They accounted for approximately 27.5 % of total revenue from product sales before product return estimates and trade discounts for the fiscal year ending December 31, 2022.

1.2 Health & Beauty Store

A store that specializes in specialty skincare, cosmetics, skin care, and hair care items and offers a large range of products. There are personnel on hand to provide guidance and assistance. There are branches distributed throughout metropolitan cities, as well as in department shops. Watsons, Boots, and EVEANDBOY are examples of health and beauty retailers.

1.3 Big Retail Store

A large supermarket sells a wide range of products, including fresh meals, vegetables, and fruits. Apart from the supermarkets, hypermarkets, and cash and carry in the area, the channel can supply the rental area outdoors. Lotus's, Big C, Tops, Makro, and Robinson GO are among examples.

2) General Trade

These types of stores may be found all over Thailand, and customers are likely to get to them quickly and easily because they are typically located in residential areas or near popular tourist spots. They would be in the following formats: local cosmetic stores, local supermarkets, local convenience chains, local pharmacies, local grocery stores, and local department stores in big cities. Top World, Win Cosmetics, Dara Cosmetics, Super Cheap, and Je Leng are examples of retail and wholesale structures.

3) E-Commerce

The company has offered its products through online channels to cater to the more demanding lives of customers and to provide ease for customers who may order things from anywhere at any time. which can be divided into (1) online stores where the company has brought products to trade via online channels (Marketplace) such as rojukiss.official in Lazada/Shopee and Konvy, (2) company e-commerce at www.rojukiss.com, and (3) brand social commerce (www.facebook.com/rojukissthailand) and Line Official Account: @rojukiss as well as TikTok shop

4) Revenue from Joint Venture and Subsidiary

Which includes 1) O2 KISS Co., Ltd. “O2KISS” which has changed its status from a joint venture to a subsidiary since June 30 2022 with a 100% shareholding, has now changed business from direct to consumer (D2C) channel to both online and offline channels 2) Hibiocy Company Limited (“HIB”), a subsidiary in which the company holds 46.6 % of HIB’s total paid-up shares.

Product distribution in international markets:

1. Export through Thai distributors (Cross-Border)

The company offers its products to designated distributors who act as the company’s representatives in Laos, Cambodia, and Myanmar. The distributors are in charge of shipping items from their Thai warehouses to their international warehouses and/or outlets. The company entered into Laos and Cambodia in 2021 and Myanmar in 2022.

2. Export through Foreign Distributor (Foreign Distributor)

Selection of competent partner organizations with skill and promise in distribution and marketing in that country is one of the company’s goals. The company can also customize product compositions and characteristics to the needs and preferences of local consumers in that country, guaranteeing that the brand and/or company’s products succeed there. The company currently sells and distributes under the Rojukiss and Sis2Sis brands in Indonesia, where it has gotten great feedback from consumers and has been expanded a product group, facial mask sheet, serum and cleanser. In addition, the distribution of the Rojukiss brand has been expanded to Vietnam in December 2021, starting with the Rojukiss facial mask sheet product.

3. Consulting services in business development, marketing, and distribution to international partners

In the second quarter of 2019, the company expanded its business in Indonesia by signing a license deal with a manufacturer and distributor in the country to utilize the Sis2Sis trademark. Due to Indonesia’s consumer goods conditions, it is vital to adhere to the country’s halal requirements. As a result, the company has collaborated with the partner by granting the right to use the trademark in the production and sale of Sis2Sis-branded items in Indonesia that comply with Indonesian halal requirements. In addition, the company has signed into a business development consulting service agreement with the distribution partner company by offering marketing and sales consulting services.



Industry and Competition

Conditions of Cosmetics and Beauty Industry

During 2021-2022, the COVID-19 outbreak caused by the coronavirus materially affected economic conditions domestically and globally while cosmetics and beauty industry was no exception. For example, distribution channels for products in department stores and convenient stores were forced to close temporarily which led to a significant drop in sales of beauty brands. As a result, business operators in beauty business were pressured to adjust their strategies to survive during the crisis. At the same time, consumers also changed their behaviors to minimize the impact and cut down on their luxury goods spending such as skincare products or cosmetics. Moreover, wearing facial masks on a daily basis became a new norm that made women less worried about wearing make-up. On the other hand, people paid higher attention to dietary supplements for prevention of health issues and promotion of health in general.

Consequently, manufacturers and distributors were required to embrace rapid change in consumer trends and behaviors and closely follow the COVID-19 situation to adapt their strategies in response to the situation. Nevertheless, the overall economy started to recover during the latter half of the year as the COVID-19 pandemic improved and the government began to ease the control measures by opening the border to welcome foreign tourists which allowed economic activities to resume to the normal state while consumption of cosmetics products bounced back evidently.

- Develop marketing strategies to launch products during the period of limited purchasing power through the execution of “Double Size, Same Price” strategy targeting convenient stores to address affordability issue by offering higher volume of products at the same prices while maintaining profitability to be at the level the Company estimated.
- Develop innovative products that meet consumer needs through affordable pricing and premium quality as Rojukiss uniquely offers. During 2022, the Company launched over 60 SKUs of NPD (New Product Development) which is considered quite high to support the Company’s operational plan to respond to the recovery of the overall economy.
- Build on the success of best-sellers through the extension of new product groups such as the launch of Rojukiss 5X Ceramide Lip Serum Treatment, Rojukiss 5X Toner & Essence water
- Adjust communication tactics, promotional activities, or public relations plans across various media to be a Top of mind brand, even in odd circumstances, to become a product that consumers will buy when they need it, and to compete with other brands in the skin care and beauty industry.

Competition

With regard to the competitive outlook under the COVID-19 pandemic, skincare and cosmetics business is likely to face intense competition for both online and offline channels especially online channels where there are a large number of emerging operators due to ease of starting business and low initial investment. Besides, e-commerce is considered a simple channel that can access consumers easily and quickly. Nevertheless, capabilities in various aspects are necessary to maintain the business in the long run including advantage of distribution channels, loyal customer base and brand and product uniqueness and differentiation to promote brand awareness among consumers while high level of investment is a pre-requisite to achieve higher market penetration to reach broader customer base. In addition, it is easier for consumers to purchase known brands thanks to the feeling of trust and safety. Nevertheless, apart from skincare and cosmetics products, consumers are interested more and more in dietary supplements that help nourish both skin and health under the new normal. The Company responded to this change by extending our business to healthcare market starting with “VAILL COVITRAP™ Anti-CoV Nasal Spray” which has been widely accepted by health-conscious consumers especially during the COVID-19 outbreak. This is considered another step toward becoming a leader in Asia’s health & beauty business for the future.

Operating Assets

Fixed Assets

As at 31 December 2022, the Company and its subsidiary have operating assets after deduction of depreciation as depicted in the Company's consolidated financial statement amounting to Baht 39.0 million with details as followed

Type	Objectives of Ownership	Net Book Value As at 31 December 2022 (Million Baht)	Obligations
Office apartments and building improvements	Office buildings and warehouses	32.0	None
Furniture and office equipment	Used in business operations	5.9	None
Computers and gadgets	Used in business operations	1.1	None
Total		39.0	

Summary of Long-term lease

1. Phase 1 warehouse and office building lease agreements

Lease parties	The Company ("Lessee") PHETMAHAWORRALARP Co.,Ltd ("Lessor")
Date of agreement	29 February 2020
Duration of agreement	3 years (1 March 2020 – 28 February 2023)
Objectives	The lessor is the owner of a warehouse building No. 41 (Building P19, containing warehouse space of 2,160 square meters and a two-story office building – 36 square meters on the first floor and 72 square meters on the second floor), located on Phatthana Chonnabot 4 Road, Khwaeng Khlong Song Ton Nun, Khet Lat Krabang, Bangkok, 10250. The lessor agrees to lease the lessee the aforementioned building and land for the purpose of storing inventory as part of conducting business.
Agreement value	Rental fee : 120,000 baht per month, not including withholding tax at the rate of 5% Service fee : 140,000 baht per month, not including value added tax (VAT)
Crucial conditions	<ul style="list-style-type: none"> The lessee will pay rental fee to the lessor in advance within the 1st day of each month. The lessee will deduct withholding tax at the rate of 5% of the rental fee, and at the rate of 3% of service fee. The lessee agrees to pay for property tax, which the lessor will charge according to the actual cost. The lessee will make a security deposit of 780,000 baht to the lessor per the agreement, which will be returned to the lessee once the agreement expired.
Agreement termination	<ul style="list-style-type: none"> The parties can make a joint decision to terminate the agreement and inform each other in writing within no less than 90 days before the date of agreement termination. If any party wishes to renew the agreement after the expiration date of this agreement, both parties must make a joint decision and renew the agreement no less than 60 days before the expiration date.



2. Phase 2 warehouse and office building lease agreements

Lease parties	The Company ("Lessee") PHETMAHAWORRALARP Co.,Ltd ("Lessor")
Date of agreement	16 July 2020
Duration of agreement	2 years 7 months (16 July 2020 – 28 February 2023)
Objectives	The lessor is the owner of a warehouse building No. 41/1 (Building P18, containing warehouse space of 2,160 square meters and a two-story office building – 36 square meters on the first floor and 72 square meters on the second floor), located on Phatthana Chonnabot 4 Road, Khwaeng Khlong Song Ton Nun, Khet Lat Krabang, Bangkok, 10250. The lessor agrees to lease the lessee the aforementioned building and land for the purpose of storing goods as part of conducting business.
Agreement value	Rental fee : 120,000 baht per month, not including withholding tax at the rate of 5% Service fee: 140,000 baht per month, not including value added tax (VAT)
Crucial conditions	<ul style="list-style-type: none"> • The lessee will pay rental fee to the lessor in advance within the 1st day of each month. • The lessee will deduct withholding tax at the rate of 5% of the rental fee, and at the rate of 3% of service fee. • The lessee agrees to pay for property tax, which the lessor will charge according to the actual cost. • The lessee will make a security deposit of 360,000 baht to the lessor per the agreement, which will be returned to the lessee once the agreement expired.
Agreement termination	<ul style="list-style-type: none"> • The parties can make a joint decision to terminate the agreement and inform each other in writing within no less than 90 days before the date of agreement termination. • If any party wishes to renew the agreement after the expiration date of this agreement, both parties must make a joint decision and renew the agreement no less than 60 days before the expiration date.

Intangible Assets

As at 31 December 2022, the Company's intangible assets had the net book value of Baht 16.2 million with details as followed:

Type	Net Book Value as at 31 December 2022 (million THB)
Trademark	6.9
Computer Software	0.7
Other intangible assets	8.6
Total	16.2

Intellectual Properties

1. Trademarks

As at 31 December 2022, the Company has own these trademarks. The details of trademark registrations in Thailand and overseas can be summarized as followed:

Thailand

The company has 22 registered trademarks in Thailand.

Trademarks	Registration numbers	Type of Product/Service	Protection Duration	Note
 ROJUKISS	KOR297675	Cosmetics Skincare	21 May 2008 - 20 May 2028	-
 ROJUKISS โรจกิสส์ ผลิตภัณฑ์ ดูแลผิวพรรณ	BOR46760	Sales promotion, business advertisements	2 July 2009 - 1 July 2029	-
 ROJUKISS โรจกิสส์ ผลิตภัณฑ์ ดูแลผิวพรรณ	KOR367399	Skincare products	9 April 2010 - 8 April 2030	-
 ROJUKISS	211115341	Sales promotion, business advertisements	12 June 2020 - 11 June 2030	-
 ROJUKISS	221101692	Skincare products	31 March 2019 - 30 March 2029	-
 ROJUKISS	221132844	Supplement	12 September 2019 - 11 September 2029	-
 Sis2Sis	191121790	Cosmetics	10 May 2018 - 9 May 2028	-
 Sis2Sis	211115643	Sales promotion, business advertisements	26 August 2020 - 25 August 2030	-
	211115652	Skincare products	15 September 2020 - 15 September 2030	-
	221108134	Supplement	1 December 2020 - 30 November 2030	-
	221105097	Sales promotion, business advertisements	1 December 2020 - 30 November 2030	-
 Wonder herb	221113226	Skincare products	15 September 2020 - 14 September 2030	-
 Wonder herb	221115894	Supplement	1 December 2020 - 30 November 2030	-
 Wonder herb	221115883	Sales promotion, business advertisements	1 December 2020 - 30 November 2030	-



Trademarks under O2KISS, a subsidiary

Trademarks	Registration numbers	Type of Product/Service	Protection Duration	Note
	2111125641	Sales promotion, business advertisements	12 June 2020 – 11 June 2030	-
	201116740	Skincare products	15 February 2018 – 14 February 2028	-
	221113194 (Qi Logo)	Skincare products	25 February 2021 – 24 February 2031	-
	221113277 (Qi Logo)	Dietary supplements	25 February 2021 – 24 February 2031	-
	221113287 (Qi Logo)	Sales promotion, business advertisements	25 February 2021 – 24 February 2031	-
	221113274 (Qi Stylized)	Skincare products	13 January 2021 – 12 January 2031	-
	221113300 (Qi Stylized)	Dietary supplements	13 January 2021 – 12 January 2031	-
	221113283 (Qi Stylized)	Sales promotion, business advertisements	13 January 2021 – 12 January 2031	-

Overseas

The company has 42 registered trademarks overseas.

Trademarks	Country of Trademark Registration	Registration numbers	Type of Product/ Service	Protection Duration	Note
	China	32370038	Cosmetics	7 April 2019 – 6 April 2029	-
	China	33433398	Cosmetics	14 May 2019 – 13 May 2029	-
	China	33433399	Cosmetics	7 February 2020 – 6 February 2030	-
	Japan	6185395	Cosmetics	4 October 2019 – 4 October 2029	-
	Indonesia	IDM000757882	Cosmetics	21 May 2020 – 5 October 2028	-
	India	4029217	Cosmetics	17 December 2018 - 17 December 2028	-
	Philippines	4-2019-001595	Cosmetics	9 June 2019 - 9 June 2029	-
	USA	6,146,441	Cosmetics	8 September 2020 - 8 September 2030	-
	Vietnam	388829	Cosmetics	8 June 2021 – 23 May 2030	-
	Hong Kong	302243295	Skincare products	6 May 2022 - 5 May 2032	-
	South Korea	4010450410000	Skincare products	9 July 2014 - 9 July 2024	-
	South Korea	4009721180000	Skincare products	31 May 2013 – 31 May 2023	-
	South Korea	4009721190000	Skincare products	31 May 2013 – 31 May 2023	-
	Laos	30828	Skincare products	18 December 2014 - 18 December 2024	-
	Myanmar	IV2161/2013	Skincare products	1 Mar 2013 - No expiration date	-
	Singapore	T1317103B	Skincare products	26 Feb 2016 – 23 October 2023	-
	Turkey	2013105033	Skincare products	26 September 2014 - 23 December 2023	-



Trademarks	Country of Trademark Registration	Registration numbers	Type of Product/ Service	Protection Duration	Note
ROJUKISS	Cambodia	34774/10	Skincare products	29 July 2010 - 22 February 2030	-
	China	12030377	Skincare products	28 June 2014 - 27 June 2024	-
ROJUKISS	China	6918481	Skincare products	7 September 2010 - 7 September 2030	-
 ROJUKISS	Hong Kong	301157148	Skincare products and cosmetics	10 July 2008 - 9 July 2028	-
ROJUKISS	India	1928278	Skincare products and cosmetics	1 March 2010 - 1 March 2030	-
 ROJUKISS	Indonesia	IDM000290479	Skincare products	20 January 2011 - 26 August 2029	-
	Indonesia	IDM000477326	Skincare products	9 August 2015 - 19 February 2023	renewal application
 ROJUKISS	Indonesia	IDM000880050	Dietary supplements	9 August 2020 - 19 February 2030	-
 ROJUKISS	Japan	5362546	Skincare products	22 October 2010 - 22 October 2020	renewal application
	South Korea	4009888940000	Skincare products	16 August 2013 - 16 August 2023	-
	South Korea	4009888950000	Skincare products	16 August 2013 - 16 August 2023	-
	South Korea	4010450400000	Skincare products	27 June 2014 - 27 June 2024	-
로쥬키스	South Korea	4007686890000	Skincare products	13 November 2008 - 13 November 2028	-
 ROJUKISS	South Korea	4008320030000	Skincare products	4 August 2010 - 4 August 2030	-
	Country Laos	30829	Skincare products	18 December 2014 - 18 December 2024	-
ROJUKISS	Country Laos	20248	Skincare products	18 May 2010 - 20 Jan 2030	-

Trademarks	Country of Trademark Registration	Registration numbers	Type of Product/ Service	Protection Duration	Note
ROJUKISS	Malaysia	9011978	Skincare products	20 July 2009 – 20 July 2029	-
	Myanmar	IV2161/2013	Skincare products	28 February 2013 - No expiration date	-
ROJUKISS	Philippines	4-2009-010407	Skincare products	4 May 2020 – 3 May 2030	-
 	Singapore	T1317104B	Skincare products	29 May 2014 – 23 October 2023	-
	Taiwan	1624042	Skincare products	1 February 2014 – 31 January 2024	-
	Taiwan	128663	Skincare products	1 November 2007 – 31 October 2027	-
	Turkey	2013105056	Skincare products	16 October 2014 – 23 December 2023	-
	USA	3984772	Skincare products	28 June 2011 – 28 June 2021	renewal application
ROJUKISS	Vietnam	40158789000	Skincare products	24 February 2011 – 12 october 2029	-

2. Patents and Petty Patents

As of 31 December 2022, the Company has owned these patents and petty patents. The details of patent and petty patent registrations in Thailand and overseas can be summarized as followed:

Thailand

Cosmetics

The Company has registered 1 petty patent for ready-to-use cosmetic packaging, which has a protection duration of no less than 7 years. The company has also submitted 3 requests for product design patents.

Skincare products

The Company has submitted 1 petty patent request for sachet packaging and has submitted 1 request for package product design patent.

Patents and Petty Patents	Registration numbers	Types	Registration Date	Note
Petty Patent	15347	Ready-to-use cosmetic packaging	19 July 2019	-

Overseas

Cosmetics

The Company has registered 2 petty patents for ready-to-use cosmetic packaging in 2 countries and is currently considering requesting 3 more petty patents for ready-to-use cosmetic packaging in 3 countries.

The Company has registered 10 product design patents for cosmetic packaging and cosmetic brush in 4 countries and is currently considering requesting 4 more product design patents for cosmetic packaging and cosmetic brush in 2 countries.

Patents and Petty Patents	Country of Trademark Registration	Registration numbers	Types	Registration Date
Product Design Patent	USA	D889,848	Cosmetic brush	14 July 2020
Petty Patent	China	201822115509.7	Ready-to-use cosmetic packaging	14 January 2020
Product Design Patent	China	ZL201830687693.5	Cosmetic packaging	13 September 2019
Product Design Patent	China	ZL201830687753.3	Cosmetic packaging	15 October 2019
Product Design Patent	China	ZL201830687372.5	Cosmetic packaging	15 October 2019
Product Design Patent	Indonesia	IDD000053824	Cosmetic packaging	22 January 2019
Product Design Patent	Indonesia	IDD53823	Cosmetic packaging	22 January 2019
Product Design Patent	Philippines	3-2019-050007	Cosmetic packaging	7 June 2019

Patents and Petty Patents	Country of Trademark Registration	Registration numbers	Types	Registration Date
Product Design Patent	Philippines	3-2019-050008	Cosmetic brush	7 June 2019
Product Design Patent	Philippines	3-2019-050009	Cosmetic brush	7 June 2019
อนุสิทธิบัตร	Japan	3224162	Ready-to-use cosmetic packaging	6 November 2019
Product Design Patent	Vietnam	31238	Cosmetic brush	19 August 2020
Product Design Patent	Vietnam	31239	Cosmetic brush	19 August 2020

Investments in Subsidiaries and Joint Ventures

As of 31 December 2022, the Company has invested in subsidiary and joint venture, with details as followed:

Company	Type of Business	Country	% Ownership	Investment at Cost Method (Baht)	Investment at Equity Method (Baht)
PhD International Limited	Own trademarks of Skincare and Cosmetics Products	Hong Kong	100.0	44,793	-
O2 Kiss Co., Ltd.	Distribution of skincare and food supplement products	Thailand	100.0	25,000,000	-
Hibiocy Co., Ltd.	Develops, outsources production of and distributes medical devices, medicine and medical supplies	Thailand	46.6	5,228,750	-



Policies on Investments in Subsidiaries and Associates

The Company is managed in accordance with the Corporate Governance Code for registered companies. Therefore, any company decision to invest in businesses is made by taking into consideration the return on investment for stakeholders. The Company also places importance on conducting businesses in accordance with the Corporate Governance Code as defined by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Consequently, the Company has formulated these policies on investments in subsidiaries and associates per the notice by the Capital Market Supervisory Board on the topic of requesting and receiving permission to sell initial public offering (IPO) stocks, as well as the guidelines provided by SET's Corporate Governance Code. The details are as followed:

The Company has a policy to invest in subsidiaries or associates that support the business direction of the Company, as well as investments in enterprises which align with the Company's goals, visions, and growing strategies. This will allow the Company to increase turnover and profits or invest in businesses with corporate synergy to increase the Company's competitiveness and achieve the goal of becoming a leading entrepreneur in the Company's main business. Accordingly, subsidiaries and associates may consider investing in other enterprises that showed potential for growing or expanding the business, which could generate a good return on investment. The Company therefore requires a mechanism to manage and be responsible for business conducts of subsidiaries as if they are among the Company's own agencies, including implementing measures to track and formulate an appropriate and sufficiently concise internal control system for subsidiaries to protect the interests in the Company's investments per the defined standards. The Company believes this will be a mutually beneficial way to create new ways to generate revenue and increase the Company's capacity to generate profit. Thus, the Company must take into consideration the investment ratio, expected profits, possible risks, and the Company's financial status, with appropriate investment analyzing process before making the decision to invest in any project. The decision to invest must be considered and approved by the SEC, the Capital Market Supervisory Board, and SET. Moreover, the Company shall appoint a Company representative who possesses the qualification and experience to join the Board of Directors in the Company with regard to the shareholding ratio to define important policies and manage business conducts of the aforementioned subsidiaries and associates.

Furthermore, the Company has a policy of tracking business management of subsidiaries and associates to protect interests in the Company's investments. Subsidiaries and associates have a responsibility to present monthly performance results and financial statements which are inspected or reviewed by certified auditors per installments involved, as well as any data used to formulate subsidiaries and associates' financial statements for the Company. This includes granting permission for the Company to use the aforementioned data to formulate a consolidated financial statement or the Company's annual turnover per installments involved. In addition, subsidiaries and associates have a responsibility to review and report any significant financial issues when found or requested to by the Company, including transactions between the Companies and involved individuals, asset acquisition and disposition, or any other transactions made by the Companies accurately and thoroughly.

Shareholding Structure of the Company

Shareholding structure of the Company

Shareholding structure of the Company as at 31 December 2022 is as follows:



No.	Company Name	Type of Business	Country	Paid-Up Capital	Shareholding Proportion (%)	Head Office
1	PHD International Ltd.	Own trademarks of Skincare and Cosmetics Products	Hong Kong	HKD 10,000	100.0	23/F., Tower 2, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong
2	O2 Kiss Company Limited	Distribution of skincare and food supplement products	Thailand	THB 50,000,000	100.0	100/8, 100/51-54 Vongvanij Complex B Tower 12th, 19th Floor, Rama 9 Road, Huai Khwang, Huai Khwang, Bangkok 10310
3	Hibiocy Company Limited	Develops, outsources production of and distributes medical devices, medicine and medical supplies	Thailand	THB 10,508,750	46.6	100/8, 100/51-54 Vongvanij Complex B Tower 12th, 19th Floor, Rama 9 Road, Huai Khwang, Huai Khwang, Bangkok 10310



Person that have conflict of interest that holding shares more than 10% in subsidiary and associate
-None-

Shareholders

Top 10 major shareholders as of 11 January 2023 which is the latest record are as follow:

	List of Shareholders	No. of Shares (shares)	Shareholding Proportion (%)
1	AURORA ASIA HOLDINGS PTE., LTD. ⁽¹⁾	176,226,420	29.37
2	Ms. Piyawadee Songsingh	108,219,460	18.04
3	GMM Grammy Public Company Limited	59,940,000	9.99
4	Guts & Good Pte., Ltd. ⁽⁶⁾	47,908,480	7.98
5	Thai NVDR Company Limited	7,274,313	1.21
6	Mrs. Sirinatta Techasiriwan	6,868,700	1.14
7	Bangkok Life Assurance PLC.(2) by Bangkok Capital Asset Management	6,037,600	1.01
8	Mr. Peeranart Chokewattana	5,544,000	0.92
9	Mrs. Sudarat Laohasiriwong	5,278,500	0.88
10	Muang Thai Life Assurance Public Company Limited	4,556,000	0.76
11	Other shareholders	172,146,527	28.70
	Total	600,000,000	100.00

Remark: ⁽¹⁾ Aurora Asia Holding Pte Ltd. ("AAH") is a legal entity incorporated under the law of the Republic of Singapore to operate investment business as a holding company in which WorldWideVac Limited ("WWV")⁽²⁾ is a shareholder in AAH with 100% shareholding. Aurora Asia Holding Pte Ltd. ("AAH")

⁽²⁾ WWV is a legal entity incorporated under the law of the Cayman Islands to operate investment business in AAH. It has two shareholders: Henderson Capital Asia ⁽³⁾ ("Henderson") holding 75.42 % and Lakeshore Capital I - Aurora Co-investment LP ⁽⁴⁾ ("LC1AC"), holding 24.58%.

⁽³⁾ Henderson Capital Asia Limited is a legal entity incorporated under the law of the Cayman Islands to invest in high potential companies in Asia. Lakeshore Capital I LP ⁽⁵⁾ ("LC1LP") holds 100% shares in Henderson. In the Letter of Commitment dated 14 September 2020, Henderson is committed to the Company as follows: (1) no limited partners are the major shareholder, or director, or management, or the Company's controlling person by definition of the notification of the Securities and Exchange Commission No. 17/2008 (definitions of terms relating to the issuance and offer for sale of securities), (2) as long as Henderson directly or indirectly holds more than 10% of the shares in the Company, Henderson will not invest in a business that competes with the Company in Thailand, and (3) if the ultimate general partners or limited partners are changed, Henderson and LC1AC, through Mr. Anotai Adulbhan, will notify the Company and request that the new ultimate general partners and limited partners comply with the rules of the SEC and with the Letter of Commitment, dated 14 September 2020.

^(4,5) LC1LP and LC1AC are Exempted Limited Partnership legal entities incorporated under the law of the Cayman Islands to invest in high potential companies in Asia. The investment is in the form of internationally managed Private Equity (Closed-end Private Equity). LC1LP's investors are in the type of Limited Partner with Lakeshore Capital I GP LP being a General Partner having the management control. Other investors in LC1LP and LC1AC include five institutional investors with total investment of more than 80%, and 41 High Net Worth individuals, both domestic and international, with total investments of not more than 20%. There is no person with possible conflicts with the Company or having direct or indirect investment of more than 5% of total investment in the Company. Nevertheless, LC1LP and LC1AC have Lakeshore Capital I GP LP as an Exempted Limited Partnership legal entity incorporated under the law of the Cayman Islands in which Lakeshore Capital I Ultimate GP Limited, which is an Exempted Company legal entity incorporated under the law of the Cayman Islands, has invested as General Partner with management control. The founders and shareholders of Lakeshore Capital I Ultimate GP Limited are: 1. Mr. Anotai Adulbhan 2. Mr. Panaikorn Chartikavanij, and 3. Mr. Supawat Likittanawong. The investment period of LC1LP ended in June 2020 so it could not enter into new investment other than that it has already invested. LC1AC was only incorporated to invest in the Company. Therefore, its investment period has expired at the same time and LC1AC's investment shall cease when LC1LP sells both direct and indirect investment in the Company.

⁽⁶⁾ Guts and Good Pte. Ltd. ("G&G") is a legal entity incorporated under the law of Republic of Singapore. G&G has a total of nine natural persons who are shareholders, and four shareholders are now the management of the Company: 1) Ms. Worrawan Chaikamnerd, 2) Mr. Thanayus Leeraphan, 3) Ms. Naruemoi Sukkamolwatana, and 4) Ms. Wipaporn Niamla-ong. The other five shareholders are the employees of the company. Ms. Worrawan Chaikamnerd is a controlling person in G&G and has acted in concert with G&G. Also, G&G has agreed not to sell shares for a period of three years after the shares have been listed on the Stock Exchange of Thailand (Voluntary Share Lock-up), save for the sale of the shares by management in the event of a Tender Offer, which will change the management structure and result in the management remaining in office for less than three years, and for a sale of shares that complies with applicable law and regulations.

Shareholding Agreement

There is no agreement between the major shareholders and the Company in matters affecting the operation of the Company or issuing and offering the Company's securities.

Relationship with business corporation of major shareholders

As at 31 December 2022, the Company's major shareholders are Aurora Asia Holdings Pte., Ltd. ("AAH") and Ms. Piyawadee Sonsingh with the shareholding proportion of 29.4% and 18.0% respectively. There were no business corporation with both shareholders in 2022.

Moreover, on 14 September 2020, Henderson Capital Asia ("Henderson"), including other companies under Henderson: 1) Hudson Asia Holdings, 2) Darlex Limited, 3) New Diamond Holdings, and 4) WorldWideVac (collectively the "Henderson Group") and Ms.Piyawadee Sornsingh confirmed in a Confirmation Letter to the Company that they will not invest, either direct or indirect in the proportion more than 10%, in companies that compete with the Company in the same market, as long as Henderson and Ms.Piyawadee Sornsingh remain major shareholders of the Company.





Registered and Paid-up Capital

As at 31 December 2022, the Company has registered capital at THB 309,000,000 consisted of 618,000,000 ordinary shares at a par value of Baht 0.50 per share and paid-up capital at THB 300,000,000 consisted of 600,000,000 ordinary shares at a par value of Baht 0.50 per share.

On 14 July 2020, the Extraordinary General Meeting of Shareholders No. 2/2020 had passed a resolution to approve 18,000,000 newly share issuance at a par value of Baht 0.50 per share for the exercise of ESOP Warrants offered to the Company's executives and employees ("KISS ESOP") not over 18,000,000 warrant units. The warrants term is not exceeded 5 years from the issuance date on 19 February 2021 with the exercise price at Baht 7.20 per share and the exercise ratio is one warrant to one ordinary share. The warrants can be exercised after 24 months from the date of issuance with a maximum amount no greater than 10% of total warrants, after 36 months additional warrants not more than 30% which total amount no greater than 40% of total warrants, after 48 months additional warrants not more than 30% which total amount no greater than 70% of total warrants and the remaining warrants can be exercised after 60 months.

Other Securities

-None-

Dividend Payment Policy

The Company has a policy to pay dividends at the rate of not less than 50% of the Company's separate net profits after deducting corporate income tax and other reserve funds as required by law and as determined by the Company. The Board of Directors and/or shareholders may also take into consideration other factors in paying dividends, such as the operating result, financial position and liquidity of the Company, the Company's reserve funds for future investments, business expansion and repayment of loans, working capital requirements, any condition or restriction determined by loan agreements and other factors that might have an impact on the normal business operations of the Company. The amount of dividend payment must not exceed the Company's separate unappropriated retained earnings and aligned with relevant law and regulations. The Board of Directors may consider paying annual dividends subject to the approval of the Company's shareholders meetings. The Board of Directors can occasionally approve interim dividend payments in case that the Company earned enough profit in doing so and must report to the next shareholders' meeting.

Dividend Payment and Legal Reserve Allocation during Fiscal Year 2022

Dividends	Approved by	Amount (Million Baht)	Dividend per share (Baht)
Annual Dividend 2021	Annual General Meeting of Shareholders 1/2565 on 25 April 2022	60.00	0.10
Interim Dividend 2022	Board of Directors Meeting 5/2565 on 15 August 2022	36.00	0.06
SDU		96.00	

The Company has allocated legal reserve amounting to Baht 900,000 which was approved by the Annual General Meeting of Shareholders 1/2565 on 25 April 2022.

● Risk management

Risk Management Policy and Plan

Rojukiss International Public Company Limited gives importance to risk management which is a part of good corporate governance and is an important foundation that helps the company achieve its objectives. Risk Identification and management helps the Company make better decisions, spot opportunities and develop plans to mitigate the impact of major risk events such as the recent COVID-19 pandemic.

The Company has put in place risk management system and process throughout the organization which is in line with business strategies and goals. The Company assigns responsibilities for risk control and review the risk measures annually by setting guidelines that cover the assessment in the following main topics:

1. Strategic & Brand Risk
2. Operational & Supply Chain Risk
3. Financial & Liquidity Risk
4. Information Technology Risk
5. Organizational Risk
6. Compliance Risk

the company's operations In managing risks, there are management guidelines as follows.

- Consider the risk appetite, costs incurred and the benefits to be received: Risk responses may be chosen from one or a combination of methods to reduce the probability of an event and the severity of its impact. The risk mitigation methods include avoiding, sharing/transferring, reducing and accepting.
- Assign responsible persons for each department under the Business Continuity Management Team as a working group to apply policies and operational procedures to control or comply with the guidelines set by the Company. Representatives of each department working in the Business Continuity Management Team will be the liaison body to ensure that all company executives and employees understand and aware of their own roles in controlling, avoiding, or minimizing the possible impacts from risks, which vary according to the nature of work of each department.
- Monitor and review the risk management results, including risk management assessment. The Business Continuity Management Team reports to the Risk Management Committee quarterly. After that, the Risk Management Committee will report to the Board of Directors.



Risk Factors for the Company's Operations

1. Risks related to the Company's business

The risks of relying solely on a few key manufacturers

Originally, the Company relies mainly on manufacturers from South Korea. In order to manage and diversify risks from having few manufacturers, the Company has selected additional manufacturers both in South Korea and Thailand in order to increase the variety of production sources both domestically and internationally and also reduce the risk that may arise from a shortage of raw materials. The selection will be from the manufacturers with high production standards according to international standards with stability and sustainability in business operations including labor. For the main and popular products with a high proportion of sales, the Company has arranged for the recruitment of additional manufacturers in parallel with the main manufacturers by having goals to improve quality to be equivalent or better than existing manufacturers.

Product imitation or use of the company's trademark is a risk.

Because the company's trademark is so well-known, counterfeit products with comparable appearances and concepts in the presentation of the company's products may exist. Some customers may wrongly believe it is the company's product because of this. If the counterfeit goods do not meet the standard or has a worse quality than the original product, it may mislead customers and cause them to have bad thoughts about the brand and the company. The company manages the risks in this matter as follows:

- The Company has entered into contracts with all manufacturers who know the production formula of the Company's products. The manufacturers agree not to disclose or disseminate the production formula or ingredients of the product including the production process to others and will not produce products that the Company sells either in the country of production or exports to foreign countries. This undertaking also has continuous effect for a period of 1-3 years after the Company terminates the manufacturing contracts with such manufacturer.
- The company has trademark registrations in several countries, both inside and outside the country where it initially enters the market, as well as countries where it has or may have intentions to grow into new markets in the future. Additionally, the company's packaging or products have a patent registration (patent), which is considered an invention both at home and abroad, to prevent and restrict the risk of copying the company's trademarks and inventions.
- A marketing budget is set aside by the corporation to increase brand recognition and loyalty. This would encourage customers to trust and buy genuine products exclusively from reputable distribution channels such as company-affiliated stores, the company's official store on the e- market place channel, and so on.
- The company continues to allocate and use its funds for research and development of new and difficult-to-copy things. It increases competitive advantage while reducing the likelihood of being copied by the product.

The health and beauty goods industry face fierce competition.

Beauty business is considered a highly competitive business as it is characterized by strong consumer demand while a large number of operators both local and international are contending for the market. The competition leads to a variety of beauty products with similar properties in the market for consumers to choose. Moreover, consumer behaviors tend to change rapidly following sentiments, trends or new information. The fierce competition can significantly affect the Company's business performance and financial position. Nevertheless, the Company is aware of the risk and thus set a management framework to build competitive advantage and create competitive opportunities to deliver success to the Company's business per following.

- Develop a recognizable brand identity and trademark, as well as continue to invest in marketing to raise awareness. This will help customers recall the company's brand, distinctive qualities, and product features.
- Focus on product research and development to continuously improve its products by using consumer trends to determine new product launches to keep up with the changing trends and situations. The Company has flexibility in terms of manufacturing from R&D centers run by manufacturers who are business partners of the Company. This has fostered an image of being a leader in beauty innovation in consumer perspective. International manufacturing standards contribute the consumer confidence on the reliability and safety of the Company's products when consumers try and see real results. This includes (1) adjusting the formula of all facial skin care products of the Company to be clinical grade in order to enhance consumer confidence that the products are safe, (2) adjusting the product formulation to be free from chemical ingredients such as parabens, synthetic fragrances and sulfates (SLS and SLES).
- Provide the consumers to have complete and convenient access to a range of distribution channels around the country, and it is a trusted and acknowledged distribution channel.

Risk from changes in consumer behavior

After the COVID-19 epidemic situation has subsided, consumer behavior has changed according to the improving situation. However, the impact on the economy in terms of finance and society still exists with interesting consumer trends as follows:

- Trend of Skimalism or reducing steps in the skin care process: This is a trend that emerged after the COVID-19 pandemic crisis that makes people haste so they look for uncomplicated and cost-effective skin care, resulting in more demand for products in the Hybrid or All-in-one category. The Company has launched products in this category to respond to changing behaviors such as Rojukiss Face Eye Neck cream, etc.
- Health care trend especially avoiding the infection with COVID-19 virus: Although the Thai Ministry of Public Health has announced that COVID-19 became a disease to be monitored since October 1, 2022, but the infection with COVID-19 still costs patients healthcare expense and self-quarantine, affecting their life and work. To respond to this healthcare trend, the Company has invested in Hibiocy Company Limited who manufactures Wells Covitrap nasal spray - the only spray with a specific antibody against the COVID-19 virus that help trap and inhibit the COVID-19 virus not to enter the body through the nasal cavity. This new spray has well received by consumers since September 2022.

- Revival of the cosmetic market in 2023: The cosmetic market was sluggish and has shrunk from the COVID-19 pandemic. Thus, the market in 2023 has grown back as consumers return to work at the office instead of working from home causing them to come back and buy cosmetic products. Also, make-up products are considered fashionable; thus, consumers therefore continue to follow the market trends. The Company plans to release new collections of cosmetic products every quarter.

Risk from the reliance on modern trade as the main sales channel especially convenience stores

For the accounting period ending 31 December 2021 and 31 December 2022, the Company's sales revenue from convenience stores accounted for 40% and 27% of total sales revenue of the Company respectively before the adjustments of the estimate of product return and trade discount due to the distribution of cream sachets through the channel such as 7-Eleven. Previously, convenience stores were our main channel but since the COVID-19 outbreak, sales through this channel have not yet resumed to the pre-pandemic level. However, the Company had a backup plan to introduce new products through other modern trade channels including Watsons, Big C, Lotus's and Makro. It is most likely that consumers will go back to purchase products in super/hyper markets more than during the COVID-19 outbreak.

- E-commerce plan has been revised. Despite the growing distribution via online channels, the Company searched for and appointed sales representatives for e-commerce channels (e-distribution service) to ensure that our online sales capabilities are strong and we offer an alternative channel for consumers to select and purchase our products with convenience. Undertaking the online distribution directly instead of working with different e-marketplaces allows the Company to manage online channel work plans efficiently, handle inventories properly and set monthly sales target more precisely.
- Foreign markets are considered another sales channel that can deliver growth for the Company especially sales revenue earned from skincare products sold in Indonesia, Vietnam, Laos, Cambodia and Myanmar. For the accounting period ending 31 December 2022, the Company registered sales revenue from export to foreign countries of 16.2% of total sales revenue of the Company.

Risk from reliance on a particular brand that contributes more than 30% of total sales revenue of the Company

Rojukiss products remain the key revenue contributor of the Company, accounting for 66.9% of total revenue before the adjustments of the estimate of product return and trade discount. Almost all of the revenue came from skincare product category which is under high competition while consumers are more sensitive in considering and choosing products. To mitigate potential risk from negative image to the brand Rojukiss, the Company carefully operates and continuously adheres to work principles for the past 15 years while the Company never compromises on manufacturing standards and all products are dermatologically tested to lessen worries of consumers. Hence, the Company is firmly confident in the product quality and safety. To minimize the risk from heavy reliance on only facial care products, the Company launched hair color serum shampoo under the brand Rojukiss to be distributed to consumers so that they can do hair coloring on their own during the COVID-19 crisis when hair and beauty salons were forced to close temporarily. In addition, the Company built on the success of Rojukiss sheet masks to premier Korean style colored lipstick treatment to help take care of dry, chapped, colorless or dark lips. At the same time, the Company has a plan to diversify risks by strengthening other brands such as Best Korea (skincare products in sachets), Sis2Sis (color cosmetics products in sachets that come with brushes).

Risk from New Product Launch

New product development means the improvement of existing products as well as the development of new products. In each new product launch, it requires a relatively high budget for advertising, public relations and sales promotion in order to make the product known in the market and get a good response from consumers by generating sales according to the set targets. The Company may face investment risks if new products are not well received or liked by consumers, especially in the highly competitive business environment when a lot of new products are launched by many competitors.

The Company is aware of such risks and has focused on preparing for the launch of new products to reduce the risk of new product launch failures as follows:

Risk Factor	Risk Management Plan
1. Organization Structure	Set up Product Development Department that is directly responsible for developing new products step by step including developing, designing, testing and selecting new products to meet the needs of target groups. The Product Development Department works closely with manufacturers in South Korea to study product trends in the beauty industry and plan product releases in line with the analysis of business opportunities and marketing strategy which is responsible by the Marketing Department.
2. Support from Management	Set up a process that allows Product Development and Marketing Departments to present its new product plans for approval by the management and the Sales Department. These involved parties can help select products that can be distributed both domestically and internationally as well as help design the size and packages of products that suitable for distribution in each channel.
3. Manufacturing Risk	Product Development and Purchasing Departments will work together to select the right supplier based on the performance evaluation of the manufacturing company to ensure that the Company will receive the quality products at prices as agreed upon. Before receiving the products, Product Development Department will randomly check those products before accepting the delivery of products to the warehouse.
4. Marketing Risk	Marketing Department is responsible for conducting research, analyzing consumer behavior and planning the introduction of products into the market. This Division also takes care of advertising and organizing marketing activities to drive targeted customer awareness and purchase to try new products and repeat purchases to ensure that the investment in new product launches has a satisfactory success rate. Marketing Department also adjusts their plans accordingly if they find that trends or responses from consumers are not as expected. To reduce investment risks from new product launches.
5. Legal Risk	Appoint a responsible person to coordinate with FDA officials (Food and Drug Administration), Such responsible person has knowledge and understanding of compliance with rules and prohibitions and has responsibility in following the steps required by law until the new products are approved by the relevant authorities. Afterwards, the Product Development Department will ask the Purchasing Department to notify the manufacturers to start production.

Inventory depreciation risk

Skin care products and cosmetics are the products that are always sold according to trends. In order to maintain sufficient quantities of inventory for the marketing plan, the company needs to plan in advance so that the inventory is kept in sufficient quantity and is able to cover all distribution channels thoroughly. In 2021 and 2022, the corporation kept an average Inventory outstanding ratio is between 86 and 83 days. The company confronts the risk of inventory deterioration as a result of changes in customer tastes or broader market and economic situations that have influenced and modified consumer product demand. This could result in present inventory not being sold or losing value. To mitigate the risks, the organization develops a strategy for assessing storage and implementing an acceptable policy for managing safety

stock for the product type. This entails monitoring products on a regular basis to ensure that they stay fresh for as long as possible. If a product's shelf life is running out or inventory is moving slowly due to low consumer demand, the company might undertake a promotional program to boost sales.

The risk from an inability to register a trademark in time or to register a trademark at all

Trademark risks can occur from the following reasons.

- Trademark registration depends on the registrar's discretion as to when to approve the trademark; thus, the approval period cannot be determined. If the company's competitors are registering the same trademark during the same period, the company may have risks that the name of the trademark must be altered. This will incur additional costs and will cause the product release timing to be slower than the original marketing plans.
- Some trademarks that the company is currently using are generic name so they cannot be registered as a trademark. There may also be a risk that competitors may use such trademarks to issue products as well. If competitors produce products under similar or almost identical trademark names but the products are not of equivalent quality or standards, consumers may misunderstand and have negative feelings towards the trademarks and the company.

The Company therefore has set up guidelines to reduce the trademarks risks as follows:

1. The company hires a law firm that specializes in trademarks to run the trademark registration process by relying on the expertise and experience of business partners in the examination, screening and providing useful advice to help the company estimate the timing for filing a trademark more accurately or be close to the time of product release, etc.
2. As another layer of protection, the company sets its budget on marketing and public relations in order to make its products and brands widely popular and consistently successful among consumers in order for the Company's brand to be categorized as Well-known Marks as specified and protected by Thai law and in accordance with the international principles of the World Trade Organization.
3. The Company focuses on making new product concepts to be released to be truly novel and difficult to imitate, increasing the competitive advantage. The Company has already acquired trademark rights of major brands of the Company, with products under registered trademarks accounting for more than 50% of the Company's revenue.

The risk of consumer harm and the reason for the product recall

The company's products are facial care solutions that are applied directly to the most sensitive portion of the body, the face. If a consumer suffers harm as a result of using the company's products, it may result in dissatisfaction, rage, and a claim or lawsuit against the company, which could escalate to the point of product recalls from multiple distribution channels. If the company does not have the correct action plan, any discontent with the damage made to consumers could have a major negative impact on the company's image and trademark, as well as its operating results and financial condition. To prevent consumer dissatisfaction in a restricted zone and to be able to stop such damage early, the company has devised the

following strategy to reduce the risk of harm experienced by consumers as a result of using the company's products.

1. The organization places a high value on product quality as a top priority. Quality control procedures are in place throughout the entire process, from formulation and manufacturing to product inspection before storage and transportation to the point of sale. Each production lot must have a quality certificate from the manufacturer to ensure that the products supplied will satisfy customers in terms of quality and are safe to use.
2. An assigned crew handles product complaints about quality and packaging, as well as product damage. This demonstrates that the company reacted quickly to the customer's unhappiness. The consumer will not get the sense that the company is avoiding or ignoring its obligations. In accordance with the company's product complaints policy, the consumer must submit the required information. Within 24 hours, the responsible person will contact the consumer to provide an update on the matter. A new product replacement will be delivered to the consumer within 3–7 days. This complaint, however, does not address whether customers would be satisfied after using the product or whether they will experience allergic responses. In the case of allergic reactions to products, consumers must follow the company's procedures so that it can be proven that there is a genuine allergy as a result of using the product (e.g., a medical certificate from a reputable medical institution), so that an accurate and fair conclusion can be reached for both the consumer and the company.
3. To support the case of litigation and proof that the consumer has been sued, the firm has chosen a manufacturer that has product liability insurance for products that are contracted to be created for the company. When the product's components or raw materials are employed and create damage or a production procedure that fails to satisfy the defined standards, the insurance company and the manufacturer will cover the costs.

The risk of failure to comply with the conditions of various licenses, including all relevant laws and regulations.

A company's operations are governed by several legal rules and regulations issued by various government agencies. The necessities for the approval of a number of government agencies and permits could not be missed and it could be posing the following operational risks:

- The danger of failing to comply with the licensing terms or requirements of the relevant government bodies due to force majeure or other factors. Government monitoring may consider suspending or canceling the license before the company faces legal consequences.
- The risk of not being able to always comply with all applicable laws and regulations. This could result in the operation being halted or incurring costs to mitigate the impact.

To ensure that the company can decrease this risk and comply with the rules and regulations as a reputable business operator, the company has established the following risk-reduction guidelines:

1. Have a dedicated team to study and monitor changes in legal regulations, as well as act as an inspector to assist relevant parties such as product development departments and marketing departments with all product and packaging design to ensure that everyone follows the law; terms related to product claims and advertising words, and so on. According to the company, this will prevent errors and the risk of fines, cancellations, sales bans, or recalls.
2. When an organization believes there is a substantial legal concern or that existing staff lacks appropriate understanding, it must consider engaging external legal advice to prevent such threats from occurring.

Risk of Exchange Rate

The company imports and exports products from overseas. So, the company may be exposed to the risk of foreign exchange rate fluctuations resulting from both the payment of goods and the receipt of funds in foreign currency. In addition, the company has investment in foreign subsidiary that use foreign currency. There will be a risk of foreign exchange losses if the baht depreciates. However, the company has managed its risks by executing forward contracts to mitigate the risk from exchange rate fluctuations to a certain extent, as appropriate.

The COVID-19 virus is spreading and posing a risk.

From 2020-2022, the spread of the COVID-19 virus in Thailand has had a substantial influence on business and the economy, including safety for the health and welfare of the company's personnel. As a result, the company had to change its working practices to support such crisis situations by preparing in every aspect. Although, at the end of 2022, the company required employees to return to work at the office instead of working from home, however, past events helped the company learn and be able to get through such crisis by the company. can also deliver products to customers on time and not affect the health and safety of employees. This comes from the operation plan according to the Business Continuity Plan that the company has prepared to support the situation according to the following framework

job description	Activities/Procedures	Department	Action Plan during COVID-19 outbreak
Receiving orders from customers	1. Sale Order Procedure	Sale Team	<ul style="list-style-type: none"> • Work from Home • The ordering process and billing cycle have stayed unchanged because all these operations are generally conducted online. • Use a Teleconference Application instead of meeting with the customer in person. • Reduce the number of visits to stores while still needing to follow orders by phone or line by allowing orders to be accepted via Line and confirmed via e-mail. Allow the merchant to transfer the payment to the company's bank accounts instead of collecting checks from the store throughout the invoicing process.

job description	Activities/Procedures	Department	Action Plan during COVID-19 outbreak
Delivery	2. Product delivery procedure	Warehouse	<ul style="list-style-type: none"> • Divide warehouse workers into sub-teams to enable them to switch between tasks with clearly defined working areas and scopes of work, ensuring that orders are delivered on time and without delay, even if one team discovers an infected person who must be quarantined for symptoms according to Ministry of Health guidelines. • Each team can perform alternately, especially in critical systems.
Purchasing and Inventory Management	3. Purchasing process/ Inventory Management Process	Purchasing & Supply Chain	<ul style="list-style-type: none"> • Work from Home • Increase the frequency of inventory evaluations from month to month on a weekly basis by conference call, Line Call, or Teleconference to verify that appropriate products are available for delivery according to the order list. Even amid the crisis, there must be no scarcity of items to sell. • Increase the frequency of coordination with international manufacturers to closely examine and anticipate problems so that production or distribution systems are not disrupted in unusual scenarios. It will be a daily gathering to collaborate with overseas firms during the crisis. • Sourcing and designating back-up manufacturers for best-selling products to plan of time for production and be ready to respond swiftly to demand to replace products from key manufacturers that may be affected by the pandemic and unable to restart operations in a timely way. We have items that are constantly updated to fulfill the needs of our consumers.
Billing, receiving and paying checks	4. receiving and paying checks procedure	Accounting & Finance	<ul style="list-style-type: none"> • Divide the workload and rotate the sub-teams between working from home and in the office for ongoing management and document management. • Send an e-mail notification to entrepreneurs and business partners to make it easier to complete the billing by mailing the original papers rather than submitting them at the company's office.
Personnel management	5. Employee Management Work Process	Human Resources Department	<ul style="list-style-type: none"> • The Human Resources Manager is responsible for coordinating with government organizations such as the Social Security Office, the Department of Disease Control, and the Ministry of Public Health to provide the company and its employees with government announcements and/or useful information in order to prepare a plan to support the spread of the COVID-19 virus, as well as ensuring that employees understand the plan in order to comply with government policy or common practice guidelines. • Organize a daily or weekly War Room Meeting for the Management Team (C-Suite) and the Human Resources Manager to deal with the crisis and monitor the current situation. Assess the impact on the corporation and develop policies and procedures to deal with both business issues and employee performance and safety across the board, including drafting numerous guidelines in an instant for quick implementation. • From the start of the epidemic, the modifications, and announcements, including the action instructions, will be communicated to employees at all levels via Communication Tree, to prepare all employees to be alerted in the event of a crisis.

Risks related to information security, operating systems and cyber threats

Cyber threats continue to emerge and despite software and tools developed to timely deal with cyber-attacks, Risks related to information technology security or technological threats still have the potential to arise from system failures, human error, and cyber security. The Company therefore continuously focuses on risk management in terms of information security, operating systems and cyber threats by having an action plan to maintain such IT security under the closely guidance of the Internal & External Audit. This covers processes that will help maintain data security, operating system and reduce the number of cyber threats as follows:

Cloud System Security: The Company has moved data from the local server to be stored on the Cloud Server by choosing a service provider that has the best security standards in the market and has been verified by both Internal & External Audit in terms of creditability.

Network Security: The Company has provided software for user name verification and generating OTP code to verify the identity of employees before connecting to the Company's network instead of allowing an automatic connection. The Company also requires that only registered devices (laptop, mobile phones, etc.) are allowed to connect to the Company's network to accommodate work-from-home and work-anywhere mode in case of emergencies and pandemics that may arise again in the future.

Endpoint Security: The Company limits the use of external devices to connect to the Company's devices such as USB and external hard drive. Only registered devices can be connected to prevent importing viruses or malware that may be hidden in other files that are not related to work.

The Company has its website as a communication channel for consumers and investors to communicate about product information, company information as well as a channel for submitting complaints about products and fraud per the requirements of the Stock Exchange of Thailand. Thus, to ensure that the Company's website is secure with capability to prevent cyberattacks, the Company has put in places two more processes as follows:

Vulnerability Assessment/Penetration Testing: The website may be a channel for attackers to use Artificial Intelligence (AI) to attack the website. The Company therefore requires website developers to do the Vulnerable Assessment in order to prepare a plan and procedures to prevent attacks.

Internet Security: The website has an authentication step before entering the website in place to screen between AI or real users.

In addition to the above processes to reduce the risk of cyber attacks as much as possible,

- The IT Department provides staff training to educate the procedures for employees both at the office and warehouse in case that employees suspect that they have received any phishing mail or malware. The IT Department also educate employees on how to observe email messages that may lead to ransomware as well as educate employees on cyber attack updates on an annual basis. For the new employees, there will be a training session

on Cyber Security on the first day at work to ensure that employees understand and are aware of the cyber threats that can cause damages to the Company.

- The IT Department runs data recovery test according to the annual business continuity plan. This can ensure that stored backups are up to date and that in the event of an emergency they can be retrieved within a specified time.

Non-compliance risk with Personal Data Protection Act (PDPA)

As the Personal Data Protection Act 2019 in Thailand became effective since June 2022, all companies who use personal data are required to set out governance policy to ensure personal data protection for shareholders, customers, employees and all stakeholders to be in compliance with the new personal data protection law. Given the recent enforcement, full understanding of the rules might not be achieved and this can incur risks than can cause mistakes. The Company is aware of this risk and formulated work plans to ensure the compliance with the personal data protection law per following.

- The Board of the Company appointed The Risk Management Committee to be the Company's Personal Data Protection Committee on November 14, 2022. As a result, the business continuity management working group has to take on additional responsibilities by acting as a Personal Data Protection Officer (DPO) in order to achieve continuity and conveniences in operations related to the protection of personal data in each department in accordance with the Personal Data Protection Act B.E. 2562.
- The Board of Directors has approved the engagement of independent legal experts with expertise in this area to ensure that personal information of shareholders, customers, employees, and stakeholders is correctly and strictly managed by the parties involved. Including attending training courses on personal data protection policies that law firms often organize to educate. Notify the progress of relevant regulations. to ensure that the Company's personnel Understand and be able to follow the requirements or apply to use in the company.
- Provide quarterly updates on the progress of implementing the personal data control policy of each department by the continuity management working group and notify the Chairman and the Risk Management Committee for acknowledgment.

2. Additional risks of conducting business in the international markets

Doing business in international markets involves a variety of political, economic, and legal considerations.

The company earned more than 108 million baht in revenue from exports through overseas dealers in 2022, a 13 percent increase over the previous year's exports. The result was a



significant boost in exports. The company also plans to continuously expand its business in Indonesia and Vietnam. Follow these guidelines to reduce the dangers of expanding the company's business internationally: (1) obey the law; (2) select a reliable and well-known partner in that country with significant market knowledge, talent, and competence; and (3) delegate to a team member the responsibility of researching and monitoring changes in applicable laws and regulations. If the market procedure will result in complex legal concerns, the company may consider getting legal advice from a third party.

The risks of international market business operations during the COVID-19 outbreak

There was no influence on export performance during the COVID-19 virus epidemic. However, operations that create delivery delays, such as the production of goods from countries of origin that are supervised according to COVID-19 requirements, are impacted. Product ordering takes longer than normal. The cargo or ship docking time is longer than usual due to the closure of borders between the producing and receiving nations, reducing the quality of products that have been aboard the ship for a long period of time and raising the cost of keeping the cargo. The organization has a risk mitigation plan in place for the mentioned risks, which includes working with manufacturers and distributors to prepare for business continuity in times of crisis, such as estimating appropriate inventories and providing quick and affordable service.

3. Risks in Management

Risk of having a group of big shareholders with a voting stake of more than 25.0 percent influencing the company's shareholders' meeting.

Aurora Asia Holding Pte. Ltd. ("AAH") holds 29.4 % of the company's total paid-up capital as of December 31, 2022. AAH becomes a major shareholder, with the ability to exert control over the company and influence votes at its annual shareholder meeting. This includes the ability to vote against a special resolution of the shareholders' meeting that requires three-fourths of the votes of the shareholders present and voting, as well as the power to nominate a person to be appointed as a director and the nomination of persons to be appointed as executives by the Board of Directors. As a result, other shareholders of the corporation may be unable to gather votes to balance the issues that AAH has presented to the shareholders' meeting for consideration. However, the company's management structure includes six committees in total, each with a clearly defined scope of powers and responsibilities, ensuring that the company's management is visible and auditable.

- Board of Directors
- Audit Committee
- Nomination and Remuneration Committee
- Corporate Governance Committee
- Risk Management Committee
- Executive Committee

The Board of Directors has nine members, five of whom are independent directors, and three of whom serve as audit committees to conduct an inspection, weigh options, and seek approval of various issues before submitting them to the shareholders' meeting.

Directors, major shareholder controllers, and associated parties, including those with possible conflicts, would not have had voting rights to approve the deal if they were involved in connected activities. In the case of a public offering of securities that affects shareholders, retail investors could vote against it with merely 10% of the votes cast at the meeting. In addition, the transaction must be approved in accordance with the Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand's guidelines. ("SET").

Risk from potential conflicts of interest with the Company and other shareholders in the future as the ultimate beneficial investor is AAH, a private equity firm.

The ultimate beneficial investor of the Company, AAH, is a private equity firm who engages in a business to invest in various businesses and conduct general business operations. Companies that the private equity funds invest in might be prone to a conflict of interest with other shareholders of the Company. Additionally, the funds can be used to invest in other businesses related to the Company's business that may impact the Company's opportunity to invest in that particular business to further enhance the Company's performance in the best interests of the Company and other shareholders.

On 21 July 2020, AAH issued a confirmation letter to the Company to agree that AAH will not invest in any business that competes with the Company in the same market (considering properties, prices and purposes of use of products and services). For the past recent period, AAH has been the major shareholder of the Company and in case that it is proven that damage is done to the Company or our shareholders from the fact that AAH deliberately invests in a business that competes with the Company in the same market as specified in the confirmation letter while AAH is still the major shareholder of the Company, AAH shall compensate for any damage incurred to the Company and shareholders according to the laws.

The risk from the restructuring of the organization and the recruitment of knowledgeable personnel to support the growth and change of the Company's business.

Business growth, overseas business expansion as well as changing business models to respond to the changing needs of customers may pose a risk that employees' knowledge and skills are inconsistent with such changes. Another potential risk can be a insufficient number of personnel to run operations in a timely manner. This may cause an impact on business operations performance, financial position, and image of the Company. The Company has therefore improved its human resource management guidelines to ensure that its people have the skills and abilities to work in line with the business direction.

- Recruiting personnel with knowledge, capability, creativity and ability to adapt to the rapid changes in environment and the Company's business.
 - Internal Recruitment: This is to create opportunities and motivate existing employees by having career advancement for employees to keep them motivated.
 - External Recruitment: This is to provide opportunities for new people with new ideas and perspectives to join the Company. This may cause the Company to adapt, solve problems, welcome new things more easily, and bring in useful experiences from other companies to be adapted to the Company.

- Recruiting Mid-Career employees with skills, knowledge, and abilities to join the Company. These new people can leverage their useful skills here at the Company by helping the Company enhance the potential of employees under their supervision more efficiently.
- Developing an employee development plan that is in line with changes: The head of each department closely supervises the development of employees to ensure that the Company has retained talented and skilled personnel to ensure the smooth and efficient business operation.

The risks of relying on a business-savvy leadership team

The company recognizes that the management team's ability to have knowledge, abilities, expertise, and experience in the beauty and health industry, starting with product development, product and supply chain management, marketing, and sales, both domestically and internationally. Personnel in the company's management team currently have business expertise, knowledge, and understanding, as well as a positive attitude toward working in a highly competitive industry that necessitates swift adjustments to suit changing market and consumer expectations. If the organization is unable to keep management and staff with expertise, ability, and a positive attitude, or recruit workers to replace them in a timely manner, it may have a negative influence on business operations, operating results, and the financial position of the Company significantly.

Nevertheless, the Company realizes that risk can emerge from the reliance on the management team and the Company ensures that for each function we make sure that the personnel are ready to succeed top executives to mitigate this risk. For example, the Company searches for professionals to help manage the business as well as conducting succession planning for key positions including all chief level positions by selecting and identifying successors to be approved by the Nomination and Remuneration Committee while the Nomination and Remuneration Committee is directly responsible for finding the Chief Executive Officer. Besides, the Company reviews and monitors the progress of the succession planning on a regular basis as well as fostering relationship building between mid-level management and officers at operational levels to prepare the next generations of executives.

- The Company put in place the following retention plan for capable employees who will be the key mechanism in conducting business for the Company. Determine the management of employee pay and remuneration in accordance with industry standards. Use data from top recruiting organizations such as Korn Ferry, Manpower, and Adecco, which will be presented to the Nomination and Remuneration Committee. This is to verify that the firm's remuneration has been assigned to management and staff in accordance with their obligations, and to ensure that the company can compete with leading companies in the same or similar industries.
- The 1st Extraordinary General Meeting of Shareholders, held on July 14, 2020, approved the issuance and offering of warrants to purchase shares of the company issued to management and employees (ESOP Warrants) in the amount of not more than 18 million shares with a par value of 0.5 baht per share, accounting for not more than 2.9 percent of the company's paid-up capital. To keep employees motivated and prevent them from leaving the organization, employees will be able to gradually exercise their rights to purchase ESOP Warrants on the ordinary shares at a price of 7.20 baht per share, with an exercise ratio of 1 warrant per 1 ordinary share, after 24 months from the date of issuance of the warrants, at the date set for the initial public offering on February 19, 2021, until the maturity of 60 months.

4. Risks associated with securities offerings

The risk of issuing underlying shares for the issuance and offering of warrants for the company's shares to management and employees (ESOP Warrant).

After the initial public offering (IPO) on 19 February 2021, the number of issued and paid-up shares of the Company increased by 60 million shares at a par value of 0.50 baht per share. After the exercise of the rights to subscribe for underlying shares of the issuance and offering of warrants to executives and employees under the Employee Stock Option Program (ESOP Warrant) according to the resolution of the Extraordinary General Meeting of Shareholders No.1 on 14 July 2020 was complete for the whole amount, issued and paid-up shares will increase by no more than 18 million shares at a par value of 0.50 baht per share from the original number of 600 million shares to be no more than 618 million shares or equivalent to less than 2.9% of paid-up capital of the Company. The mentioned share offering will cause different ratios that use equity or number of shares to compare to adjust downward as the equity and the number of shares used for the calculations increase (dilution effect) such as earnings per share and return to equity.

In case that executives and employees of the Company exercise their rights for the first time according to their warrants of the Company's ordinary shares for the whole amount (18 million units that they can subscribe for 18 million shares of the Company within the period of 5 years with the first-time exercise in the 2nd year at 10%, the 3rd year at 40%, the 4th year at 70% and the 5th year at 100% of the total allocated warrants), this will decrease earnings per share (Earnings Per Share Dilution) and voting rights of shareholders (Control Dilution) at a rate of 2.9% of profit shares or existing voting rights as calculated using the total number of distributed shares of the Company of 600,000,000 shares (paid-up shares after the Company conducted the IPO).

To allocate warrants of the Company's shares at a rate of 1 share per 1 unit for executives and employees (ESOP warrant) for the whole amount of 18,000,000 units at the price based on the fair value, it is required that the price not be lower than 80% of the price of the initial public offering (IPO) of the Company which was at 7.20 baht per share which may lead to price dilution. If the impact from the decrease in price per share is to be calculated with the price of the initial public offering (IPO) of 9.00 baht per share compared with the exercise price of the warrants of the Company's shares for executives and employees, price dilution on a fully diluted basis will equal to 0.6. Note that according to the International Financial Reporting Standard 2 (IFRS2) on Share Based Payment, the Company is required to conduct a valuation of the fair value of ordinary shares from the exercise of rights of the warrants for executives and employees under ESOP warrant while the difference between the fair value of ordinary shares and offering price must be recorded as expenses in the income statement. The Company must record share-based payment of 32.4 million baht calculated from the subscription rights for the Company's ordinary shares as assessed by the independent valuers at 9.0 baht per share and to accrue the share-based payment on a quarterly basis starting from the 1st quarter of 2021 with an approximate amount of 2.3 million baht until the 4th quarter of 2025 with an approximate amount of 0.5 million baht.

Sales of those shares to executives and employees may affect the trading price of the Company's shares and it is impossible to predict the impact (if any) in case of the future sales of shares or the holding of shares for sale whether it will negatively affect the price of the Company's



securities in the stock market. Nevertheless, the offering of warrants of the Company's shares to executives and employees help incentivize them to perform their duties more efficiently to maximize benefits to the Company and shareholders in the future as well as retaining competent employees with knowledge and skills to work for the Company in the long run thanks to the promotion of ownership that aligns objectives with shareholders while delivering benefits to the Company.

The equity of the corporation is being sold by AAH, and Ms. Piyawadee Sonsingh, or Guts & Good in the future, are among the significant investors, which would have a negative impact on the market price of the offered shares, whether at the same time or several times.

AAH, Ms. Piyawadee Sonsingh, and Guts & Good each held about 29.4 percent, 18.0 percent, and 8.0 percent of the company's total paid-up shares on December 31, 2022. If there are transactions which involve the sale of a significant number of shares by AAH, Ms. Piyawadee Sonsingh or Guts & Good or the anticipation of such transactions, it may adversely impact the share price of the Company. The Company cannot predict any future share sales or their impact on the share price at each relevant period. If transactions involving sales of a significant amount of shares on the SET take place after the IPO on February 19, 2021, or if such an event is anticipated, the share sales may adversely impact the share price of the Company.

However, after the IPO, the shareholders' agreement between AAH and Ms. Piyawadee Sonsingh will come into effect in which Ms. Piyawadee agrees with AAH that she will not offer to sell, sell, dispose of, or otherwise transfer shares of the Company to other parties, except for the immediate share sales after the IPO that counterparties have agreed upon. Also, as long as AAH remains a major shareholder of the Company, Ms. Piyawadee Sonsingh agrees not to sell or transfer any shares to other third parties without consent from AAH. All sales and transfers must comply with the laws on securities and exchange. The share sales of each party must be proportionate to their respective shareholding of the Company.

Also, the SET imposes a silent period requirement to prohibit strategic shareholders from selling shares up to 55% of the paid-up capital for one year after the IPO. They are permitted to sell 25% of the locked-up shares after six months from the first day of share trading on the SET. The remainder can be sold after 12 months have passed since the first day of share trading on the SET.

Investors residing outside Thailand may be restricted from offering shares to the company's existing shareholders on a proportional basis (rights offering) in the future.

The company may issue new securities in the future by a proportional offering of shares to current shareholders (rights offering) or in a similar instance, which must be followed for the acquisition of such rights. If granting such rights to the business's shareholders outside of Thailand would result in the firm having obligations under foreign law, the corporation may choose not to do so. As a result, such an offering may result in some groups of investors losing their right to receive shares from the company's current shareholders in proportion to the rights offered, and such a reason may result in a change in the shareholding proportion by which existing stockholders' stakes in the company shrink. Furthermore, when the company plans to offer shares in the future, it has no obligations and does not expect to register its securities in any secondary market other than the SET for foreign investors to have the right to subscribe to shares offered to existing shareholders in proportion to their rights offering.

● BUSINESS SUSTAINABILITY DEVELOPMENT

The company understands the need of consistent long-term growth and knows that stable growth is achieved by attaining success and creating value for all stakeholders. This involves a thorough understanding of the impact on both the environmental and social dimensions, which is the foundation of good corporate governance in our business.

As a result, the firm places a high value on and is committed to supporting sustainable development through the foundation of our business operations based on ESG (Environmental, Social, and Governance) principles, which encompass the environmental, social, and governance dimensions. The organization's sustainability policy was created to guide its strategy and ability to do business in a socially responsible manner, as well as to act as a supporter of the United Nations' Sustainable Development Goals (SDGs). As a result, the company's aim to be a global leader in the future beauty and health business in Asia will be reignited (Health & Beauty for the Future of Asia).

Sustainability Management Policy and Goals

In order to provide appropriate sustainability management and governance in line with the firm's sustainability strategy framework, which comprises of three essential pillars, the company has studied ESG in all aspects when conducting business through corporate strategy. The mission of developing the best beauty and health innovations that everyone can use, as well as being prepared to drive the needs and inspire sustainable Thais and Asians, will be driven by these three essential pillars: creating innovation, creating value for society (social impact), and creating alliances for the environment (creating environmental partners).

The company integrates the ESG perspective into its operations by connecting experiences and creating value for customers through innovative products and services, as well as marketing news and activities that recognize social and environmental responsibility as critical for long-term stability and sustainability, in accordance with the United Nations Sustainable Development Goals (SDGs).

3 Pillars of Sustainability Strategic framework



Creating Innovation

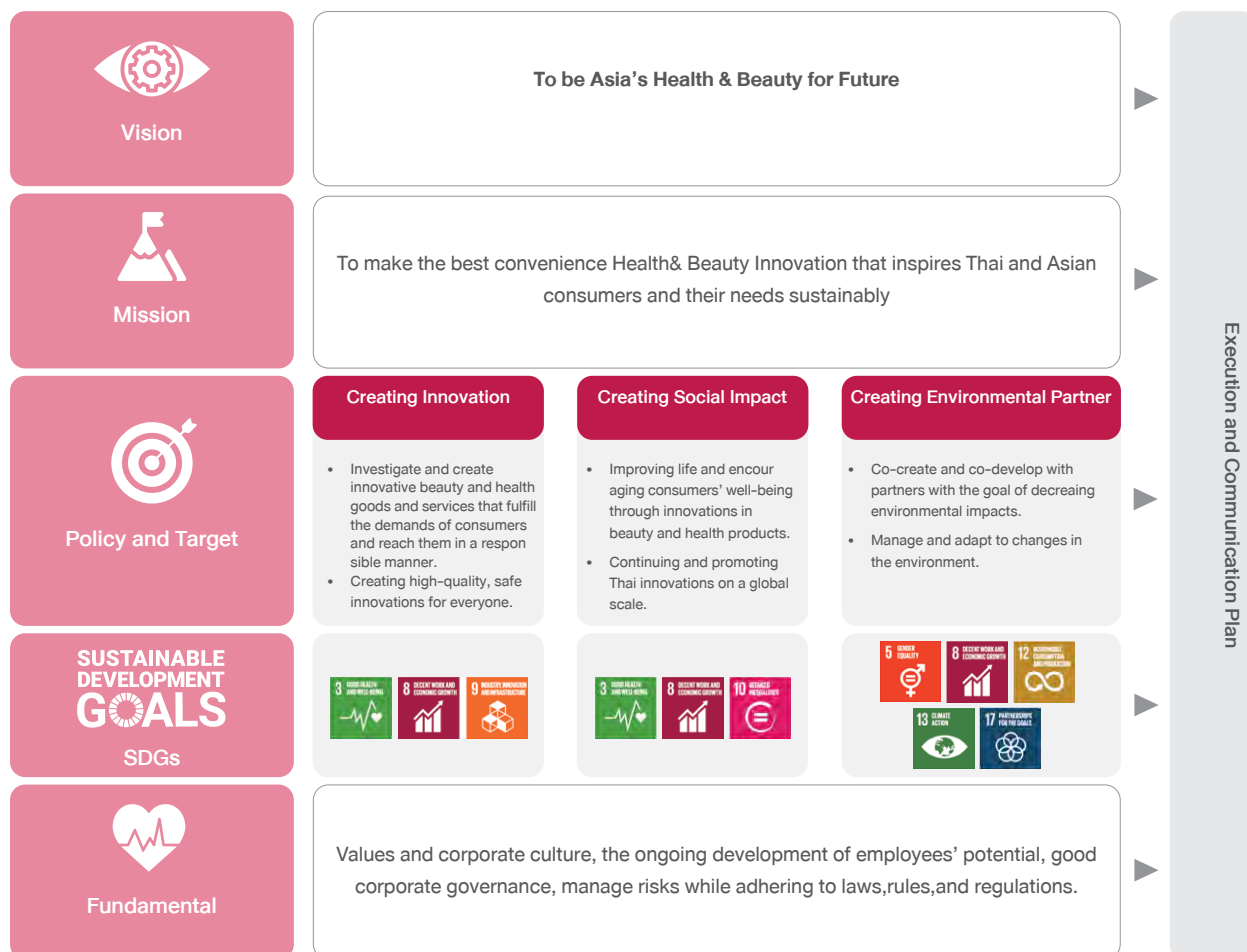


Creating Social Impact



Creating Environmental Partner

Managing impact on stakeholders in the business value chain



The organization considers management efficiency, as well as the production of value for benefits and ongoing effectiveness, when managing for long-term stability and sustainability. As a result, the company wants to encourage all its divisions to keep in touch with stakeholders throughout the value chain on a frequent basis. Stakeholder suggestions and opinions will be analyzed on a yearly basis by the organization to improve management and value-generating processes for long-term sustainability.

In order to verify that the firm's business has generated actual value and benefits for the economy and society, the company has examined and analyzed its operations in accordance with the sustainability policy's standards. Shareholders and investors, firm personnel, consumers, business partners, and regulators are the six groups of stakeholders.

In 2022, the corporation conducted a direct and indirect assessment of stakeholders both inside and outside the organization, which is an important activity. This will assist the company gain confidence and stability in the long run, as well as boost its competitiveness in the future. This indicates the organization is transparently caring for and prioritizing each stakeholder and treating them accordingly.

Shareholders and Investors

Interaction pattern/ number/frequency	<ul style="list-style-type: none"> • Annual Shareholders' Meeting • Quarterly earnings announcements • Meeting with shareholders or investors via a roadshow or conference • Investor meetings or meetings with a group of securities analysts • The website's Investor Relations section is updated on a regular basis • The phone and e-mail lines for investors are always open during business hours
Expectations & Concerns	<ul style="list-style-type: none"> • All shareholders are treated equally. • Timely and accurate sharing of information accessible through a variety of channels. • Its operating performance has been steadily improving. Dividends should be paid out on schedule and profits should be earned for shareholders.
Treatments	<ul style="list-style-type: none"> • Follow the rules and regulations of the Thai Stock Exchange and the Securities and Exchange Commission. • Work in a way that promotes good governance and social responsibility. • Invest for long-term success. • Dividends were distributed in accordance with the dividend policy. • Information can be disclosed and communicated to shareholders and investors in a variety of ways. • Organize and engage in a variety of activities, such as a roadshow or conference, to meet with both domestic and international investors on a regular basis, as appropriate.
Achievements	<ul style="list-style-type: none"> • Held the 2022 Annual General Meeting of on April 25, 2022. • conducted a roadshow meeting with the Fund Group. • organized Opportunity Day investor meetings, securities analyst meetings, and retail roadshow activities • Improve and expand investor relations work to give shareholders and investors more flexibility and better access.

Employee

Interaction pattern/ number/frequency	<ul style="list-style-type: none"> • Organize activities to strengthen internal relationships, such as Happy Birthday parties and other activities as needed. These activities take place online while working from home, according to the Ministry of Public Health's requirements (Work from Home) • Open to sharing ideas and listening to operational standards, as well as delivering monthly performance statistics through Employee Townhall meetings and other channels with the field of work that is constantly associated. • Provide information about the daily situation report as well as workarounds for the COVID-19 epidemic via email and work group channels on the LINE application. • Created employee training through 2 projects, Whole Brain Thinking and G.R.O.W. Your Inner Leadership, to promote leadership skills. Prepare for future challenges
Expectations & Concerns	<ul style="list-style-type: none"> • Clarity in corporate management concepts, as well as the business condition and methods of operation in the face of the COVID-19 epidemic. • Change Management • Developing the potential and abilities required for future employment and advancement. • A system for evaluating performance that is both efficient and fair. • Employees' compensation, welfare, and safety

Employee

Treatments

- Communicate the company's goals, plans, and results to personnel at all levels on a regular basis.
- Encourage employee advancement and boost morale among long-serving personnel (Long Service Year Award).
- Determine policies, strategies, and procedures for evaluating employee remuneration and benefits in a systematic manner, considering the legal framework and the company's capacity to compete in the market.
- Remunerate employees at an appropriate rate and on time.
- Act responsibly in accordance with health, welfare, safety, and environmental rules and procedures.

Achievements

- Clarification of the business environment and ongoing communication with employees aid in understanding the operation and the ability to work even when working from home is required.
- Design and alter the incentives for employees who have been loyal to the company for a long time (Long Service Year Award) to be current and appropriate for the situation.
- Arrange for all staff to receive the KISS Healthy Box Set. The organization demonstrates concern and emphasizes the importance of employee welfare and health.
- Provide weekly ATK inspections and regularly verify the status of all personnel in all areas of operation to maintain employee safety by rigorously adhering to Ministry of Public Health standards and regulations.



Consumer

Interaction pattern/ number/frequency	<ul style="list-style-type: none"> • Consumers now have access to more product distribution channels, such as online and media commerce. • Provide a channel for customers to contact with questions and recommendations, such as a Call Center, an email address, a LINE group (Official Line Account), or a Facebook Messenger channel. • Update the company's webpage with new information so that customers can get product information on their own whenever they want.
Expectations & Concerns	<ul style="list-style-type: none"> • Continual service provision and availability to goods and services are critical even during the COVID-19 virus pandemic. • Product quality and service quality of the company representative • Continuous product development to meet a wide range of requirements in terms of quality, cost, and distribution across several channels. • There are safeguards in place to ensure the protection of consumers' personal information and to avoid infringing on their privacy.
Treatments	<ul style="list-style-type: none"> • Set a standard for the company's customer service philosophy of treating all customers fairly and equally. • Continually serving customers and increasing product distribution in both general shops and online channels, such as expanding the product list in convenience stores, Watsons, leading Marketplace channels, and Media commerce on O Shopping TV. • Develop and upgrade customer-facing systems and service channels on a continuous basis. So that products and services can be delivered swiftly and efficiently to all clients. Customers' suggestions are welcome to improve the design of future products and services. • Provide training and ensure that assigned personnel are aware of clients' privacy policies. The procedure complies with legal standards and is clearly disclosed in the operation or commercial operations only with the consent of the consumer, according to the statement.
Achievements	<ul style="list-style-type: none"> • Customer satisfaction with goods and services has been high. Product developments have always garnered positive feedback. • Customer complaints are handled within 24 hours. • Provide satisfactory customer service and be able to quickly handle client issues.

Business Alliance

Interaction pattern/ number/frequency	<ul style="list-style-type: none"> • Establish and increase distribution channels for products. To adapt to the business scenario that has been disrupted by the COVID-19 epidemic, adjust the plan to better serve the company's clients, including distribution via online channels and Media Commerce channels via O Shopping TV. • Evaluation of manufacturing quality and raw material allocation that meets needs while taking social and environmental hazards into account. Work with business partners that are manufacturers and importers with dedication and consistency. • Attend meetings with contract manufacturers (OEM) partners to analyze and assess production risks and their impact on society and the environment on a quarterly basis. • Participate in talks and actively seek out new trading partners for future business expansions that are consistent with the company's vision.
Expectations & Concerns	<ul style="list-style-type: none"> • Manage and provide the clear direction and assistance during the COVID-19 pandemic. • Treating business partners equally and fairly. • A clear, fair, and verifiable procurement process is in place. • Trade secrets should be treated with respect and professionalism. • Apply corporate concepts that prioritize social, community, and environmental responsibility, as well as safety, occupational health, labor standards, and anti-corruption regulations.



Business Alliance

Treatments	<ul style="list-style-type: none"> • Open to willingly listening to and sharing with partners via online meetings, which may include various assessments During the COVID-19 pandemic crisis, to operate in accordance with operational standards and to support one another. • Follow the policy of treating business and commercial partners fairly and equally. • Procurement is documented. It is simple to comprehend and of equal quality without discrimination, and it attempts to instill confidence in the selecting process by clearly explaining the details. • Respect the intellectual property rights of partners and others when conducting business. Have a policy of not infringing on other people's intellectual property rights as part of company governance requirements. • Work with OEM partners to verify international standards (ISO) in production that are socially, environmentally, and safety friendly.
Achievements	<ul style="list-style-type: none"> • Monthly meetings amongst various groups of partners to share information and define collaborative directions for dealing with the COVID-19 outbreak crisis. • Business partners or OEM partners must adhere to international environmental, safety, and community impact management standards. An assessment of global industry standards, as well as a history of contract manufacturing for world-class organizations' products or brands, were among the selection criteria. • There was no fraud or wrongdoing, no breaking of the law, no lack of openness, and no violation of corporate governance.

Regulators Organization

Interaction pattern/ number/frequency	<ul style="list-style-type: none"> • Attend meetings and solicit ideas or exchange thoughts to develop guidelines for operations that conform with legal standards or procedures, such as the Food and Drug Administration (FDA) and the Securities and Exchange Commission (SEC), among others. • Full cooperation with government authorities or other regulatory entities is essential. • Participate in regulatory issuance procedures or offer recommendations for specific group meetings and public hearings to be attended.
Expectations & Concerns	<ul style="list-style-type: none"> • Maintain a high standard of regulatory compliance within organization. • Provide information and continue to discuss reporting and updating information with appropriate regulators on a regular basis. • Support, promote, or solicit collaboration from entrepreneurs in a variety of industries.
Treatments	<ul style="list-style-type: none"> • Consistently and sincerely follow the policies of government regulators. • Participate in the work and give support for the oversight and various actions with authorized government authorities on a consistent and regular basis.
Achievements	<ul style="list-style-type: none"> • The operations are carried out in compliance with government and regulatory policies. • The regulatory government offers continuous and prompt assistance and recommendations.

Environmental Dimensions of Sustainability Management (Policies and guidelines environmental performance)

The organization recognizes the importance of the environment to human life by focusing on pollution management and resource efficiency. Understanding the impact of climate change, whether as a result of air pollution or other industrial factors that may contribute to global warming, as well as economic energy consumption in accordance with international principles.

The company's efforts to reduce the amount of plastic used in packaging with contract manufacturing partners, which have been continuing since 2020, will continue. However, as compared to the previous year, the amount of plastic consumed in 2021 may not decrease. The decline in the beauty market as a result of the spread of the COVID-19 virus had an influence on the company's beauty product sales. As a result, the amount of plastic manufactured has decreased, but they are not variables that diminish the importance of the goal of reducing plastic consumption. The company will continue to focus on producing products that have a low environmental impact, but most importantly, it will work closely with partners.

However, the company remains aware of the importance of the environment and its impact on society and the community by discussing and assessing risks with all business partners and contract manufacturing companies, referring to measures and production processes that have received internationally recognized standards, such as ISO14001 or ISO 26000 certification.

Sustainability management in social dimensions (Policies and guidelines social performance)

In terms of social sustainability, the corporation has prioritized producing value in business operations and generating benefits for stakeholders through promoting human rights and using Thai ideas on a global scale.

The corporation supports the UN Guiding Principles on Business Human Rights, the OECD Guidelines for Multinational Enterprises, Children's Rights & Business Principles, and other declarations and agreements in the area of human rights. Employees and contract manufacturing partners continued to be educated on human rights concerns that were relevant to their professions. The following are some general criteria for best practices:

- The company will not employ workers who are under the age of 18, whether it is a permanent job or an employment contract (Fixed term).
- The company rejects forced labor or debt repayment through forced labor. Everyone has the right and flexibility to resign at any time after giving the company a reasonable amount of notice.
- Employees have the right to designate representatives who can preserve their rights and benefits, and the corporation respects their collective bargaining rights and employees' collective bargaining rights.

- The corporation will not discriminate against any representative or employee, but will follow a procedure that is correct, legitimate, clear, and legal.
- Working hours and public holidays will be set by the company in accordance with labor laws.
- Support and provide opportunities for outstanding employees from all backgrounds. by supporting employees Promote respect for employees and provide equal opportunities for all employees, regardless of their sexual orientation or gender identity.

The organization has established the Equality Code of Practice as a critical foundation for hiring and resource management. The employment and recruiting process must be transparent, non-discriminatory, and provide equal opportunity to all applicants. If a post becomes vacant, both internal and external recruiting must take place. The recruitment process must be transparent, with the company's benefits being prioritized, and candidates selected based on work experience and talents, as well as attitudes and qualities that are aligned with the organization's values, mission, and goals. All employees must have equitable access to chances for growth and advancement, as well as a fair assessment of their work.

The following activities are in place to look after the company's employees.

1) Workplace safety and well-being

The company has implemented the guidelines from the Disease Control Division Bangkok's declaration in 2021 on collaboration in working from home (Work from Home). At the same time, the organization offers communication technology knowledge and preparedness for optimizing the home workspace and increasing online productivity. Along with maintaining continual efficiency, the corporation has prioritized offering a high quality of life for its employees.

2) Employee care during the COVID-19 outbreak

In addition to preparing employees to train for skills to effectively work from home, the company also provides care for employees and supports assistance in accordance with government-mandated measures, such as coordinating the process of compensation for insurers under Section 39 and Section 40 for employees and sending a KISS Healthy Box Set that includes health and sanitation equipment, such as immune-boosting vitamins, hand-washing alcohol gel, skincare products, and nasal spray.

3) Employees must pass a readiness check in order to work in the office

Throughout the year, the company allowed some employees to choose which days they wanted to work in the warehouse, including distribution center employees who worked in the warehouse office on a regular basis. The organization promotes employee welfare and safety by providing weekly infection testing (ATK) before to work, verifying the history of high-risk groups, and enforcing infection prevention recommendations. When a potentially dangerous occurrence is identified, the firm has announced that all use of the area will be ceased immediately, and ATK check are available before the meeting to protect and screen employees before attending the meeting. For safety during the COVID-19 outbreak situation to reduce exposure (contactless) for quick convenience

● Management Discussion & Analysis (MD&A)

Manage Discussion & Analysis for the year ended 31 December 2022

Financial Performance

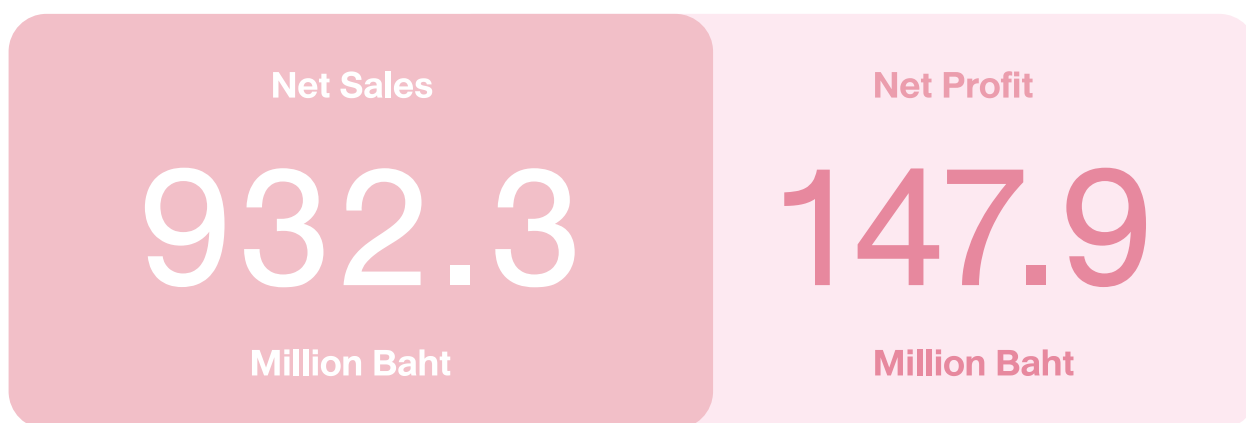


Table 1 : Statement of Comprehensive Income

(Unit: Million Baht)

Consolidated Financial Statement	2021	%	2022	%	%YoY
Revenue from sales and services	772.3	100.0	932.3	100.0	20.7
Cost of sales and services	(358.6)	(48.0)	(447.8)	(46.4)	24.9
Gross Profit	413.7	52.0	484.5	53.6	17.1
Other Income	3.8	0.8	7.7	0.5	104.5
Selling expenses	(135.9)	(16.9)	(158.0)	(17.6)	16.3
Administrative expenses	(135.4)	(17.1)	(159.1)	(17.5)	17.5
Gain (loss) from foreign exchange rate	10.8	0.4	3.9	1.4	(63.9)
Loss sharing from Joint Venture	(5.5)	(0.6)	(5.1)	(0.7)	(6.4)
Net profit sharing from acquisition of additional shareholders		1.0	9.1		N/A
Total expenses and other income	(262.1)	(33.3)	(310.6)	(33.9)	18.5
Profit before finance costs	151.6	19.6	183.1	19.6	20.8
Finance costs	(5.1)	(-0.2)	(2.0)	(0.7)	(61.2)
Profit before income tax expenses	146.5	19.4	181.1	19.0	23.6
Income tax expense	(27.9)	(3.6)	(33.2)	(3.6)	18.8
Profit for the year	118.6	15.9	147.9	15.4	24.7



Executive Summary

the Company aims to be Asia's Health & Beauty for future with the following goals :



In FY 2022, The revenue from sales and services was 932.3 million baht, an increase of 20.7% YoY mainly from;



- Revenue from the Company's core product lines posts strong growth, led by Rojukiss skincare which recorded a strong growth rate of 12% YoY while Sis2Sis cosmetic, increased by 26% YoY due to the relaxation of COVID-19 control measures since the beginning of the year and Thailand's fully reopened materially in line with the consumption of personal care and beauty care products improvement. Moreover, KISS has also been accelerated by introducing new product launches of more than 40 SKUs as well as an increase in marketing investment through digital and out-of-home media channels in order to create brand awareness with consumers and generate sales growth in the long term.



- Higher revenue from health segment, "VAILL COVITRAP™ Anti-CoV Nasal Spray, a Human Monoclonal Antibody Technology nasal spray, which offers a physical protective shield against COVID-19 specifically for the first time in Thailand and in the World, under a subsidiary company named Hibiocy Company Limited ("HIB") by started recognizing revenue since Q4/2022 onwards.

EBITDA

194.3 Million Baht

▲ Increased by 18.3%

Net Profit

147.9 Million Baht

▲ Increased by 24.7%

- EBITDA was 194.3 million baht, an increase of 18.3% YoY, while Net Profit was 147.9 million baht, an increase of 24.7% YoY. The net profit margin was 15.9% (2021: 15.4%), with a significant increase in sales from both existing products and new products launch, and expansion of distribution coverage to cover and reach more consumers as well as proper marketing investment, and efficient in cost, selling and administrative expense management.

The Company's business outlook in 2023

- **Accelerate and strengthen the growth in skincare and color cosmetics categories by introducing new product (NPDs) and investing in brand building, target to be Top of Mind brand for consumers** KISS will focus on high performance innovative products for skincare category which have been tested for proven results to ensure that consumer will see the real results after use. Secondly, for color cosmetic category, KISS plans to introduce new products to help expand its distribution channels into Non-CVS and Online channels.
- **Expanding its distribution channels both Offline and Online.** Especially in online channel that have plan to expand into social commerce additionally to the current Market place.
- **Opportunities for growth in the international markets** through collaboration with strong partners to expand the growth from both Indonesia and CLMV, including the possibility of expanding into other countries.
- **Continuous expansion of distribution channel for products under the brand “VAILL COVITRAP™ Anti-CoV Nasal Spray”** to serve the demand of both domestic and tourist consumers due to the reopening of the country.

Revenue from sales and services

Table 2: Revenue from sales and services by category

(Unit: Million Baht)

Revenue by category	2021	%	2022	%	%YoY
Revenue from sales					
Skin Care	670.6	69.6	692.9	81.1	3.3
Color Cosmetics	102.6	13.1	130.0	12.4	26.7
Hair Color	30.9	2.6	25.6	3.8	(17.0)
Health	22.5	14.7	146.4	2.7	550.6
Total revenue from sales and services	826.6	100.0	995.0	100.0	20.4

Table 3: Revenue from sales and services by distribution channel

(Unit: Million Baht)

Revenues by distribution channel	2021	%	2022	%	%YoY
Revenue from sales					
Modern Trade	559.9	57.2	568.7	67.7	1.6
General Trade	104.0	9.5	94.6	12.6	(9.0)
E-Commerce	25.5	2.1	20.9	3.1	(18.2)
Export through Cross Border	28.2	5.4	53.6	3.4	90.4
Export through Foreign Distributors	95.5	10.8	107.8	11.6	13.0
Joint Venture and Subsidiary	13.5	15.0	149.3	1.6	1003.8
Total revenue from sales and services	826.6	100.0	995.0	100.0	20.4

Remark: Table 2 and 3 are revenue before deduction of trade rebate and discount and accounting estimation.

¹ Health products are including food supplements and nasal spray products

² O2KISS Company Limited has changed its status from a joint venture to a subsidiary since 30 June, 2022

In FY2022, Total Gross Revenue (before deduction of rebate and discount and accounting provision) was 995.0 million baht, increased by 20.4% YoY. In terms of revenue by product category, the growth was mainly from Rojukiss skincare, growing 12% YoY due to new products variety and increased marketing investments, as previously mentioned. Not only launching new products in skincare category, but the company also added new products into other categories, such as Rojukiss Serum Cleanser and Rojukiss 5X Lip Serum Treatment, which well received a great response from consumers. Furthermore, Sis2Sis color cosmetics increased by 26% YoY from the relaxation of various control measures, which caused fewer worries of the consumers who promoted outdoor activities. The highest growth of the company's cosmetic category came from eye and eyebrow products, which grew 2X compared to the previous year.

In terms of revenue by distribution channel, the Modern trade channel grew by 2% YoY. While sales from CVS channel was not well performed due to slow recovery in the second half of the year, as well as sales from General Trade channel. However, Health & Beauty channel showed impressive growth as the consumers have high purchasing power. On the other hands, international markets are performing well both cross border export to CLMV and export to Indonesia, with total growth of 31% YoY.

Cost of Sales and Gross Profit

In FY 2022, the gross profit margin was 52.0%, a slightly decrease from 53.6% in the previous year, due to impact from fluctuation of foreign exchange rate. However, the company has used forward contracts to reduce impact to net profit, by end of 2022, the company realized gain on exchange rate totaling to 4 million baht.

Selling expenses

In FY 2022, total selling expenses were 158.0 million baht, increasing by 16.3% YoY due to the strategy to return to the marketing investment to create brand awareness and promote various products, mainly digital media such as YouTube and TikTok, and advertising in out-of-home media channels, both in digital and static media as well as pedestrian panel billboards (MUPI) which is covering the strategic area that can reach the target audience.

Administrative Expenses

In FY 2022, total administrative expenses were 159.1 million baht, an increase of 17.5% YoY, mainly from the recorded allowance for doubtful accounts for advisory service fees for Sis2Sis brand in Indonesia of 22 million baht, 100% full provisioned already. However, the company has continued our best effort to collect debts from partners.

Net Profit

In FY 2022, total net profit was 147.9 million baht, increased by 24.7% YoY, resulting in higher sales growth and gross profit margin improvement. In addition, the Company recognized a net gain of 9.1 million baht from the acquisition of an increased shareholding proportion in O2 Kiss Company Limited (“O2KISS”). While net profit margin stood at 15.9% up from 15.4% last year from the cost control and effective selling and administrative expenses.

Statement of Financial Position

Total Assets

As of 31 December 2022, the Company had total assets of 1,297.1 million baht, increased by 248.4 million baht compared to the last year with the detail as below:

- Investments in debt and equity securities increased by 100.0 million baht from investment in 100% principal protection for 6 months term
- Inventories increased by 58.6 million baht from more inventory to support sales momentum and raw materials of subsidiaries.
- Trade & other receivables, and Contract assets increased by 207.9 million baht from increased in sales.
- Intangible assets increased by 11.6 million baht from royalty fees and R&D expenditure of Subsidiary.
- Cash and cash equivalents decreased by 115.1 million baht due to investments in financial assets of 100.0 million baht and dividend payments to shareholders of 96 million baht. The increase in cash was mainly from operating cashflow.

Total Liabilities

As of 31 December 2022, the Company has total liabilities of 278.5 million baht, increased by 159.7 million baht comparing to the last year same period with the detail as below:

- Trade and other payables increased by 101.7 million baht due to higher purchase orders to support sales recovery, and new products launches as well as advertising costs.
- Long-term loan from related parties is at 30.5 million baht which is directors 's loan of subsidiary company . The loan repayment is a first right when the subsidiary has profit and sufficient cash flow according to the agreement.
- Other current liabilities increased by 20.9 million baht.

Shareholder's Equity

As of 31 December 2022, shareholder's equity increased by 88.6 million baht as a result of the higher retained earnings.



Financial Information

Statement of Financial Position

(Unit: Million Baht)

	As at 31 December					
	2020		2021		2022	
	MB	%	MB	%	MB	%
Assets						
Cash and cash equivalents	265.3	31.7	626.2	59.7	511.1	39.4
Financial assets measured at fair value through profit or loss	-	-	-	-	100.6	7.8
Trade and other receivables	247.7	29.6	179.5	17.1	358.6	27.6
Contract assets	107.3	12.8	88.7	8.5	117.6	9.1
Inventories	97.2	11.6	73.6	7.0	132.2	10.2
Other current assets	1.9	0.2	1.9	0.2	5.3	0.4
Total current assets	719.5	86.1	969.9	92.5	1,225.4	94.5
Restricted cash	41.7	5.0	0.7	0.1	0.7	0.1
Investment in a joint venture	-	-	14.5	1.4	0.0	-
Plant and equipment	50.6	6.1	44.2	4.2	39.0	3.0
Right-of-use assets	8.8	1.0	4.9	0.5	1.8	0.1
Intangible assets	6.0	0.7	5.1	0.5	16.7	1.3
Deferred tax assets	9.5	1.1	9.3	0.9	13.5	1.0
Total non-current assets	116.5	13.9	78.8	7.5	71.7	5.5
Total assets	836.0	00.0	1,048.7	100.0	1,297.1	100.0



	As at 31 December					
	2020		2021		2022	
	MB	%	MB	%	MB	%
Liabilities and equity						
Liabilities						
Bank overdrafts and short-term borrowings from financial institutions	220.3	26.3	22.3	2.1	31.6	2.4
Trade and other payables	105.7	12.6	66.1	6.3	167.8	12.9
Current portion of long-term borrowings from financial institutions	3.7	0.4	-	-	0.0	-
Current portion of lease liabilities	3.8	0.5	3.4	0.3	1.6	0.1
Other current liabilities	60.2	7.2	19.7	1.9	40.6	3.1
Total current liabilities	393.7	47.1	111.5	10.6	241.6	18.6
Long-term loans from related party	-	-	-	-	30.5	
Long-term borrowings from financial institutions	4.4	0.5	-	-	0.0	-
Lease liabilities	5.1	0.6	1.8	0.2	0.4	0.0
Employee benefit obligations	5.1	0.6	5.5	0.5	6.0	0.5
Total non-current liabilities	14.7	1.8	7.3	0.7	36.9	0.5
Total liabilities	408.3	48.8	118.8	11.3	278.5	19.1
Equity						
Authorized share capital	309.0	37.0	309.0	29.5	309.0	23.8
Issued and paid-up capital	270.0	32.3	300.0	28.6	300.0	23.1
Premium on paid-up capital	5.7	0.7	487.4	46.5	487.4	37.6
Premium on share-base payment	-	-	7.3	0.7	13.9	1.1
Surplus from business combinations under common control	14.5	1.7	14.5	1.4	14.5	1.1
Legal reserve	27.0	3.2	30.0	2.9	30.9	2.4
Unappropriated retained earnings	109.5	13.1	88.1	8.4	114.2	8.8
Translation on financial statements	0.9	0.1	2.6	0.3	3.3	0.3
Non-controlling interests	-	-	-	-	54.5	4.2
Total equity	427.7	51.2	929.9	88.7	1,018.5	74.3
Total liabilities and equity	836.0	100.0	1,048.7	100.0	1,297.1	93.4

Statement of Comprehensive Income

(Unit: Million Baht)

	For the year ended 31 December					
	2020		2021		2022	
	MB	%	MB	%	MB	%
Revenue from sales and services	965.0	100.0	772.3	100.0	932.3	100.0
Cost of sales and services	(399.5)	(41.4)	(358.6)	(46.4)	(447.8)	(48.0)
Gross profit	565.4	58.6	413.7	53.6	484.5	52.0
Other income	1.3	0.1	3.8	0.5	7.7	0.8
Selling expenses	(205.6)	(21.3)	(135.9)	(17.6)	(158.0)	(16.9)
Administrative expenses	(125.0)	(13.0)	(135.4)	(17.5)	(159.1)	(17.1)
Gain (loss) from foreign exchange rate	(6.7)	(0.7)	10.8	1.4	3.9	0.4
Share of loss from joint venture	-	-	(5.5)	(0.7)	(5.1)	(0.6)
Profit from step up acquisition					9.1	1.0
Profit before finance costs	229.4	23.8	151.6	19.6	183.1	19.6
Finance costs	(7.8)	(0.8)	(5.1)	(0.7)	(2.0)	(0.2)
Profit before income tax expense	221.6	23.0	146.5	19.0	181.1	19.4
Income tax expense	(53.6)	(5.6)	(27.9)	(3.6)	(33.2)	(3.6)
Profit for the year	168.0	17.4	118.6	15.4	147.9	15.9
Other comprehensive income						
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of post-employment benefit obligations						
Income tax relating to items that will not be reclassified						
Total items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-
Items that will be reclassified subsequently to profit or loss:						
Current translation differences	3.7	0.4	1.7	0.2	0.6	0.1
Total items that will be reclassified subsequently to profit or loss	3.7	0.4	1.7	0.2	0.6	0.1
Total comprehensive income for the year	171.7	17.8	120.3	15.6	148.5	15.9
Basic earnings per share	0.36		0.20		0.21	



Statements of Cash Flows

(Unit: Million Baht)

	For the year ended 31 December		
	2020	2021	2022
Cash flows from operating activities	268.7	178.0	85.5
Cash flows from investing activities	(13.2)	18.3	(111.0)
Cash flows from financing activities	(78.5)	164.4	(89.6)
Net increase in cash and cash equivalent	177.0	360.7	(115.1)
Cash and cash equivalents at beginning of year	88.5	265.3	626.2
Exchange gain (loss) on cash and cash equivalent	(0.2)	0.2	(0.1)
Cash and cash equivalents at end of year	265.3	626.2	511.1

Financial Ratio for the Year

(Unit: Million Baht)

	2020	2021	2022
Liquidity Ratio			
Liquidity Ratio	1.8	8.7	5.1
Quick Ratio	1.3	7.2	4.0
Cash Ratio	0.7	0.7	0.5
Account Receivable Turnover	2.3	2.4	2.5
Days Sales Outstanding (Days)	153.6	150.6	144.1
Inventory Turnover	3.5	4.2	4.4
Days Inventory Outstandings (Days)	103.4	85.7	82.7
Account Payable Turnover	10.6	9.8	8.3
Days Payable Outstandings (Days)	34.0	36.7	43.6
Cash Cycle (Days)	223.0	199.6	183.2
Profitability Ratio			
Gross Profit Margin (%)	58.6%	53.6%	52.0%
Operating Profit Margin (%)	23.8%	19.6%	19.6%
Net Profit Margin (%)	17.4%	15.4%	15.9%
Return on Equity (%)	42.8%	17.5%	15.2%
Efficiency Ratio			
Return on Assets (%)	20.9%	12.6%	12.6%
Assets Turnover	1.2	0.8	0.8
Financial Leverage Ratio			
Debt to Equity	1.2	1.0	0.3
Interest Coverage	29.4	29.8	92.7
Dividend Payout (%)	94%	87%	99%



Business
Overview



Corporate
Governance



Financial
Statements



Appendix



● General and Other Information

General Information

Company Name	Rojukiss International Public Company Limited
Security's Symbol	KISS
Nature of Business	Develops, outsources production of and distributes skincare, color cosmetics and food supplements products
Company Registration Number	0107563000185
Address	100/8, 100/51-54 Vongvanij Complex B Tower 12th, 19th Floor, Rama 9 Road, Huai Khwang, Huai Khwang, Bangkok 10310
Telephone	02-645-1155
Registered Capital	Baht 309,000,000 Total 618,000,000 ordinary shares with par value of Baht 0.50 per share
Paid-up Capital	Baht 300,000,000 Total 600,000,000 ordinary shares with par value of Baht 0.50 per share
Website	http://www.rojukissinternational.com
Investor Relations	ir@rojukiss.com

Share Registrar

Company Name	Thailand Securities Depository Company Limited
Address	93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400
Telephone	02-009-9000
Fax	02-009-9991
TSD Call Center	02-009-9999

Auditor

Company Name	PricewaterhouseCoopers ABAS Ltd.
Address	15th Floor Bangkok City Tower, 179/74-80 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120
Telephone	02-844-1000
Fax	02-286-5050

Internal Auditor

Company Name	IA Signature Company Limited
Address	324/10 Verve Phetchkasem 81, Macharoen Road, Nong Khang Phlu, Nong Khaem, Bangkok, 10160
Telephone	02-079-5499



Information of Subsidiary and Affiliate

Company Name	PhD International Limited
Nature of Business	Own trademarks of skincare, color cosmetics and food supplement products
Address	23/F., Tower 2, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong
Registered and Paid-up Capital	HKD 10,000 Total 10,000 ordinary shares with par value of HKD 1 per share
Proportion of Shares (%)	100

Company Name	O2 Kiss Company Limited
Nature of Business	Distributes skincare and food supplement products
Address	100/8, 100/51-54 Vongvanij Complex B Tower 12th, 19th Floor, Rama 9 Road, Huai Khwang, Huai Khwang, Bangkok 10310
Registered and Paid-up Capital	Baht 50,000,000 Total 5,000,000 ordinary shares with par value of Baht 10 per share
Proportion of Shares (%)	100

Company Name	Hibiocy Company Limited
Nature of Business	Develops, outsources production of and distributes medical devices, medicine and medical supplies
Address	100/8, 100/51-54 Vongvanij Complex B Tower 12th, 19th Floor, Rama 9 Road, Huai Khwang, Huai Khwang, Bangkok 10310
Registered Capital	Baht 11,405,000 102,000 ordinary shares with par value of Baht 100 per share 12,050 preferred shares with par value of Baht 100 per share
Paid-up Capital	Baht 10,508,750 102,000 ordinary shares with par value of Baht 100 per share 100 preferred shares with par value of Baht 100 per share 11,950 preferred shares with par value of Baht 100 per share and paid-up Baht 25 per share
Proportion of Shares (%)	46.6

Legal Disputes

The Company and its subsidiaries have no legal case or dispute that is still ongoing, which may have a negative impact on the assets of the Company or its subsidiaries in the tune of over 5% of shareholders' equity based on the Company's consolidated financial statement for the year ended 31 December 2022 or which may significantly impact the business operation of the Company or its subsidiaries, or which may stem from the normal business operation of the Company or its subsidiaries. However, the Company or its subsidiaries may occasionally face legal proceedings or become a litigant in legal cases stemming from normal business operations of the Company or its subsidiaries.



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Part 2

Corporate Governance

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● Corporate Governance Policy

An Overview of Corporate Governance Policies and Practices

The Board of Directors has approved the company's solid corporate governance policy. It follows the SEC's and the Thai Stock Exchange's corporate governance requirements. For long-term economic success and transparency, the corporation acknowledged the importance of running a business and upgrading current corporate governance. This strategy is designed to build confidence among shareholders, investors, and other stakeholders. It can also bring benefits and favorable business outcomes to the organization, as well as overall advantages for its competitiveness and long-term success.

In addition, the company continues to value shareholder rights and duties to other stakeholders, as well as shareholder equality, stakeholder roles, and information disclosure and openness. The Board of Directors feels that a better corporate governance strategy is essential to increase the confidence of shareholders, investors, and other interested parties. It covers the principles of the Board of Directors' structure, positions, responsibilities, and roles, as well as the visible, explicit, and auditable management concepts of senior leaders. Using the Securities and Exchange Commission's (the "SEC") standards and guidelines for strong corporate governance for listed firms in 2017 as a reference for managing the organization to develop confidence. It is critical that any company operation be fair and considers the best interests of shareholders and other stakeholders. The following are the eight principles of practice that make up the policy's core:

Code of Conduct 1	The Board of Directors' Roles and Responsibilities as Organization Leaders Who Create Long-Term Value for the Business
Code of Conduct 2	Determine the company's goals and objectives to secure its sustainability
Code of Conduct 3	Strengthen the board of directors of the company to be productive
Code of Conduct 4	Recruitment and development of senior management, as well as personnel management.
Code of Conduct 5	Encourage good business practices and innovations
Code of Conduct 6	Manage risks properly with the implemented internal control method
Code of Conduct 7	Maintain financial trustworthiness and transparency
Code of Conduct 8	Encourage shareholder participation and communication



Code of Conduct 1 : The Board of Directors' Roles and Responsibilities as Organization Leaders Who Create Long-Term Value for the Business

- 1.1 The Board of Directors recognizes and understands their roles and responsibilities as leaders in overseeing the organization's management, which includes setting objectives and goals, strategy, operating policy, allocating key resources to meet objectives and goals, monitoring, evaluating, and overseeing performance reporting.
- 1.2 The Board of Directors has established a few policies, including corporate governance and social responsibility. The company's mission is to develop sustainable business values through ethical business operations, respect the rights and responsibilities of shareholders and stakeholders, drive business success and benefit society while also developing or reducing the company's environmental impact, and adapt to changing factors.
- 1.3 The Board of Directors is responsible for overseeing the directors and executives to ensure that they carry out their responsibilities in a responsible, accountable, and responsible manner. They would follow the legislation, objectives, rules, board of directors' meeting decisions, and shareholder meeting resolutions, as well as the board's policies and guidelines, to fulfill their duty of care and commitment to the company's best interests. The appropriate mechanisms to control that company's operations are in compliance with applicable laws, objectives, regulations, Board of Directors meeting resolutions, shareholder meeting resolutions, and various company policies, such as the Related Party Transaction Policy, Anti-Corruption Policy, Delegation of Authority, and so on. A formal approval process for investments and transactions that have a substantial impact on the firm, conducting transactions with linked persons on property acquisition or disposition, dividend payment, etc., is also required.
- 1.4 The Board of Directors fully knows its position, scope of duties, and obligations, as well as the scope of delegation of duties and responsibilities to sub-committees and management and evaluates and oversees the performance of those duties as assigned. The numerous charters of the Board of Directors and sub-committees are laid out in writing, and it is agreed that the charters will be reviewed at least once a year to ensure that they are in line with the company's direction.

Code of Conduct 2 : Determine the company's goals and objectives to secure its sustainability

- 2.1 The Board of Directors places a high priority on determining the organization's business objectives and primary aims in order for it to grow in a sustainable way with society. A corporation's ability to create value can benefit the company, its customers, partners, employees, shareholders, stakeholders, and society at large.
- 2.2 The yearly and long-term objectives, goals, and business strategies must all be consistent with the entity's core aims and goals, the environment, and factors and risks that may influence all stakeholders with the appropriate and safe application of innovation and technology. These aims and goals must be conscious of the risks of targeting, which can lead to illegal or immoral behavior. A procedure for tracking the transmission of objectives and goals throughout the business and organization via strategies and plans should be in place.

Code of Conduct 3 : Strengthen the board of directors of the company to be productive

- 3.1 The Board of Directors consists of a minimum of 5 and a maximum of 12 members, each of whom has tasks and responsibilities in deciding and reviewing the structure of the Board of Directors. The Independent Director Ratio should be appropriate as necessary to meet the aims and key goals set out in terms of both components and knowledge, experience, and number of directors fit for the firm. The following are the key guidelines:
- 3.1.1 The shareholders' meeting decides on the company's directors and appoints them. Each office has a three-year tenure. The shareholders' meeting can re-elect directors who are retiring due to rotation.
 - 3.1.2 Company directors must be qualified and free of any forbidden qualities, according to the legislation.
 - 3.1.3 A board of directors must have at least half of the total number of independent directors, but no fewer than three. Independent directors must be unaffiliated with big shareholders and have no role or interest in financial or administrative matters. Furthermore, they meet all of the criteria for independent director qualifications set forth in the Notification of the Capital Market Supervisory Board in connection with the application for and authorization to sell newly issued shares. They should be assigned roles and responsibilities based on applicable laws, announcements, rules, and regulations.
 - 3.1.4 The company's directors and senior management must report information about their positions to the company in accordance with the rules and procedures prescribed by the Board of Directors if they have authority in any other company or another public limited company, or if they have a position in an ordinary partnership or a limited liability partnership.
 - 3.1.5 The Board of Directors' powers and responsibilities have been defined by the Board of Directors. The composition, qualifications, appointment, length of office, and retirement of the Board of Directors shall be as provided in the charter.
 - 3.1.6 The Board of Directors shall disclose the policy for determining board diversity, which includes information about directors such as age, educational background, experience, shareholding percentage, number of years as a director, and position as a director in other publicly traded companies in the annual report and on the company's website.
 - 3.1.7 The Board of Directors will appoint a company secretary to perform various legal and other functions as the Board of Directors deems necessary.
- 3.2 The Board of Directors will appoint a suitable Chairman of the Board and ensure that the composition and operations of the Board of Directors support independent decision-making. The Board of Directors will choose an independent director to help determine the board meeting's agenda. This is in conformity with the principles of good corporate governance for listed businesses and is used to regulate the balance of power between the board and management. The company has segregated roles and responsibilities between the Board of Directors and management to ensure clarity in the performance of each position's duties and to maintain a power balance that allows the company's management to be efficient and transparent, as follows:



- 3.2.1 **Board of Directors:** The Board of Directors is responsible for setting the direction, policies, and strategies of business operations to generate a return on investment and maximum benefits for shareholders, as well as supervising and monitoring management's operations to ensure compliance with the policies and strategies, as well as the company's law, objectives, and regulations, and shareholder resolutions.
- 3.2.2 **Management:** The Management team responsible for managing the firm to achieve success and in compliance with the Board of Directors' direction, policy, and business plan, as well as keeping the company's day-to-day operations and business in order.
- 3.2.3 **Chairman:** As the Board's leader, the Chairman of the Board is responsible for overseeing and supporting the Board's performance in accordance with the law, corporate governance, and other factors indicated in item 1.
- 3.2.4 **Chairman of The Board:** has the authority to oversee operations in accordance with the Executive Committee's policies, as well as the Board of Directors' and shareholders' meeting resolutions, within the framework of the law, objectives, and the Company's Articles of Association.
- 3.2.5 **Chief Executive Officer :** is the head and leader of the company's management team, which the Board of Directors has delegated to undertake duties connected to the company's normal business operations. By managing the work in strict honesty and integrity in accordance with the plan and budget approved by the Board of Directors, and in the best interests of the company and shareholders, including not doing anything that has interests or benefits in a way that conflicts with the company and subsidiary.
- 3.3 The Board of Directors shall oversee the nomination and selection of each committee, using a transparent and unambiguous method to qualify the board of directors and sub-committees who meet the required requirements.
- 3.4 The shareholders' meeting has the authority to review and approve the salary of the directors. The Board of Directors will examine the structure and rate of remuneration to be acceptable, suitable, and responsible in order to ensure that the Board of Directors is inspired to lead the company to achieve both short- and long-term objectives.
- 3.5 The Board of Directors will oversee all directors to ensure that they are accountable for their responsibilities and that they are given adequate time.
- 3.6 The Board of Directors has created a structure and procedure for overseeing policies and the company's operation at the appropriate level for each business, including subsidiaries and linked businesses, as well as subsidiaries and linked firms that are correctly recognized.
- 3.7 The Board of Directors has a policy of evaluating the board of directors, subcommittees, and other committees of individual directors on an annual basis. Use as a framework for analyzing the Board of Directors' performance of their tasks, whether they performed in line with good practices or not, to enhance the Board of Directors' performance and to examine the difficulties and obstacles that happened in the previous year. The assessment's findings will be used to improve performance in the future.

3.7.1 The company has produced a board self-assessment form in compliance with the Stock Exchange of Thailand's requirements, which has been adjusted to meet the nature of the business and the Board of Directors' structure. It is divided into two parts:

- 3.7.1.1. Board of Directors and board sub-series performance evaluation form (individual board)
- 3.7.1.2. Performance evaluation form for individual directors (self-assessment)

3.7.2 The following main topics are covered by the Assessment Criteria:

- 3.7.2.1. Board of Directors and Sub-Committees Structure and Qualifications
- 3.7.2.2. Meeting of the Board of Directors
- 3.7.2.3. Board of Directors and sub-committees' roles, tasks, and responsibilities
- 3.7.2.4. Relationships with management, director and executive self development, and other issues

3.7.3 The assessment topic score is divided into 5 levels as follows:

- 0 = strongly disagree or take no action on the subject
- 1 = disagree or take no action on the subject
- 2 = agree or have taken appropriate steps in that regard
- 3 = completely agree, or there is effective action in this area
- 4 = strongly agree or have done a fantastic job in this area

Assessment Process

The performance appraisal form for the Board of Directors must be approved and reviewed by the Nomination and Remuneration Committee. The assessment form will then be delivered to all directors at the end of the year by the company secretary, who will bring it to the Board of Directors for approval. After that, it will be analyzed, and a summary report of the evaluation results will be generated and delivered to the Nomination and Remuneration Committee. The outcome is used to determine annual director salary and to communicate the evaluation results to the Board of Directors for acknowledgement, as well as to propose parameters for future development.

- 3.8 The Board of Directors will oversee each director to ensure that they are aware of their roles and responsibilities, as well as the nature of business and laws governing business operations, and to encourage all directors to receive skills and knowledge in order to perform their duties on a regular basis.
- 3.9 The Board of Directors will ensure that its operations are carried out appropriately, that it has access to the relevant information, and that a company secretary with the requisite knowledge and experience to support the Board of Directors' operations is appointed.
- 3.10 From the board of directors, a number of directors will be appointed. Special responsibilities as a member of the sub-committees include enhancing the effectiveness of the Board of Directors through each subcommittee. The period of office is the same as that of the Board of Directors, and the tasks are as follows:



3.10.1 Audit Committee

Audit committee assist the Board of Directors with numerous responsibilities. As outlined in the Audit Committee Charter, this includes responsibility for Financial Report Review and ensuring that the internal control system is in conformity with the law, as well as auditor selection, disclosure of corporate information, and the drafting of the Audit Committee's report.

3.10.2 Board of Directors

as instructed by the Board of Directors, perform out certain tasks This includes management duties for day-to-day operations and management of the company. They examine policies, business plans, budgets, management structures, and the company's management power, establishing rules for doing business in accordance with economic conditions to be proposed to the Board of Directors' meeting for consideration and approval, as well as inspecting and following up on the company's performance in accordance with the Board of Directors' policy, and so on, in accordance with the Executive Committee Charter.

3.10.3 Committee on Nominations and Remuneration (or working group or a person assigned by the Board of Directors in the case of the establishment of the Nomination and Remuneration Committee)

This board carries out a variety of responsibilities in accordance with the Board of Directors' directives This entails identifying who is deserving of being nominated as a new director or a high-ranking executive, as well as those with management authority, using criteria or strategies for recruiting and selecting with criteria and transparency. The information will be presented for consideration and approval at a Board of Directors meeting and/or a shareholders meeting. The Nomination and Remuneration Committee Charter lays out the principles or processes for calculating fair and reasonable remuneration that will be offered for approval to the Board of Directors and/or shareholders.

3.10.4 Committee on Risk Management (or working group or a person assigned by the Board of Directors in the event that the Risk Management Committee is in the process of setting up)

Risk Management committee carry out a variety of responsibilities in accordance with the Board of Directors' directives This entails developing policy and submitting a management plan and risk management framework to the Board of Directors. Follow up to ensure that risks and impacts are examined, and that risk management at the organizational level of the corporation is competent and current, as demonstrated by the Risk Management Committee Charter.

3.10.5 The Committee on Good Corporate Governance (or working group or the person assigned by the Board of Directors in case of the establishment of the Good Corporate Governance Committee)

The Board of Directors will delegate some tasks to the good corporate governance staff. Designing corporate governance rules and procedures, which include the vital operations as well as those connected to strong corporate governance, a conflict of interest, and long-term development of the company's operations, are among their tasks. As defined in the Good Corporate Governance Committee Charter, the company's corporate governance system must match worldwide standards in order to achieve effective outcomes and update the corporate governance system.

- 3.11 The Board will ensure that the Board of Directors' and sub-committees' tasks and responsibilities are made public. The number of meetings held in the preceding year, as well as the number of times each director attended, were all recorded, as were reports on the performance of all sub-committees.

Code of Conduct 4 : Recruitment and development of senior management, as well as personnel management.

- 4.1 The Board of Directors will ensure that the chairman, executive directors, and senior executives have the knowledge, abilities, experience, and traits necessary to guide the business toward its objectives are nominated and developed.
- 4.2 The Board of Directors has a policy of understanding the structure and relationships of shareholders that may affect the management of the business and has the authority to control the management of the business so as not to obstruct the Board of Directors' performance of their duties and will ensure that information that may affect the company's control is properly disclosed.
- 4.3 The Board of Directors will oversee personnel management and development to ensure that employees possess the necessary knowledge, skills, experience, and motivation.

Code of Conduct 5 : Encourage good business practices and innovations

- 5.1 The Board of Directors is enthusiastic about the creation of new concepts that benefit all stakeholders while also adding value to the business. The corporation's social and environmental responsibilities will also motivate operations to create value in response to constantly changing environmental factors. Developing a corporate strategy, thinking about product design and development, evaluating and refining manufacturing and work processes, and working with partners are all examples.
- 5.2 The Board of Directors will oversee and ensure that management conducts business in a socially and ecologically responsible manner, which will be reflected in the operational strategy to guarantee that all parties within the company are working towards the same goals. The business's major aims and strategic plans (strategies) take into account the roles of stakeholders (roles of stakeholders). The company's Board of Directors must establish a mechanism to ensure that it acts ethically. Social and environmental responsibility do not infringe on stakeholder rights. This will act as a road map for all areas of the corporation to follow in order to achieve the organization's long-term objectives and primary goals. In this regard, the Board of Directors has established guidelines for various stakeholders as part of the Corporate Social Responsibility (CSR) policy and Code of Conduct, and will disclose important, relevant, and necessary information to those stakeholders with adequate, reliable, and timely acknowledgment.

Code of Conduct 6 : Manage risks properly with the implemented internal control method

- 6.1 The Board of Directors will oversee and ensure that the company has a risk management and internal control system in place to efficiently achieve the company's goals while also complying with applicable laws and regulations.
- 6.2 The Board of Directors has appointed at least three audit committee members, all of whom must be independent directors with no prohibited characteristics under applicable law, as well as possessing credentials and responsibilities in accordance with SEC and SET guidelines. They must be capable of successfully and independently carrying out their obligations. The responsibility to review financial reports, the compliance of the internal control system with the law, the independence of the Internal Audit Department, auditor selection, disclosure of company information, and the preparation of the Audit Committee's report are all stated in the Audit Committee Charter.



- 6.3 The Board of Directors monitors and manages any conflicts of interest that may arise between the company and its management board of directors or shareholders, including preventing the inappropriate use of assets, company information, opportunities, and transactions with those who have a relationship with the company, including establishing guidelines in the Charter, Code of Conduct, and internal information policy in writing.
- 6.4 The Board of Directors has a clear anti-corruption policy that it communicates to all levels of the organization as well as external partners in order to put it into practice. To support the efforts, the Board of Directors shall establish anti-corruption standards and encourage all workers to follow all applicable laws and regulations.
- 6.5 The Board of Directors controlled a mechanism for gathering complaints and taking action when clues were uncovered, as well as setting explicit standards for fraud and malfeasance in the complaint processing policy (Whistle Blower). The company's complaint channels will be made public on its website or in its annual report.

Code of Conduct 7 : Maintain financial trustworthiness and transparency

- 7.1 The Board of Directors is in charge of ensuring that the financial reporting and disclosure system is accurate, adequate, timely, and compliant with all applicable laws, regulations, and guidelines.
- 7.2 The Board of Directors will oversee and monitor the company to ensure enough financial liquidity and loan repayment ability.
- 7.3 If the company is experiencing or is expected to have financial difficulties, the Board of Directors will ensure that the company has a plan in place to address the problem or has other procedures in place to address the problem. However, the rights of stakeholders and rationality must be considered.
- 7.4 The Board of Directors has made it a policy to prepare a sustainability report whenever it is necessary. In the section under "Disclosure of Compliance with Laws," The Charter Code of Conduct and Anti-Corruption Policy are being followed. Employees and stakeholders are treated fairly. Fair treatment and respect for human rights, as well as social and environmental responsibilities, are all part of this. Such material, on the other hand, may be included in the annual report or compiled into a separate book, which the corporation will consider sharing if necessary.
- 7.5 The Board of Directors shall oversee management's creation of an investor relations unit to convey and promote information that is helpful to shareholders, investors, analysts, and other associated parties in a fair, timely, and appropriate manner.
- 7.6 The Board of Directors supports the use of information technology to distribute information. The Board of Directors shall arrange for information disclosure in both Thai and English through alternative channels, such as the company's website, and will offer current information, in addition to disseminating information in accordance with established rules and through SET channels.
- 7.7 The Board of Directors decided that transparent disclosure of information is a requirement of the company's charter and code of conduct.

Code of Conduct 8 : Encourage shareholder participation and communication

The Board of Directors places a high priority on the company's stockholders. The corporation ensures that all shareholders are treated fairly and have full access to their fundamental shareholder rights as follows: (1) the right to buy, sell, or transfer shares; (2) the right to share in the company's profits; (3) the right to receive sufficient relevant information through the company's website or the Stock Exchange of Thailand's website, or by any other means; (4) the right to attend the meeting to exercise the right to vote at the shareholders' meeting independently to appoint or remove directors; the right to consider directors' remuneration; the appointment of auditors, increase in dividend payment capital, and the issuance of new shares. This includes including the ability to ask the Board of Directors questions about the Board of Directors' reports and any other topics brought up for discussion and approval at the meeting. The right to suggest an agenda ahead of time and nominate candidates for election as company directors, as well as involvement in critical company decision-making. Each share has one vote, and all shareholders have the ability to vote based on the number of shares they own.

Furthermore, the Board of Directors must recognize and value the rights of shareholders. There is no action that infringes on or deprives shareholders of their rights. The Board of Directors promotes and establishes policies in human resources. Shareholders have the following rights:

- 8.1 The Board of Directors will ensure that shareholders are involved in making decisions on important matters of the company, including
 - 8.1.1 will guarantee that shareholders are involved in key company decisions, such as protecting and respecting shareholders' fundamental rights, such as the right to buy, sell, or transfer stock. The right to a share of the company's profits as well as proper business information; the right to attend a shareholders' meeting to appoint or remove directors, appoint, or remove an auditor, determine dividend allocation, or alter regulations or the memorandum of association. Capital reduction or increase, as well as approval of specific items, are all possible options.
 - 8.1.2 will encourage and assist shareholders to exercise their rights in various matters at the annual general meeting of shareholders, such as the right to propose agendas for the shareholders' meeting in advance of the meeting; the right to nominate a person to be elected as a director; the right to submit questions to the meeting in advance of the meeting; the right to express opinions and ask questions at the meeting, etc. as well as assisting minority shareholders in nominating individuals to serve as the company's directors by presenting the nominee's profile and consent letter to the Chairman of the Board of Directors in accordance with the Company's rules, regulations, and procedures.
 - 8.1.3 will ensure that the notice of the shareholders' meeting, together with relevant documents, will be sent to the company's website at least 28 days prior to the date of the shareholders' meeting and prepare the invitation letter for the shareholders' meeting in both Thai and English.
 - 8.1.4 will encourage shareholders to use the proxy form to set voting instructions; agree, disagree, or abstain. The proxy forms, both Form A, Form B, and Form C (a specific proxy form for the custodian) have been prepared for shareholders. as well as facilitate the shareholders who are unable to attend the meeting in person but wish to exercise the right to vote by proxy by offering independent directors to attend the meeting and vote on behalf of the shareholders. For shareholders' convenience, they can exercise their right to choose any independent director to act as a proxy on behalf of the shareholder.
 - 8.1.5 will not take any action that violates, restricts, or denies shareholders' right to access and attend the shareholders' meeting by denying them access to and attendance at the company's information to be disclosed in accordance with the requirements, or by violating,



restricting, or denying them access to and attendance at the company's information to be disclosed in accordance with the requirements. For instance, suddenly providing documents with new critical information, failing to add meeting agendas, or changing vital information without notifying shareholders.

- 8.1.6 will facilitate the shareholders to exercise their rights; for example, by providing up-to-date information on the company's website.
- 8.2 The Board of Directors will ensure that the operations on the date of the shareholders' meeting are done in a neat, transparent, and efficient manner, enabling shareholders to exercise their rights, including
 - 8.2.1 will make it easier for shareholders to exercise their rights to attend and vote at shareholder meetings and will refrain from taking any action that might limit the number of shareholders who can participate. If shareholders are unable to attend the meeting in person, the corporation allows them to select independent directors or anyone else to represent them at the meeting able to represent him/her at the conference
 - 8.2.2 In the invitation to the meeting and on the day of the meeting, shareholders will be notified of the rules and procedures for attending the shareholders' meeting. The meeting moderator will notify the rules and voting procedures for the acknowledgement of shareholders at the shareholders' meeting and will record notification of the rules and voting process for such resolutions in the report of every shareholder meeting.
 - 8.2.3 will schedule the meeting appropriately and provide shareholders with an opportunity to ask questions about the meeting topic or the company. At the meeting, the chairman of the board will query about each item on the agenda. In addition, questions about the meeting agenda, the firm, and the opinions of the shareholders are documented in the minutes of the meeting shareholders every time, including clarifications from the Board of Directors and/or executives.
 - 8.2.4 The meeting will follow the agenda set forth in the invitation letter. The company's officers, who are also shareholders, will not discuss any other matters during the meeting, particularly the agenda, which shareholders must examine thoroughly first.
 - 8.2.5 It will encourage and support the use of technology in the shareholders' meeting, such as barcodes, ballot cards, and so on. It is possible to conduct meetings swiftly, accurately, transparently, and verifiably by registering shareholders, counting scores, and showing the outcomes. The results of the vote, as well as the votes of agreeing, disapproving, and abstaining from voting on each agenda item, will be published in the minutes of the shareholders' meeting.
 - 8.2.6 An independent person, such as the company's auditor or legal advisor, will witness the vote counting or the person who counts or checks the votes in the meeting, and will disclose the results of the vote counting or verification to the meeting for acknowledgement and record them in the meeting minutes.
 - 8.2.7 Recognizing the significance of conducting an annual general meeting of shareholders and upholding shareholders' rights. Attendance at the shareholders' meeting is encouraged for all directors.
- 8.3 The Board of Directors will ensure that the resolutions of the shareholders meeting and the minutes of the shareholders' meeting, as well as the disclosure of the resolutions and minutes of the shareholders' meeting, are correct and thorough.

- 8.3.1 It will ensure that shareholders receive sufficient and timely information on the date, time, location, and agenda of each shareholders' meeting, as well as all information about items to be decided at the meeting, along with explanations and reasons for the agenda. The company has a policy of allowing shareholders to study information on the company's website before to the meeting date, which provides the same information as the documents presented to shareholders.
- 8.3.2 The meeting content is compiled, including agenda details, a list of directors both present and absent, meeting resolutions, voting, and shareholder questions and opinions, to prepare the "Minutes of the Shareholders' Meeting" for dissemination on the company's website and to send them to SET and/or related agencies within 14 days of the meeting date. This is in accordance with SEC and Stock Exchange of Thailand regulations, which require the company to disclose to the public the meeting resolutions and voting results for each item on the meeting's agenda within the timeframe required by law and in accordance with the SEC and Stock Exchange of Thailand's requirements.
- 8.3.3 will facilitate rather than hinder the use of shareholders' rights by providing information disclosure on the company's website in advance. The corporation will not give documents with additional crucial information during the shareholders' meeting, nor will it add agendas or change critical material without providing shareholders advance notice.
- 8.3.4 make sure that shareholders have regular access to information and up-to-date information on the company's website.

Business Ethics

Stakeholders are valued by the organization, and they are treated with respect. In terms of corporate operations, it has a code of ethics. The following rules for working as a corporate representative will handle all stakeholders, including shareholders, workers, shareholders, customers, trading partners, the public, and society at large, in a transparent, appropriate, equitable, and fair manner:

Stockholders, Investors, and analysts

The company treats all shareholders and investors fairly, and the Board of Directors, management, and all workers are expected to carry out their duties honestly and operate in an open and transparent manner. Maintain a focus on the company's stockholders' best interests. There will be no actions taken that could lead to a conflict of interest; no insider information will be used to gain an advantage for insiders and associates, and sensitive information will not be disclosed to third parties. Furthermore, the corporation respects and acknowledges the rights of all shareholders, including investors and analysts. To collect complete and consistent information about the company's operating results, the firm will convey the operating results and necessary information through the company's and related departments' operations.

Employees

The company's most significant resource is its employees. The company places a high value on rigorous adherence to labor regulations and social welfare and seeks to encourage all employees to have a positive attitude, a sense of duty and responsibility, pride in and belief in the organization, and a focus on teamwork. In addition, the company encourages employees to take part in training on topics that are both relevant and useful to their jobs. All employees receive annual health examinations, and the organization promotes safety and a pleasant working environment. The corporation provides adequate and suitable welfare in exchange for pay. Employee remuneration will be determined based on each employee's fair performance and compared to the company's performance in the short and long term in comparison to the same industry as well as allowing employees to register complaints in the event



of unjust treatment through numerous routes, such as an opinion box or the Human Resources department receiving the complaint, etc. The company is responsible for ensuring that the workplace is safe, sanitary, and conducive to productive work.

Customer

Customers hold the company accountable for maintaining product quality and standards, as well as reacting to customers' needs as clearly and comprehensively as possible, in order to focus on long-term customer happiness and providing channels for the company's customers. The company is interested in hearing from customers who have a problem with a damaged product or a reason for dissatisfaction after using it. Customers will receive constant high-quality service from the business. Customers' rights should be explained to them, and the customers' interests should be protected.

Creditor

Build connections and treat creditors fairly by following to the principles of honesty, mutual trust, and trust, as well as being accountable for paying attention to and prioritizing the circumstances that have resulted in the best possible arrangement with creditors.

Business Partners

Treat the business partners with integrity and on an equal footing. This is to guarantee that the company's business operations are suitable, fair, and beneficial to both parties, as well as to ensure that the company's business operations are sustainable and that it is a long-term partner with the firm. The organization will select business partners based on a variety of factors, including price, quality, control, environmental protection, technical knowledge, legal compliance, trustworthiness, and a commitment to doing what is right. Furthermore, the organization must maintain ethical relationships with its partners and conduct business with them. Contracts, agreements, and business commitments must all be strictly adhered to. Maintain the privacy of the trading partners' information and do not use it for personal gain without their agreement.

Community, Society and Environment

The corporation is conscious of its social responsibilities and takes them seriously. As a result, the company operates on the premise of fostering shared values between business and society, with a focus on environmental protection through the promotion of resource efficiency and maximum benefit to help reduce energy consumption and prevent the company's operations from harming society, the community, and the environment. The company and its employees are committed to conducting business responsibly and in the best interests of society and community, as well as behaving in a friendly manner towards the communities in which they operate, helping and supporting the development of the community's well-being, and being accountable for the company's business operations in a fair and equitable manner to promote sustainable development.

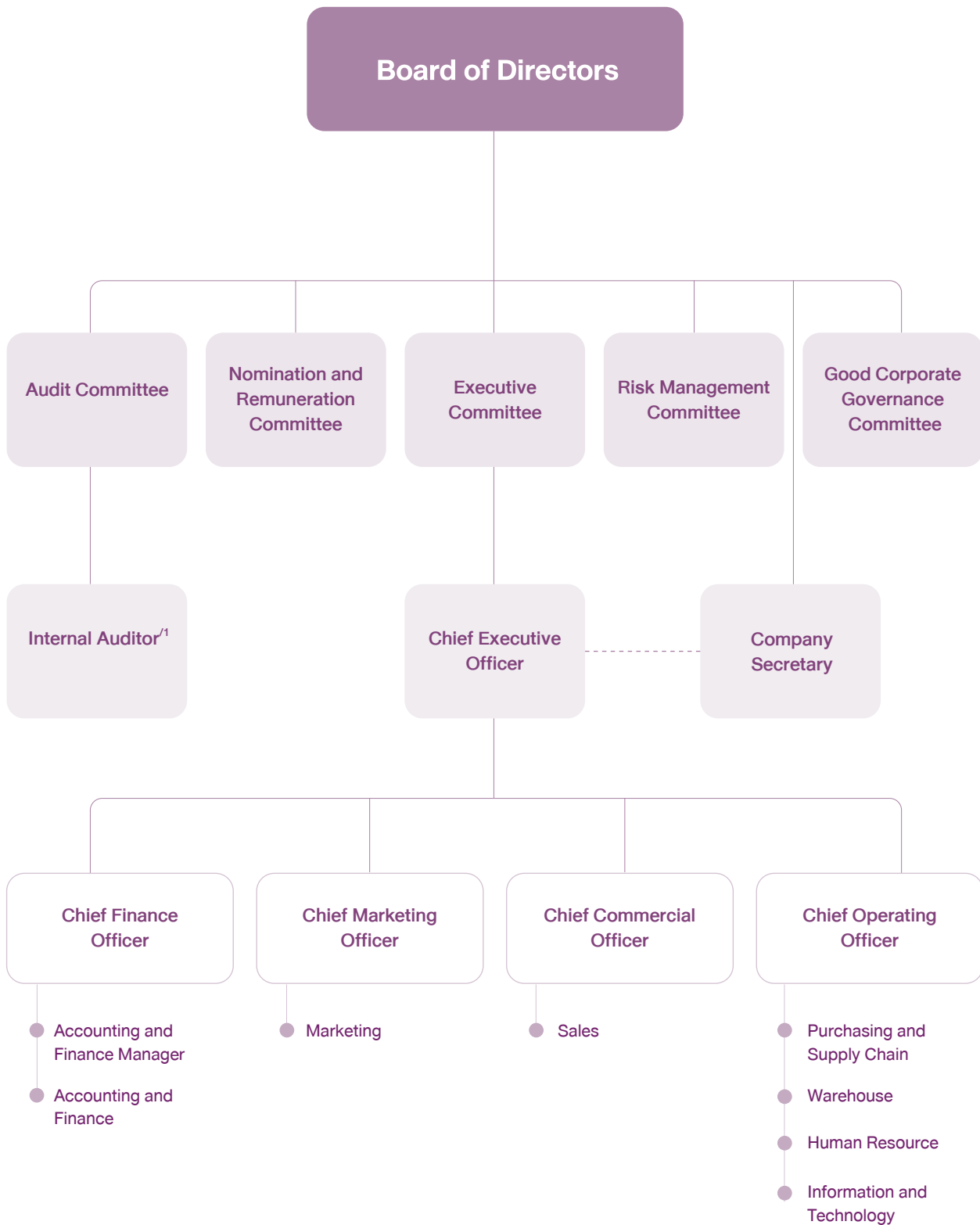
Government and/or related government agencies

Manage the company's affairs to comply with all applicable rules and regulations, as well as assist government agencies with their various tasks as needed. Furthermore, the company is committed to providing high-quality goods while adhering to the law, which includes the duty to treat the government and other government agencies with political neutrality as outlined in the Charter, Code of Conduct, and Anti-Corruption Policy.

In addition, there will be a route for receiving complaints and/or comments via postal mail to the company's headquarters, and it will provide for whistleblower protection by not revealing but keeping whistleblower information confidential. The Internal Audit Department will first construct a summary of the situation and offer it to the Audit Committee for review and approval. If material that has an impact on the organization is discovered, it must be given to the Board of Directors for further consideration.

● Management Structure

Management Structure as at 31 December 2022 is as follows:



Remark: ^{/1} The Company hired IA Signature Company Limited as an internal auditor until 2023 under the current contract.

The Company's management structure comprise of the Board of Directors and 5 Sub-Committees which are (1) Audit Committee, (2) Nomination and Remuneration Committee, (3) Executive Committee, (4) Risk Management Committee and (5) Good Corporate Governance Committee.

1. The Board of Directors

The Company's Board of Directors consist of experts who are valuable to the Company of which 5 directors are independent directors (55.6% of total members) and 8 directors are non-executive directors (88.9% of total members).

As at 31 December 2022, the Board of Directors consisted of:

	Name	Position
1	Dr. Lackana Leelayouthayotin	Chairman / Independent Director
2	Mrs. Pratana Mongkolkul	Vice Chairman / Independent Director / Chairman of Audit Committee
3	Dr. Chatrchai Tuongratanaphan	Independent Director / Chairman of Nomination and Remuneration Committee / Member of Audit Committee
4	Dr. Anuphan Kitnitchiva⁽¹⁾	Director / Chairman of Good Corporate Governance Committee / Member of Nomination and Remuneration Committee
5	Miss Pornchanok Tanskul	Independent Director / Member of Audit Committee
6	Mrs. Yayus Sulyanni Mak	Independent Director / Member of Good Corporate Governance Committee
7	Miss Piyawadee Sonsingh	Director / Member of Good Corporate Governance Committee
8	Mr. Anotai Adulbhan	Director / Member of Nomination and Remuneration Committee
9	Mrs. Worrawan Chaikamnerd	Director / Chairman of Executive Committee / Chairman of Risk Management Committee

Remark: ⁽¹⁾ Dr. Anuphan Kitnitchiva informed the resignation of the Independent Director, Chairman of the Good Corporate Governance Committee and Member of Nomination and Remuneration Committee, effective from 14 November 2022 onwards. Dr. Anuphan Kitnitchiva will remain the position of a Director. The Company will conduct the nomination process and appointment of qualified Chairman of the Good Corporate Governance Committee and Member of Nomination and Remuneration Committee to replace Dr. Anuphan accordingly.

Miss Wipaporn Niamla-ong, Chief Financial Officer, was appointed as Company Secretary.

Independent directors are qualified in accordance with the charter of the board of directors and related regulations and notifications. The details of directors described in Appendix 1 (Details of Directors, Executives, Controlling Person, Person in charge of Finance and Accounting, and Corporate Secretary).

Authorized Directors of the Company

Authorized directors of the Company are "Mr. Anotai Adulbhan or Mrs. Worrawan Chaikamnerd or Miss Piyawadee Sonsingh, two out of the three mentioned directors jointly sign and affixed with the Company's seal"

Duties and Responsibilities of the Board of Directors

1. Perform duties with responsibility, prudence and integrity for the best interest of the Company, its subsidiaries and all shareholders in undertaking the Company and its subsidiaries' operations in accordance with laws, objectives, the article of association and the resolution of the shareholders' meeting. Ensure that the Company and its subsidiaries fully comply with applicable laws related to its business as well as anti-bribery and anti-corruption law.
2. Ensure that the Company and its subsidiaries implement appropriate and efficient accounting system, financial reporting and auditing and put in place adequate and effective internal control and internal audit systems with regular evaluation of the internal control systems.
3. Provide a financial statement of the companies at the end of each accounting period in order to show financial status and performance in the previous year that is accurate and completed according to the generally accepted accounting standards and audited by the Company's auditor before proposing to the annual general shareholders meeting for consideration and approval.
4. Consider to nominate and appoint independent auditor and determine reasonable remuneration as proposed by the Audit Committee before proposing to the annual general shareholders meeting for consideration and approval.
5. Review and approve business policies, operational targets, direction, business strategies, and annual budget of the Company and its subsidiaries as proposed by the management at least once a year to adapt for economics, market, and changing competitive environment.
6. Continuously monitor the operating results of the Company and its subsidiaries to ensure alignment with goal, direction, policies, business plan, and budget. Evaluate performance of the management regularly including define remuneration and review succession plan at least once a year.
7. Define risk management policy throughout the organization and oversee processes and system to manage risks with proper measures to minimize the impact on the business.
8. Establish supervision mechanic to control and monitor operation of the Company's subsidiaries as part of the Company, also set up the procedures to follow up subsidiaries' management in order to safeguard the Company's interest according to the Capital Market Supervisory Board Announcement on requesting permission or allowing to offer the new stock issued.
9. Ensure that corporate governance policy under good governance principles of the Company and its subsidiaries is put in place in writing and communicated efficiently throughout the Company such as anti-corruption policy, whistleblowing policy and insider information policy to affirm accountability and fairness to all stakeholders.
10. Consider to approve operating expenses of the Company and its subsidiaries as well as delegation of authority table.



11. Provide a written code of conduct and ethics as a standard procedures for all directors, executives and employees. The Board of Directors shall keep monitoring to ensure that code of conduct and ethics are strictly followed.
12. Appoint qualified individuals who does not have any prohibited characteristics as defined in the Public Company Act and the Securities and Exchange Act including notifications, rules and regulations or procedures related to the appointment in case that a director position is vacant due to other causes apart from an official end of term as a replacement in the following meeting except the remaining term is less than 2 months according to the recommendation from the Nomination and Remuneration Committee.
13. Define the management structure and appoint the Executive Committee, Chief Executive Office and other sub-committees as appropriate, and determine the scope of authority and remuneration of the appointed Executive Committee, Chief Executive Office and other sub-committees.
14. Authorize any director or a group of director or others to perform any act on behalf of the Board of Directors or delegate such stated person the authority as the Board of Directors properly consider within the specified period. The Board of Directors may consider to cancel, revoke, change or amend any authority granted if needed. The delegation of authority, duty and responsibility shall not have any characteristics that enable the authorized person to approve the connected transaction of himself/herself or related person which may have a conflict of interest with the Company or its subsidiaries (as defined in the notifications of the Securities and Exchange Commission, the Capital Market Supervisory Board and/or other related organization) except the transactions that are normal business operation and in general commercial terms with third parties (Arm's Length).
15. Determine and make amendment on the list of authorized directors who can sign to legally bind the Company.
16. Appoint directors of the subsidiaries at least in proportion of the shareholding by such companies. Determine the remunerations, scope of authority, duties and responsibilities of the appointed directors and executives and also determine voting power in the Board of Directors meeting of the subsidiaries for the significant matter which is required to have approval from the Board of Directors of the Company. Monitor management and administrations of the subsidiaries to operate in accordance with action plan and policy of the Company and supervise to ensure all transactions are conform with the law and related regulations as well as disclosure of financial position and operating results, connected transactions and significant acquisition or disposition of assets correctly. Monitor directors and executives of the subsidiaries to perform such duties in accordance with duties and responsibilities defined by law.
17. Consider and propose the directors' remuneration as recommended by the Nomination and Remuneration Committee to the shareholders' meeting for approval by taking into account all factors such as the Company's strategy and long-term goals, experiences, duties and responsibilities including the expected benefits from each director.

The Company shall not pay any money or assets to the directors unless the remuneration is paid in accordance with the article of association of the Company. In case that it is not mentioned in the article of association, the remuneration payment must be paid in accordance with the approval of the shareholders' meeting by not less than two-third of total votes authorized by shareholders present.

18. Arrange at least six (6) meetings of the Board of Directors per year. All members of the Board of Directors shall attend the meeting to approve all significant transactions unless there is any unavoidable necessity.

The significant transactions as mentioned above including the transactions defined by law which required the resolution of the Board of Directors such as acquisition or disposition of assets of the Company or its subsidiaries which affecting the Company or its subsidiaries significantly, expansion in investment project, consideration and approval of connected transactions as per criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand, determination of level of authority, establishment of financial management and risk management policy of the Company and its subsidiaries.

19. Appoint the corporate secretary and define duties and responsibilities of such person to operate in the name of the Company or the Board of Directors such as preparing and safekeeping the registration of the directors, invitation letter of the board or shareholders and minutes of such meeting together with recording the report of conflicts of interests, etc.
20. Consider and approve the acquisition or disposition of assets of the Company or its subsidiaries, new business investment and any other operations in accordance with laws, notifications, regulations and/or applicable regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board and/or the Stock Exchange of Thailand including other related regulations
21. Consider and/or give a comment on connected transactions between the Company, its subsidiaries or the related parties as defined by the Securities and Exchange Act including notifications, regulations and/or regulations relevant to Securities and Exchange Commission, the Capital Market Supervisory Board and/or the Stock Exchange of Thailand. Consider and approve trade agreement principles which are general trading condition of such transactions between the Company and its subsidiaries, associated companies with directors, executives or its related person in order to determine the operating framework of the Board of Directors and administrative department with authority to make such transactions under scope of law and related regulations. Consider and/or give a comment on the company's other transactions (otherwise value of the transaction is not in the condition required an approval from the shareholders meeting) in order to comply with the law, announcement, regulations and other related regulations
22. Monitor, control and prevent conflict of interests among the stakeholders of the Company and its subsidiaries. Nevertheless, solve the conflict of interests along with the wrongful use of the Company and its subsidiaries' assets and incorrect acts in the transaction between related party which connected to the Company and/or its subsidiaries.
23. Arrange the Annual General Meeting of Shareholders within 4 months after the Company's accounting period ends.



24. Disclose information which appropriate to the stakeholders, the person who has conflict of interests and any related parties including the significant information to the shareholders in the form of financial statement and other reports prepared for the shareholders appropriately. Such information must be firstly published in the Stock Exchange of Thailand system and may also be published through the Company's website. Appoint a person to take responsibilities in providing information to investors. In addition, the Board of Directors must publish information accurately, completely, appropriately and timely.
25. Prepare annual reports of the Board of Directors and be responsible for preparation and disclosure of financial statements to present financial position and performance of the Company during the past year and propose to the shareholders' meeting for approval.
26. Seek for independent opinions from professional advisors as needed with the Company or its subsidiaries' expenses which comply with the Company or its subsidiaries' procedures.
27. Consider and approve interim dividend for the shareholders when the Company has enough profit and report the payment of such dividend to the following shareholders' meeting.

Duties and Responsibilities of the Chairman of the Board of Directors and Chief Executive Officer

To ensure checks and balances between the Board of Directors and the management, the Company prescribes that the Chairman of the Board and the Chief Executive Officer are not the same person. The Chairman of the Board acts as the head of the Board of Directors in supporting the management's operation, but is not involved in daily operation which is the duty of the Chief Executive Officer. The authority and duties of both positions are segregated as follows:

Duties and Responsibilities of the Chairman of the Board of Directors

1. Control the meeting to be effective in accordance with the regulations, Articles of Association, support and allow directors to ask questions and express their opinions independently. Take control of the discussions and summarize the resolution of the meeting.
2. The Chairman of the Board or the person assigned by the Chairman of the Board has the duty to call the meeting of the Board of Directors by sending the meeting invitation letter not less than 7 days prior to the meeting so that the directors have enough time to study, consider, and make the right decisions in various matters at the Board meeting.
3. Support and promote the Board of Directors to perform their duties to the best of their abilities according to the scope of duties and responsibilities and in accordance with good corporate governance principles.
4. Oversee and monitor the operation of the Board of Directors and sub-committees to achieve the objectives.
5. In the event that the votes are tied, the presiding Chairman is entitled to the casting vote.

Duties and Responsibilities of Chief Executive Officer

1. Monitor, manage, operate and conduct the regular business including oversee and control overall operation in accordance with the Company's objectives and Articles of Association, regulations, policies, plans and budget approved by the Board of Directors and/or the shareholders' meeting under the related laws and scopes defined by the Board of Directors.
2. Follow up, verify and evaluate the performances of the Company and its subsidiaries to ensure the good performances according to the goals set and report to the Board of Directors on a regular basis.
3. Determine visions, policies, business directions, strategies, business plans and budget of the Company and its subsidiaries to the Executive Committee and the Board of Directors.
4. Develop the organization's good performance and operating results with consistent improvement for the sustainable growth.
5. Issue internal orders, announcements, and memorandums for the Company's operation to be in line with the policy of the Board of Directors and for the benefits of the Company. Oversee the performance of the employees in accordance with the policies, rules, and regulations under the good governance principles.
6. Determine the organization structure, set up the procedures for recruiting, training, hiring, appointing, transferring and terminating employees. Determine the scope of duties and appropriate remuneration for employees in all levels and have duty to evaluate performance of top management level and lower. Chief Executive Officer has duty to present this organization structure to the Board of Directors for approval and take actions according to the approval by the Board.
7. Determine the trade agreement principles for the benefits of the Company. Consider, negotiate and approve any agreement and/or general business operation related within authorization and the amount set in Table of Authority.
8. Consider investment opportunity and/or new business investment, dissolution or joint investment thorough technical and financial studies appropriately and completely to support the decision making and to present and seek for approval from the Board of Directors.
9. Conduct other duties assigned by the Board of Directors and/or sub-committees and have authority to take necessary actions for the duties.
10. Sub-authorize and/or authorize other person to take action on behalf of the Chief Executive Officer within the scope of authority specified in the power of attorney and/or rules, regulations or resolutions of the Board of Directors and/or sub-committee and/or the Company guidelines for flexibility.



2. Sub-Committees

Audit Committee

As at 31 December 2022, the Audit Committee of the Company consisted of 3 independent directors with complete qualifications according to the notification of the Capital Market Advisory Board and the Stock Exchange of Thailand as listed below.

	Name	Position
1.	Mrs. Pratana Mongkolkul	Chairman of Audit Committee
2.	Dr. Chatrchai Tuongratanaphan	Member of Audit Committee
3.	Ms. Pornchanok Tanskul	Member of Audit Committee

Mrs. Pratana Mongkolkul has enough knowledge and experience to review the reliability of the financial statements and Ms. Pornchanok Tanskul is the secretary of the Audit Committee.

Duties and Responsibilities of the Audit Committee

1. Review the accuracy and adequacy of the Company's financial reporting by working with external auditors and executives who are responsible for preparing quarterly and annual financial reports. The Audit Committee may advise the auditors to review or examine any transaction that is considered significant and necessary during the accounting audit period of the Company.
2. Review the significant extraordinary transactions in the past year (if any) by considering transactions' reasonableness and the impact to the financial position and performance as well as the accuracy and completeness of information disclosure.
3. Review the Company's internal control and internal audit systems to ensure they are appropriate and effective.
4. Consider the independence of the internal audit as well as consider to approve the appointment, transfer and termination of the head of the internal audit department or any other unit in charge of internal audit.
5. Consider and give consent on annual budget, headcount and necessary resources in the operation of the internal audit department, approve annual audit plan and its significant revision, monitor the performance of the internal audit department which should be in accordance with the approved annual audit plan as well as the international professional auditing standards, evaluate the performance of the internal audit every year and engage the external independent agency to assess the internal audit work at least every 5 years. Moreover, the Audit Committee shall meet with the head of internal audit, without the presence of management, at least once a year to discuss on significant matters.
6. Ensure the Company's compliance to the laws on securities and exchange, regulations, announcements and/or related regulations of Securities and Exchange Commission (SEC), the Capital Market Supervisory Board and the Stock Exchange of Thailand and/or any laws related to the Company and its subsidiaries' business. Review the subsidiaries and associated companies to ensure that they are operating in accordance with regulations and corporate governance policies, as well as the management of the subsidiary/associated companies that operate on the main business.

7. Consider, nominate and propose the appointment of the independent person as the Company's external auditor and propose the remuneration of the auditor. Attend the meeting with auditors without the presence of management at least once a year to acknowledge the result of quarterly review and annually audit and also to discuss on any problem or issue that the auditor might have during performing audit.
8. Review connected transactions or transactions with possible conflict of interest, including consideration of requirements and termination of transactions that differ significantly from the terms of the termination considered prior to the transaction. Review the acquisition or disposition of the Company and its subsidiaries to comply with the laws, announcements, regulations and/or regulations relevant to Securities and Exchange Commission, the Capital Market Supervisory Board and/or the Stock Exchange of Thailand to ensure that the aforementioned transaction is reasonable and maximizes the company's benefit. If the Audit Committee lack of expertise to consider connected transactions that may occur or such transactions, the Company will arrange for independent experts or the Company's auditors to provide opinions on such transactions for consideration or decision-making by the Audit Committee.
9. Review and monitor risk management as well as evaluate performance to manage risk by the Risk Management Committee.
10. Request information from various departments of the Company and its subsidiaries for further consideration, invite relevant person such as the directors, management, executives, the Company's lawyer, the external lawyer, or employees of the Company and/or other related persons to attend the meeting to discuss and clarify information, deliver and provide relevant information under the scope of duties assigned by the Board of Directors.
11. Perform other duties as required by laws or additionally prescribed in the future or assigned by the Board of Directors with the agreement of the Audit Committee.

The Nomination and Remuneration Committee

As at 31 December 2022, the Nomination and Remuneration Committee consisted of 3 members as following:

	Name	Position
1.	Dr. Chatrchai Tuongratanaphan⁽¹⁾	Chairman of Nomination and Remuneration Committee
2.	Dr. Anuphan Kitnitchiva⁽²⁾	Member of Nomination and Remuneration Committee
3.	Mr. Anotai Adulbhan	Member of Nomination and Remuneration Committee

Remark: ⁽¹⁾ Independent Director

⁽²⁾ Dr. Anuphan Kitnitchiva informed the resignation of the Independent Director, Chairman of the Good Corporate Governance Committee and Member of Nomination and Remuneration Committee, effective from 14 November 2022 onwards. Dr. Anuphan Kitnitchiva will remain the position of a Director. The Company will conduct the nomination process and appointment of qualified Chairman of the Good Corporate Governance Committee and Member of Nomination and Remuneration Committee to replace Dr. Anuphan accordingly.



Duties and Responsibilities of the Nomination and Remuneration Committee

1. Define the criteria and policy for recruiting the Company's directors and sub-committee members by considering number, structure and composition of the committee and determine the qualifications of the directors that are appropriate for the size, type and complexity of the business including adjustment to align with the changing environment then to propose to the Board of Directors and/or shareholders' meeting (case by case).
2. Determine qualifications and criteria to recruit persons who are qualified with the regulations and relevant laws then propose to the Board of Directors and/or the shareholders' meeting to consider appointment in such positions such as the Company's directors, sub-committee members who are delegated duties and responsibilities directly from the Board of Directors and chief level or higher. The consideration and recruitment must be conducted openly, transparent and without prejudice.
3. Consider the independency and qualifications of each independent director to ensure the person is qualified and meets criteria of regulations and/or relevant laws.
4. Prepare the development plan for directors to enhance and develop their knowledge and skills to understand their roles and responsibilities, business, economic condition, technology, relevant laws and regulations.
5. Prepare a succession plan for chief level to ensure continuity of work, smooth replacement and disclose the policy and detail of recruitment process.
6. Consider the necessary and appropriate remuneration determination both monetary and non-monetary of the Company's directors, members of the sub-committee and chief level individually including other benefits. The remuneration of the Board of Directors is based on duties and responsibilities, performance, and compared with the compensation of other companies in the same industry and expected benefits from directors. Then, propose to the Board of Directors to consider and approve and/or propose to the shareholders' meeting for approval.
7. Establish guidelines to evaluate performance of the Company's directors, members of the sub-committee and chief level or higher to consider annual compensation adjustment with consideration of responsibilities and risks involved as well as increasing of long-term value of shareholders' equity.
8. Disclose remuneration policy and all compensations including a report of remuneration determination which at least has detail of goal, operation and opinion of the Nomination and Remuneration Committee in the annual report of the Company.
9. Conduct other duties assigned by the Board of Directors and agreed by the Nomination and Remuneration Committee.

The Executive Committee

As at 31 December 2022, the Executive Committee consisted of 4 members as following:

	Name	Position
1.	Mrs. Worrawan Chaikamnerd	Chairman of Executive Committee
2.	Mr. Thanayus Leeraphan	Executive Committee
3.	Miss Naruemol Sukkamolwatana	Executive Committee
4.	Miss Wipaporn Niamla-ong	Executive Committee

Duties and Responsibilities of the Executive Committee

1. Manage the Company and its subsidiaries' business according to the objectives, requirements, policies, rules, regulations, commands and resolutions of the Board of Directors' meeting.
2. Propose goals, policies, business plan including business strategy direction, financial targets and annual budget to the Board of Directors to consider and approve. Supervise, validate and control the business operations of the Company and its subsidiaries in accordance with defined goals, policies and business plans. Control the Company's expenditure as per approved budget and report to the Board of Directors every quarter.
3. Assess possibility and evaluate any opportunity for investment in new projects or new businesses by conducting a proper and completely technical and financial study to support for consideration to invest or divest then propose to the Board of Directors. Monitor the performance and progress of the investment project and report the results including the problem or issue occurred with the solution to the Board of Directors for acknowledgement.
4. Define procedures and transactions between the Company or its subsidiaries and the major shareholders, directors and management of the Company and those related to such persons appropriately to prevent the benefit transferred, then propose to the Board of Directors to approve in principles and ensure compliance of principles and requirements approved by the Board of Directors.
5. Provide necessary information of the Company and present to the Board of Directors and shareholders for consideration and also prepare reliable financial reports as per transparent standard.
6. Consider to propose the Board of Directors to approve the entering into any financial transactions with financial institutions for opening account, loans, withdrawing money from all accounts of the Company and utilizing the credit and using the Company's securities as collateral for such loans whether registered or unregistered for business purpose. In addition to entering legal contract, submission, contact and take action with the government agency to obtain any rights of the Company and/or proceed on related matters within the approved limit and/or in accordance with the Delegation of Authority table determined by the Board of Directors and/or relevant laws and regulations and/or the article of association of the Company.
7. Review risk management and internal control system of the Company.
8. Perform other duties as assigned by the Board of Directors.

The Risk Management Committee

As at 31 December 2022, the Risk Management Committee consisted of 4 members as following:

	Name	Position
1.	Mrs. Worrawan Chaikamnerd	Chairman of Risk Management Committee
2.	Mr. Thanayus Leeraphan	Risk Management Committee
3.	Miss Naruemol Sukkamolwatana	Risk Management Committee
4.	Miss Wipaporn Niamla-ong	Risk Management Committee

Duties and Responsibilities of the Risk Management Committee

1. Scrutinize, consider, review and identify significant risks of the Company's business operations that may arise from either internal or external environments. Determine prevention methods and risk management policies and propose to the Board of Directors by providing assessment, monitoring, and overseeing the risk level to be at appropriate level.
2. Coordinate with the Audit Committee in providing information on significant risks and internal control so that the Audit Committee can deliberate and approve the internal audit plan to ensure with reasonable assurance that the Company has the internal control system which is suitable for risk management also including the implementation of the risk management system appropriately and encouraging sustainable behavior change across organization.
3. Continuously report the risk assessment and operation results to minimize risk to the Board of Directors. In case that there is an essential circumstance that affected the financial position and the Company's performance, the Risk Management Committee ought to report to the Board of Directors for consideration at the earliest convenience
4. Provide insights, and consistently instilling risk management to the executives, along with employees in the Company and its subsidiaries.

The Corporate Governance Committee

As at 31 December 2022, the Corporate Governance Committee consisted of 3 members as following:

	Name	Position
1.	Dr. Anuphan Kitnitchiva ⁽²⁾	Chairman of Good Corporate Governance Committee
2.	Mrs. Yayus Sulyanni Mak ⁽¹⁾	Member of Good Corporate Governance Committee
3.	Ms. Piyawadee Sonsingh	Member of Good Corporate Governance Committee

Remark:

⁽¹⁾ Independent Director

⁽²⁾ Dr. Anuphan Kitnitchiva informed the resignation of the Independent Director, Chairman of the Good Corporate Governance Committee and Member of Nomination and Remuneration Committee, effective from 14 November 2022 onwards. Dr. Anuphan Kitnitchiva will remain the position of a Director. The Company will conduct the nomination process and appointment of qualified Chairman of the Good Corporate Governance Committee and Member of Nomination and Remuneration Committee to replace Dr. Anuphan accordingly.

Duties and Responsibilities of the Corporate Governance Committee

1. Establish corporate governance policies and guidelines. including key operating procedures related to good corporate governance, social and environmental responsibility, and sustainability development in accordance with the Company's principles, standards, and guidelines for corporate governance, as well as the good corporate governance principles of the Securities and Exchange Commission's and the Stock Exchange of Thailand.
2. Supervise, advise, monitor and evaluate corporate governance, social and environmental responsibility, and sustainability development performance for efficiency and also raising the Company's corporate governance system to international standards.
3. Raise the Board of Directors' awareness of roles and responsibilities and promote a culture of good governance and social and environmental responsibility as well as participation of the Board of Directors. Executives and employees at all levels.

3. The Executive Committee

As at 31 December 2022, the Executive Committee consisted of 5 members as following:

	Name	Position
1.	Mrs. Worrawan Chaikamnerd	Chief Executive Officer / Acting Chief Commercial Officer
2.	Mr. Thanayus Leeraphan	Chief Marketing Officer
3.	Miss Naruemol Sukkamolwatana	Chief Operating Officer
4.	Miss Wipaporn Niamla-ong	Chief Financial Officer
5.	Miss Natthaya Suriprasitchai	Accounting & Finance Manager

The details of directors described in Appendix 1 (Details of Directors, Executives, Controlling Person, Person in charge of Finance and Accounting, and Corporate Secretary).

4. Company Secretary

The Board of Directors Meeting No. 1/2022 on 28 January 2022 has resolution to appoint Miss Wipaporn Niamla-ong as Company Secretary. Pursuant to the Securities and Exchange Act B.E. 2535 in section 89/15 and 89/16. Scope of duties and responsibilities of the Company Secretary are specified below.

1. Manage and keep the Company's documents:
 - (a) Director registration record,
 - (b) Invitation letter and minutes of the Board of Directors' Meeting
 - (c) The Company's annual report
 - (d) Invitation letter and minutes of the Shareholders' Meeting



2. Keep reports of interests on directors and executives or other reports in accordance with the laws, rules, charters or internal policies.
3. Submit copied reports of interests on directors and executives to Chairman of the Board of Directors and Chairman of the Audit Committee within 7 days after receiving the reports.
4. Provide information and supervise the Board of Directors and executives in accordance with the laws and the Company's rules and regulations and follow up on a regular basis to ensure that all are complied with the laws and related rules and regulations correctly. Inform directors and executives of any changes in regulations related to them.
5. Arrange shareholders' meetings and the Board of Directors' meetings in accordance with the laws, the Article of Association and related practices to ensure compliance with good corporate governance.
6. Record minutes of shareholders' meetings and the Board of Directors' meetings as well as ensure that all resolutions have been implemented.
7. Provide advisors or expertise from external to supervise the Board of Directors and provide support for all directors and executives to attend training courses in their relevant areas.
8. Supervise the Board of Directors in accordance with good corporate governance principles and evaluate the performances.
9. Ensure all information and report disclosed to related parties correctly.
10. Communicate to shareholders to ensure they receive information related to their rights and all news update and coordinate between shareholders, the Board of Directors and executives.
11. Ensure all policies and strategies are communicated and implemented.
12. Ensure effective evaluations for the Board of Directors' performance and report to the Board of Directors accordingly.
13. Perform other duties as assigned by the Board of Directors or other duties in accordance to laws, related rules and regulations and/or announced by the Capital Market Advisory Board.

5. Meeting Attendance and Remuneration of Directors

Meeting Attendance of the Board of Directors and Sub-Committees in 2022

	Directors	Position in the Board of Directors and Sub-Committees	Meetings						
			Shareholders' Meeting	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Executive Committee	Risk Management Committee
1.	Dr. Lackana Leelayouthayotin	Chairman / Independent Director	1/1	6/7	-	-	-	-	-
2.	Mrs. Pratana Mongkolkul	Vice Chairman / Independent Director / Chairman of Audit Committee	1/1	7/7	4/4	-	-	-	-
3.	Dr. Chatrchai Tuongratanaphan	Independent Director / Chairman of Nomination and Remuneration Committee / Member of Audit Committee	1/1	7/7	3/4	3/3	-	-	-
4.	Dr. Anuphan Kitnitchiva	Independent Director / Chairman of Good Corporate Governance Committee / Member of Nomination and Remuneration Committee	1/1	7/7	-	3/3	1/1	-	-
5.	Miss Pornchanok Tanskul	Independent Director / Member of Audit Committee	1/1	7/7	4/4	-	-	-	-
6.	Mrs. Yayus Sulyanni Mak	Independent Director / Member of Good Corporate Governance Committee	1/1	7/7	-	-	1/1	-	-
7.	Miss Piyawadee Sonsingh	Director / Member of Good Corporate Governance Committee	1/1	7/7	-	-	1/1	-	-
8.	Mr. Anotai Adulbhan	Director / Member of Nomination and Remuneration Committee	1/1	7/7	-	3/3	-	-	-
9.	Mrs. Worrawan Chaikamnerd	Director / Chairman of Executive Committee / Chairman of Risk Management Committee	1/1	7/7	-	-	-	10/10	4/4
10.	Mr. Thanayus Leeraphan	Member of Executive Committee / Member of Risk Management Committee	1/1	-	-	-	-	5/10	2/4
11.	Miss Naruemon Sukkamolwatana	Member of Executive Committee / Member of Risk Management Committee	1/1	-	-	-	-	10/10	4/4
12.	Miss Wipaporn Niamla-ong	Member of Executive Committee / Member of Risk Management Committee / Company Secretary	1/1	-	-	-	-	10/10	4/4



Remuneration for Directors

The Board of Directors has established a Nomination and Remuneration Committee to nominate persons with appropriate qualifications to be directors, sub-committee members, Chief Executive Officer, and senior executives of the Company as well as consider the types and criteria for payment of remuneration to directors, sub-committee members in the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee, Chief Executive Officer, and senior executives as deemed appropriate for their duties and responsibilities, work achievements linking with operating results and other related factors and benchmarking with other companies in the same or similar industry to propose its opinions to the Board of Directors and/or to the shareholders meeting for consideration and approval.

(1) Monetary Remuneration

The Annual General Meeting of Shareholders 2022 on 25 April 2022 has passed a resolution to determine remuneration for the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance Committee as follow:

Directors	After Adjusting ⁽¹⁾	
	Chairman	Directors
Monthly Remuneration	15,000	10,000
Meeting Allowance (per time) ⁽²⁾		
- The Board of Directors	17,500	12,500
- The Audit Committee	15,000	10,000
- The Nomination and Remuneration Committee	12,000	7,000
- The Corporate Governance Committee	12,000	7,000

Remark: ⁽¹⁾ Meeting allowances for directors and sub-committee members were paid based on actual attendance.

Those who are executive directors will not be entitled to such monthly remuneration and meeting allowances because they already are remunerated in their capacity as employees.

For the year-ended 31 December 2022, the Company paid remuneration to 8 directors with the amount of Baht 1,971,500 as monthly remuneration and meeting allowances as per below details:

	Directors	Position in the Board of Directors and Sub-Committees	Total Remunerations as of 31 December 2022		Total
			Monthly Remuneration	Meeting Allowances	
1	Dr. Lackana Leelayouthayotin	Chairman / Independent Director	180,000	105,000	285,000
2	Mrs. Pratana Mongkolkul	Vice Chairman / Independent Director / Chairman of Audit Committee	120,000	147,500	267,500
3	Dr. Chatrchai Tuongratanaphan	Independent Director / Chairman of Nomination and Remuneration Committee / Member of Audit Committee	120,000	153,500	273,500
4	Dr. Anuphan Kitnitchiva	Independent Director / Chairman of Good Corporate Governance Committee / Member of Nomination and Remuneration Committee	120,000	120,500	240,500
5	Miss Pornchanok Tanskul	Independent Director / Member of Audit Committee	120,000	127,500	247,500
6	Mrs. Yayus Sulyanni Mak	Independent Director / Member of Good Corporate Governance Committee	120,000	94,500	214,500
7	Miss Piyawadee Sonsingh	Director / Member of Good Corporate Governance Committee	120,000	94,500	214,500
8	Mr. Anotai Adulbhan	Director / Member of Nomination and Remuneration Committee	120,000	108,500	228,500
9	Mrs. Worrawan Chaikamnerd⁽¹⁾	Director / Chairman of Executive Committee / Chairman of Risk Management Committee	-	-	-
Total			1,020,000	951,500	1,971,500

Remark: ⁽¹⁾ Executive director is not entitled to directors' remuneration as she already is remunerated in her capacity as employee.

(2) Other remuneration

- None -



6. Remuneration for Executives

(1) Monetary Remuneration

The Company paid remuneration for 4 Executives (exclude Accounting and Finance Manager) for the year-ended 31 December 2022 at the amount of Baht 32.9 million. The remunerations consist of salary, bonuses, car allowances and contributions to provident fund.

(2) Other remuneration

The Company issued and offered its executives and employees 18,000,000 units of ESOP warrants under KISS ESOP program with the exercise price of Baht 7.20 per share according to the resolution of the Extraordinary General Shareholders' Meeting 2/2020, on 14 July 2020 in order to motivate and reward its executives and employees to create value of the Company and the shareholders. The number of warrants allocated may be varied depends on position, experiences, year of service, performance, potential and value created for the Company. ESOP warrants are valid for 5 years and the warrant holder can purchase the ordinary share of the Company at the exercise ratio of 1 unit of warrant to 1 ordinary.

KISS ESOP is allocated to 5 executives, totaling 51% of total warrants issued. All warrant holders can exercise the ESOP warrants amount to 0%, 10%, 40%, 70% and 100% during year 1-5 respectively. The Company has registered ESOP warrant transfer limitation already.

7. Employees

Number of Employees

As of 31 December 2022, the Company had total number of 122 employees, details as shown below.

No.	Department	Number of Employees as at 31 December 2022
1	Executives	4
2	Accounting and Finance	13
3	Marketing and New Product Development	12
4	Sales	25
5	Human Resources	3
6	Information Technology	1
7	Supply Chain	6
8	Distribution	6
9	Warehouse	8
10	Logistics	7
11	QC&QA	7
12	Packing Planning	5
13	Daily Packing	25
Total		122

Remuneration for the Employees

The Company paid remuneration for employees (exclude 4 Executives) for the year-ended 31 December 2022 at the amount of Baht 66.3 million. The remunerations consist of salary, bonuses, overtime, allowances, contributions to provident fund and employee benefits such as phone and travelling allowances.

Provident Fund

The Company supports the Provident Fund Committee in selecting a fund manager who abides by the Investment Governance Code (“I Code”) and manages investments with responsibility by taking into account the environmental, social, and governance (“ESG”) dimensions, which will lead to efficient investment management with consideration on returns and utmost benefits of the members of the Company’s provident fund in the long run. The Company appointed SCB Asset Management Co., Ltd. as fund manager for the provident fund of the Company under the fund name SCB Master Fund. As at 31 December 2022, there were 55 employees joined provident fund program, accounted for 45.5% of total employee of the Company.



People Development Policy

The Company has people development policy to develop all employees competency, knowledge, skills and abilities appropriated to their jobs. The Company places a significance on developing its employees to grow and develop together by supporting all training and seminar both in house and with external organization suited for employees' needs and expertise.

Other Important Information

Persons in Charge

- Person in charge of finance and accounting
Ms. Wipaporn Niamal-ong
Chief Financial Officer (Details as in Appendix 1)
- Person in charge of accounting
Ms. Natthaya Suriprasitchai
Accounting and Finance Manager (Details as in Appendix 1)
- Internal Auditor
The Company hired Mr. Sutee Tanwanichkul
of IA Signature Company Limited as internal auditor until year 2023.
- Investor Relations
Ms. Kitiya Chalernpakittinun
Investors Relation Assistant Manager
Contact Investor Relation – E-Mail : IR@rojukiss.com Tel. 02-6451155

Compensation for the Auditor

- **Audit Fee**
The Company paid audit fee to PricewaterhouseCoopers ABAS Limited for the past year totaling of Baht 3,700,000 (include subsidiaries) excluded other expenses.
- **Non-Audit Fee**
The Company has no other services apart from audit fee.

Performance Summary of the Board of Directors for the Previous Year

The Board of Directors has reviewed and set vision and mission of the Company in order to have them consistent and appropriate to the business operation in the future along with the good corporate governance guidelines. The Board of Directors has appointed sub-committees to increase competitiveness, create organizational culture and values, enhance the efficiency of internal control system and organizational risk management. In addition, the performance evaluation of the Board of Directors and the sub-committees has also been organized in the previous year to reflect the transparent operation in accordance with the duties and responsibilities. The evaluation form was assessed by the Nomination and Remuneration Committee based on the example of the Board of Directors' Self-Evaluation Form recommended by the Stock Exchange of Thailand.

Nomination, Development and Performance Evaluation of the Board of Directors

Nomination of Directors

To nominate directors, the Nomination and Remuneration Committee, which consists of 2 independent directors out of 3 members of the Nomination and Remuneration Committee, will consider persons with qualifications stipulated in the Board of Directors Charter pursuant to the law and the Company's skill matrix as in line with its business strategy in different areas as follows:

- 1) Business understanding and knowledge in related areas such as beauty and cosmetics product, health product, retail business and international business
- 2) Marketing and business administration
- 3) Technology
- 4) Accounting and finance
- 5) Laws and regulations
- 6) Economics and government policy
- 7) Knowledge in money market and capital market
- 8) Corporate governance

After careful consideration, the Nomination and Remuneration Committee will propose the names of those persons to the Board of Directors meeting for consideration. The Board of Directors will at its discretion consider and screen those names to ensure that the director nominees have qualifications that are suitable for the Company's business to be proposed to the shareholders' meeting for further consideration and selection with the following rules and procedures:

- 1) Each shareholder has a vote equal to 1 share per 1 vote.
- 2) The shareholders may exercise their votes to select only one person or many persons to be director (s) but not greater than the total number of directors being elected at that time. In the event the shareholders exercise their votes to select more than one person to be directors, allocation of votes in favor for a specific person is not allowed.

- 3) The persons obtaining the highest votes in descending order shall be elected as directors, but total number of directors shall not exceed the total number of directors required at that time, otherwise the Chairman of the meeting shall cast the vote to determine the total number.

Nomination of Independent Directors

The Company has defined the composition of the Board of Directors to include independent directors at least one-third of the total numbers of directors. In the nomination of independent directors, the Company considers the person with qualifications as follows:

- 1) Not holding more than 1% of the total outstanding voting shares of the Company, subsidiary, associated company, major shareholders or controlling person including shares held by related persons of the independent directors.
- 2) Neither being nor having been an executive director, officer, employee, advisor who receives a salary of the Company or controlling person of the Company, subsidiary, associated company, a same level subsidiary, major shareholder or controlling person, unless the foregoing status ended not less than 2 years prior to the date of appointment.
- 3) Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiaries.
- 4) Not having nor having had a business relationship with the Company, its subsidiary, associated company, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being not having been a substantial shareholder or controlling person of any entity having business relationship with the Company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing status ended not less than 2 years prior to the date of appointment.

The term “business relationship” as aforementioned includes any normal business transaction, rental or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral including any other similar action of which value more than 3% of the net tangible assets or exceeds Baht 20 million, whichever is lower. The value of each transaction is based on the calculation method for the values of related party transactions under the Announcement of the Thai Capital Market Supervisory Board regarding the related party transactions. Under the regulation, all transactions occurring within 1 year of preceding transactions must be included in such calculation.

- 5) Neither being nor having been an auditor of the Company, its subsidiary, associated company, major shareholder or controlling person nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its subsidiary, associated company, major shareholder or controlling person, unless the foregoing relationship ended not less than 2 years from the date of appointment.

- 6) Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its subsidiary, associated company, major shareholder or controlling person and neither being nor having been a substantial shareholder, controlling person or partner of the professional advisor, unless the foregoing relationship ended not less than 2 years from the date of appointment.
- 7) Not being a director who has been appointed as representative of the Company's directors, major shareholders, or shareholders who are related to the major shareholders.
- 8) Not conducting any businesses which have the same nature as or are in competition with the Company's or its subsidiaries or neither being significant partner in a partnership, executive director, employee, officer, or consultant who receives regular salary, shareholder holding more than 1% of the voting shares of business which have the same nature as or in competition with the Company or its subsidiaries.
- 9) Not having any characteristics that could prevent him/her from giving independent opinions concerning the Company's operation.

In the past fiscal year, none of independent directors have business relationship or provide any professional advisory service with the annual fee exceeding Baht 2 million from the Company.

Nomination of High-level Executives

The Board of Directors has considered and assigned the Nomination and Remuneration Committee to consider the criteria and methods for recruiting qualified persons to be high-level executives and nominate persons who deem appropriate together with reasons for the Board of Directors to consider and appoint them. In reviewing selection criteria, knowledge, skills, experiences that are beneficial to the Company, understanding of the Company's business and ability to manage the work to achieve the goals set by the Board of Directors shall be considered.

Performance Evaluation of the Board of Directors and High-level Executive

Evaluation of the Board of Directors' Performance

As the Company has defined in the charter of the Board of Directors and sub-committee that the Board of Directors and the sub-committee shall evaluate its performance on an annual basis. The result of the assessment shall be presented to the Nomination and Remuneration Committee and then to the Board of Directors for acknowledgement and the recommendations from the performance evaluation will be used to improve the performance of the Board of Directors to be the most effective. For the year 2022, the performance evaluation was done by a collective performance evaluation, individual performance evaluation and a sub-committee performance evaluation as follows:

1) Collective Performance Evaluation

The collective performance evaluation consists of 4 topics: (1) Structure and qualifications of the Board of Directors (2) The meetings of the Board of Directors (3) The roles and responsibilities of the Board of Directors and (4) Relationship with the executives. The results of the Board of Directors' collective performance evaluation for the year 2022 showed an average score of 94.5%.



2) Individual Performance Evaluation

The individual performance evaluation consists of 3 topics: (1) Structure and qualifications of the Board of Directors (2) The meetings of the Board of Directors and (3) The roles and responsibilities of the Board of Directors. The results of the Board of Directors' individual performance evaluation for the year 2022 showed an average score of 96.0%.

3) Sub-committee Performance Evaluation

The sub-committee performance evaluation consists of 3 topics: (1) Structure and qualifications of the sub-committee (2) The meetings of the sub-committee and (3) The roles and responsibilities of the sub-committee. The results of the sub-committee performance evaluation for the year 2022 of the Audit Committee, the Corporate Governance Committee and the Nomination and Remuneration Committee showed an average score of 100%, 97.7% and 92.1% respectively.

High-level Executive Evaluation

The Board of Directors evaluates the performance of the Chief Executive Officer in order to monitor whether the performances of the Chief Executive Officer are in accordance with the Company's short and long-term goals. The evaluation helps to determine remuneration of the Chief Executive Officer to be transparent and suitable for each individual performance and strengthen the corporate governance of the Company. The recommendations from the performance evaluation will be used further to improve efficiency of work.

Supervision and Governance of Subsidiaries and Associated Companies

The Company has set rules that the nomination and appointment of representatives to be directors in its subsidiaries and associated companies must be approved by the Board of Directors. The representatives appointed as directors in subsidiaries and associated companies are responsible for the best interests of those subsidiaries and associated companies. The representatives appointed as directors must be approved by the Board of Directors prior to voting or exercise the right to vote on important matters at the same level as requiring the approval of the Board of Directors if it is operated by the Company itself. The nomination of representatives in subsidiaries and associated companies is in proportion to the Company's shareholding.

In addition, in the case of subsidiaries, the Company has established regulations that representatives appointed by the Company must supervise the subsidiaries to have regulations on connected transactions, acquisition or disposition of assets or any other important transactions of the subsidiaries to be complete, correct and apply the rules relating to the disclosure of information and the above transactions in the same manner as the Company's criteria. These include the need to supervise the data collection and accounting records of subsidiaries for the Company to be able to audit and prepare the consolidated financial statements on a timely basis.

Monitoring Compliance with the Corporate Governance Policy and Practices

1) Prevention of Conflict of Interest

The Company has in place a policy to prevent conflict of interest based on prudence, honesty, rationale and independence within the ethical framework for the Company's interests. The policy stipulates that a person who may have conflict of interest and/or a connected person as well as related parties involving in a transaction who discloses the information on the interests of his/her own and related parties to the Company for acknowledgement and have no authority to approve the transaction in which he/she has interests.

The Company prescribes in the Board of Directors charter that the Board of Directors shall be responsible for ensuring non-conflict of interest between stakeholders of the Company and subsidiaries. In case that any director having conflict of interest in any transaction conducted with the Company or changes in his/her shareholding percentage, such director shall notify the Company immediately. Moreover, the assignment of authority, duties and responsibilities to any person shall not be characterized by the delegation of authority that allows the attorney to be able to approve the transaction that he/she or a person who may have conflict of interest may have interests or receive interests in any forms or have any other conflict of interest with the Company or subsidiaries, except for the approval of transactions which are conducted in accordance with the policy and the criteria approved by the shareholders' meeting or Board of Directors.

The Company has a policy on connected transactions and transactions having conflict of interests as in accordance with the laws and regulations of SEC, Capital Market Supervisory Board, and SET which will also be disclosed in Form 56-1 One Report.

2) Supervision of the Use of Inside Information

The Company conducts business under the principles of good corporate governance of the Stock Exchange of Thailand and places emphasis on the supervision of the use of inside information to be in accordance with the principles of good corporate governance. By adhering to these principles and ensuring the confidence of investors to receive equitable, timely and reliable information, the Company has established a policy of confidentiality, data protection and the use of inside information that all personnel shall be informed and follow procedures of confidential information protection. To prevent the disclosure of information and to identify the type of confidential information, the confidential documents and information must be managed and protected with specific methods accessible by both data creators and users.

In addition, the Company places great emphasis on safeguard of customer and business information to be confidential. It is prohibited to disclose such confidential information of customers to employees and outsiders. In case that is necessary to disclose confidential information to the public, approval must be obtained from Chief Executive Officer. This prohibition shall include trading, transfer or acceptance of transfer of the Company's securities by using confidential information and/or inside information and/or enter into any other juristic acts using confidential information / or inside information of the Company which causes damage to the Company either directly or indirectly.

The Company's directors, management and employees who receive inside information shall be prohibited from trading of the Company's securities in a specific period, which has been complied since the year ended 2020 which is the first reporting period since the Company was listed in the Stock Exchange of Thailand. The Company Secretary and the Human Resource department shall notify those directors, management, and employees receiving inside information in advance to be aware of such prohibition period for trading of the Company's securities. This shall include the prohibition of trading of the Company's securities by oneself, spouses, minor children, whether it is direct or indirect trading (such as nominee or holding of securities through private funds) during the period when the Company is about to disclose significant information that may affect the Company's share price such as 1 month prior to the date of disclosure of financial statements or operating results until 1 day after the date that the Company has disclosed financial statements or operating results to the Stock Exchange of Thailand to ensure that such information be disclosed to the public first. With this regard, the Company has established disciplinary penalty for those seeking benefits from the use of disclosure of the inside information causing damages to the Company, which may be penalized as required by law or by the Company through verbal warning, warning letter, probation, or termination of employment.

Simultaneously, the Company has monitored and studied rules, regulations and relevant laws and informed the changes (if any) to its directors and management to strictly perform duties in accordance with changing rules, regulations, and relevant laws.

3) Anti-Corruption

The Company recognizes the importance of anti-corruption and is committed to operating business ethically within the good corporate governance framework by adhering to good governance principles and Code of Conduct as well as responsibility for the society, the environment, and the stakeholders by ensuring business operations based on transparency, fairness, and accountability. The Company then developed a written anti-corruption policy which prescribes clear practice guidelines for operating business and transforming the organization into a sustainable organization. The policy was approved by the Board of Directors Meeting No. 3/2020 held on 22 June 2020, which can be summarized as follows:

- Not taking any action in all forms of corruption, giving, or accepting bribery to government agencies and private sectors or stakeholders of the Company in order to gain competitive advantage or for own benefit and other related persons' interests including requesting or giving bribery for any inappropriate benefits.
- Not neglecting or ignoring when seeing actions that are considered a corruption in relation to the Company. Employees must notify the supervisor or the person in charge and cooperate in the investigation of various facts.
- The Company will provide fairness and protection for employees who refuse or report a corruption cases to the Company in accordance with the policy established.
- Person who commits corruption are against the Company's code of ethics. He/she must be therefore considered for disciplinary action in accordance with the regulations set by the Company and may be punished by law if his/her act is illegal.
- The Company recognizes the importance of disseminating and educating people to ensure they understand on their duties for the Company or possibly affecting the Company in matters of compliance with the anti-corruption policy. Human Resource Department is responsible for communication, education and ensure those people understand clearly on this matter.
- The Company ensures appropriate and efficient auditing and internal control processes are put in place both financial and accounting system, keeping record and others. Also ensures that there is a risk management system to prevent corruption.
- The Company set up communication channels to publish the anti-corruption policy to employees of the Company and its subsidiaries and external parties such as director and new employee orientation, posts on the Company's publicity signs, corporate website, annual report etc. to ensure all related parties understand all kind of corruption, risk of having relation to corruption and how to report corruption case.

In order to clarify the operation in matters that have a high risk corruption, directors, executives and employees in all level of the Company have to operate with cautious in these following topics:

3.1 Political Support

The Company is politically independent and conducts its business without engaging in politics in any case. Therefore, the Company has no policy in supporting politics either directly or indirectly using money or any assets of the Company. However, the Company does not forbid directors, executives, and employees from participating in political activities undertaken under the constitution, but the participation must be on personal behalf without any negative association with the Company.

3.2 Charitable Donation and Financial Support

The Company is politically independent and conducts its business without engaging in politics in any case. Therefore, the Company has no policy in supporting politics either directly or indirectly using money or any assets of the Company. However, the Company does not forbid directors, executives, and employees from participating in political activities undertaken under the constitution, but the participation must be on personal behalf without any negative association with the Company.

The charitable donation and financial support need a clear and reliable evidence to ensure that the donation and financial support is not an excuse for corruption.

3.3 Gifts and Entertainment

The Company allows directors, executives and employees to accept and pay money for gifts and entertainment that are unambiguous and are considered as normal business conduct or traditions or festive without impact to business operation or being a potential channel for corruption. The act must be in accordance with the Company's regulations without violation of related laws and notifications or with the purpose to gain any advantage through a misconduct or to be an outright on hidden exchange to seek benefits in any form. Moreover, type and value of gifts must be reasonable and appropriate.

Chief Executive Officer or the Audit Committee has duty to receive complaints, gather information, investigate and report to the Board of Directors for consideration and defining disciplinary action as appropriate. If such act is illegal, the person may be legally penalized. The decision of Chief Executive Officer or the Audit Committee is considered final.

4) Whistleblowing

In case of suspected any act of corruption or breached any rules, regulations, or code of conduct, complainants must provide details of complaints along with their names, addresses, and contact telephone numbers to e-mail AC@Rojukiss.com or by post to:

Chairman of the Board of Directors or Chairman of the Audit Committee
Rojukiss International Public Company Limited
100/8, 100/51-54 Vongvanich Complex B Tower, 12th, 19th floor
Rama 9 Road, Huai Khwang, Huai Khwang, Bangkok 10310



Performance Summary of the Sub-Committee for the Previous Year

Performance Report of the Audit Committee

In 2022, the Audit Committee held 4 meetings and consistently reported its performance to the Board of Directors for acknowledgement after each meeting. The Audit Committee has the main duties and responsibilities to support the Board of Directors in overseeing the matters relating to the preparation and disclosure of information in financial reports, the effectiveness of risk management and internal control systems, the compliance with relevant laws, rules, and regulations, the monitoring of qualifications, expertise and adequacy of working team and independence of both internal auditor and external auditor of the Company as well as the evaluation on the effectiveness of performance of internal auditor. The Audit Committee reports its performance as well as recommendations to the Board of Directors whenever the Audit Committee has any queries or opinions that there should be improvements regards to internal control, financial reports or other matters found. The Audit Committee will promptly report any queries or recommendations in various matters to the Board of Directors. The Audit Committee's performance of duties can be concluded as follows:

- 1) Review the accuracy of financial reports and the adequacy of the disclosure of the Company's information
- 2) Review connected transactions or transactions that may have conflict of interest
- 3) Review the internal control system
- 4) Supervise the internal audit
- 5) Consider the appointment of auditors and communication of significant matters between the Audit Committee and the auditors
- 6) Review legal compliance

In addition, the Audit Committee performed its duties in accordance with the Charter assigned by the Board of Directors completely and independently to ensure that the Company has executed the efficient and adequate corporate governance, operations for the utmost benefits to the shareholders with fair and equal without any conflict of interest, and internal control system were adequate and appropriate.

Performance Report of the Nomination and Remuneration Committee

In 2022, the Nomination and Remuneration Committee held 3 meetings and reported its performance to the Board of Directors consistently for acknowledgement, summarized as follows:

- 1) Considered the structure of the Board of Directors and the sub-committees, in terms of the composition and the number of directors deemed as appropriate for the size, type and complexity of business as well as compared it with other companies in the same or similar industry and acknowledged the 2022 Board diversity, comprising the information on the number of independent directors, their gender and Board Skill Matrix to be used for the consideration of appointment of suitable directors with qualifications, knowledge, and capabilities that are diverse and beneficial to the Company's business operation.
- 2) Considered nominating suitable persons with qualifications, knowledge, experience, and expertise to be directors and proposed them to the Board of Directors and the 2023 Annual General Meeting of Shareholders. The Committee proposed the re-appointment of directors retiring by rotation in 2022 for another term, while the shareholders' meeting resolved to approve the appointment of all directors as proposed.

- 3) Considered the structure and determined the 2022 remuneration for the Board of Directors and the sub-committees, comprising of the Audit Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee, and then submitted to the Board of Directors and the shareholders' meeting for consideration and approval, by taking into account their responsibilities and performance related to operating results and other relevant factors. The remuneration rate was compared with those of other companies in the same or similar industry and approved by the shareholders' meeting.
- 4) Considered and reviewed succession plans for Chief Executive Officer and senior executive positions to ensure the Company's continued business operations, with CEO's involvement in the review and data presentation.
- 5) Considered the assessment criteria for the 2022 performance of the CEO and senior executive positions and submitted them to the Board of Directors for approval.
- 6) Acknowledged the results and considered the 2022 self-assessment of the Board of Directors and sub-committees to be used for enhancing the performance of duties of the committees according to the good corporate governance principles.

The Committee performed its duties with prudence and honesty, based on the responsibilities specified in the Charter while adhering to the good corporate governance principles adequately and suitably for the balanced and sustainable benefits of all stakeholders.



● Internal Control and Connected Transactions

The Board of Directors' Opinions on Internal Control

The Board of Directors is aware of the importance of having good internal control systems. It is an important duty to ensure that the Company has appropriate and sufficient internal control systems to efficiently oversee the operations to meet the goals, objectives, laws and relevant requirements, to be able to protect assets from any fraud and damage, and to do accounting and financial report with accuracy and reliability that is disclosed completely and adequately in a timely manner.

There is also the Audit Committee which currently consists of 3 independent directors. The Audit Committee has the duties and responsibilities of auditing financial statements, disclosure of the financial reports and related transactions or any matters with conflicts of interest to be accurate, complete, reliable and coordinate with the Internal Audit Department, auditors and management of the Company to review the internal control system and ensuring compliance with the relevant laws and regulations, as well as, to consider and approve an audit plan, performance evaluation and compensation of the Internal Audit Department, including selection and appointment of the auditor and audit fee. The Audit Committee shall also perform other duties as assigned by the Board of Directors, and conduct self-assessment to evaluate their performance to ensure that the Audit Committee has performed their duties effectively and completely.

In the meeting of the Board of Directors No. 1/2023 held on 21 February 2023 with 3 Audit Committee members in attendance, the Board's meeting assessed the adequacy of the Company's internal audit in 2022 in line with the guidelines prescribed by the Committee of Sponsoring Organizations of the Treadway Commission: COSO ("the Assessment") which comprised of:

1) Control Environment

The Company deploys a good internal control environment that is suitable and enough by using the dissemination of ethics as an organizational culture. Below are a clear management structure and job assignments.

- The Company has prepared good corporate governance policy and Code of Conduct, and the guidelines in writing and circulate them to directors, management, and employees.
- The roles and responsibilities of the Board of Directors are visibly sectioned off from those of the management. An organizational structure, the lines of command and the authority are devised in line with evolving business landscape.
- Human resource management policies such as recruitment, training, remuneration is stated in writing.

2) Risk Assessment

The Company values the importance of risk management and has, thus, appointed a risk management team to determine the risk management policies and framework of the Company. It is tasked with reviewing key risks related to the Company's operation, such as management, finance, data security, law and regulations. It works to offer preventive measures and how to curb risk levels to an acceptable degree. The unit follows up, evaluates and continually overhauls the operation plans to cope with risks and are suitable for business landscapes.



3) Control Activities

In an attempt to ensure the Company's efficient operation, the Company determines appropriate preventive schemes and risk management. So, the Company implements significant control measures e.g. the control and supervision policies of subsidiaries and associates, the table of authority, the Charter of committees and top management etc. so that they serve as a framework for directors, management and employees.

The Company has collected information on strategic shareholders, directors, management including connected persons, in order to follow and review connected transactions or transactions that may cause conflicts of interest. The Company has installed technological control measures by overseeing the infrastructure of the technological system to ensure suitability and controlling the security of the technological systems in terms of data access, data transmission, importing data into the system etc. As for each certain level, there is a restriction of the rights to those assigned to access the data.

4) Information & Communication

The Company offers efficient and effective information systems and communication channels, both internal and external, which can be listed as follows:

- Internal Communication: The management and employees receive news via the e-mail. In addition, employees are allowed to publicize activities relating to the Company at visible areas at the office and at the warehouse. These aim to ensure that information and public relation activities can be communicated through various channels, for the purpose of maximum communication success.
- External Communication: The Company frequently provides all stakeholders with information. The information published is true, accurate, complete and sufficient on a timely manner through channels that can be accessed thoroughly and equally, for example, the Stock Exchange of Thailand's website and the Company's website. Investor relation department are assigned to communicate information to external stakeholders.
- The Company provides a special communication channel for employees to provide information about legal or behavioral guideline offences. They are stated in writing as the guidelines for receiving complaints and protection.

5) Monitoring Activities

The Company complies with the internal control audit on a quarterly basis which is performed by internal audit team who is appointed by the Audit Committee and reported directly to the Audit Committee.

The Audit Committee does not offer different or contradictory opinions against the Board of Directors.

Head of Internal Audit

The Audit Committee's meeting No. 3/2018 on 27 November 2018 appointed IA Signature Company Limited ("IA Signature") which is external party (outsourcing) to oversee the operations of the internal audit and report directly to the Audit Committee. IA Signature Company Limited has appointed Mr. Sutee Tanwanichkul, Managing Director of IA Signature Company Limited as a Head of Internal Audit. The Audit Committee has the opinion that Mr. Sutee is qualified and has experiences in performing internal audit for the Company. In addition, he has experiences in internal auditing for companies listed on the Stock Exchange of Thailand. The background of the internal auditor is shown in the attachment 3: Details of Internal Auditor.

The internal auditor inspected the internal control system according to the plan approved by the Audit Committee to evaluate the sufficiency and appropriateness of the internal control system of the Company and audited whether or not the Company fully complied with the internal control system. In the meeting of the Audit Committee in 2022, the internal auditor from IA Signature attended every meeting with the Audit Committee to report the results of the internal control system audit of the Company. The internal auditor summarized the audit results and issues found during the audit, along with providing recommendations and a report of follow-up of the internal control system improvement of the previous quarter to the meeting. When these points were acknowledged at the Audit Committee meeting, the management was assigned to resolve the issues as suggested by the internal auditor completely.

In addition, according to the Charter of the Audit Committee, the Audit Committee has the duty to approve the appointment, transfer and dismissal of the head of the internal audit department or any other department responsible for internal auditing.

Summary of Issues and Recommendations based on the Opinion of the Auditor

At the Audit Committee meeting No. 1/2023 held on 20 February 2023, PricewaterhouseCoopers ABAS Ltd. ("Auditor") who is the auditor of the Company attended the meeting with the Audit Committee to summarize accounting issues and recommendations. From the audited financial statement of the Company for the year ended 31 December 2022, it was concluded that the Company prepared the financial statements that were duly and appropriately in accordance with the financial reporting standards.



Related Party Transactions

Person or juristic person in a potential conflict of interest

Details on related party transactions with person or juristic person in a potential conflict of interest for the year ended 31 December 2021 and 2022, as follow:

No.	Person or Juristic Person in a Potential Conflict of Interest	Nature of Business	ความสัมพันธ์บริษัทฯ
1	The Siam Commercial Bank Public Company Limited	Provide full range of financial services	Mutual director, Dr. Lackana Leelayouthayothin who is an independent director at The Siam Commercial Bank Public Company Limited and the Company
2	Central Family Mart Company Limited	Convenience stores and business member shops	Mutual director with major shareholder, Mrs. Pratana Mongkolkul who is an independent director at Central Retail Corporation Public Company Limited and the Company
3	Central Food Retail Company Limited	Supermarket	Mutual director with major shareholder, Mrs. Pratana Mongkolkul who is an independent director at Central Retail Corporation Public Company Limited and the Company
6	Dherakupt International Law Office Limited	Provide legal and tax consultancy	Mutual director, Dr. Anuphan Kitnitchiva who is a director at Dherakupt International Law Office Limited and an independent director at the Company

Related party transaction

Details on related party transactions with person or juristic person in a potential conflict of interest for the year ended 31 December 2021 and 2022, as follow:

Person or Juristic Person in a Potential Conflict of Interest	Value (Million Baht)		Necessity and Rationale of transaction	The Audit Committee’s Opinion
	31 December 2021	31 December 2022		
Sales and other income				
(1) Central Family Mart Company Limited				
• Sales	5.8	4.8	The Company sold its products to Central Family Mart Company Limited as a normal operation with ordinary prices applied to all customers.	The transaction was normal operation with the same selling prices as selling to other customers. The said transactions are justified and beneficial to the Company.
• Account Receivable	1.1	2.4		

Person or Juristic Person in a Potential Conflict of Interest	Value (Million Baht)		Necessity and Rationale of transaction	The Audit Committee's Opinion
	31 December 2021	31 December 2022		
(2) Central Food Retail Company Limited				
• Sales	12.5	15.2	The Company sold its products to Central Family Mart Company Limited as a normal operation with ordinary prices applied to all customers.	The transaction was normal operation with the same selling prices as selling to other customers. The said transactions are justified and beneficial to the Company.
• Account Receivable	3.7	6.0		
(3) Dherakupt International Law Office Limited				
• Sales	-	-	The Company sold its products to Central Family Mart Company Limited as a normal operation with ordinary prices applied to all customers.	The transaction was normal operation with the same selling prices as selling to other customers. The said transactions are justified and beneficial to the Company.
• Account Receivable	-	-		
Expenses				
(1) Dherakupt International Law Office Limited				
• Expenses	0.59	2.0	Dherakupt International Law Office Limited provided legal and tax consultancy to the Company with the market price comparable with industry.	The transaction was normal operation with the same selling prices as selling to other customers. The said transactions are justified and beneficial to the Company.
• Account Payable	-	0.3		
(2) The Siam Commercial Bank Public Company Limited				
• Expenses	13.9	-	The Siam Commercial Bank Public Company Limited is a financial advisor for initial public offering process (IPO). The service fee in the contract is the market price comparable with industry. √	The transaction was normal operation with the same selling price as normal business transaction. The said transactions are justified and beneficial to the Company.



Person or Juristic Person in a Potential Conflict of Interest	Value (Million Baht)		Necessity and Rationale of transaction	The Audit Committee's Opinion
	31 December 2021	31 December 2022		
Interest Expenses and Borrowing				
(1) The Siam Commercial Bank Public Company Limited				
• Interest expenses	1.2	0.02	The Company has entered into loan agreement with The Siam Commercial Bank Public Company Limited with (1) overdraft Baht no more than 20 million with interest rate at MOR, (2) Letter of Credit and Trust Receipt no more than Baht 80 million with the fee of 0.25% per month, (3) long-term loan Baht 22 million with interest rate at MLR. The purpose of long-term loan is to buy office apartment and (4) promissory notes Baht 16.65 million with fixed interest rate. All interest rate are not more than loan from other financial institution.	The transaction is normal operation and necessary for business expansion. The interest rate is not more than loan from other financial institution. The said transactions are justified and beneficial to the Company.
• Accrued interest	0.05	-		
• Short-term loan	7.4	-		
• Promissory notes	-	-		
• Long-term loan	-	-		
Interest Income				
(1) The Siam Commercial Bank Public Company Limited				
• Interest income	0.55	0.2	The Company has bank deposit with the Siam Commercial Bank Public Company with the interest rate of 0.05% per annum which is the same rate as other customers.	The transaction is normal opeartion and necessary for cash management of the Company. The interest rate received is the same as other financial institutions. So the said transactions are justified and beneficial to the Company.
• Balance at bank	193.7	252.2		

Measures and procedures for approval of related party transactions and connected transactions

The resolution of the Board of Directors meeting no. 1/2020 on 20 July 2020 stipulated approval measures and processes for related party transaction and connected transaction of the Company and its subsidiary enter into with and external party who are a stakeholder that may have a conflict of interest or a potential conflict of interest in the future. The Company will conform to rules and criteria pursuant to the Securities and Exchange Act 992 (including the amendments) and pertinent rules of the Capital Market Supervisory Board and/or the Securities and Exchange Commission and the Stock Exchange of Thailand including requirements on the disclosure of related party transactions or connected transactions in the footnotes to the financial statements reviewed by the Company's auditor as well as the annual registration statement (Form 56-1)

The Board of Directors put in place an approval process for related party transactions under an ethical framework where transactions must be deliberated by the Audit Committee for the best interest of the Company and shareholders. The Board of Directors ensure strict compliance with rules imposed by the Capital Market Supervisory Board and/or the Securities and Exchange Commission and the Stock Exchange of Thailand as well as accuracy and completeness of disclosure of related party transaction to the general public.

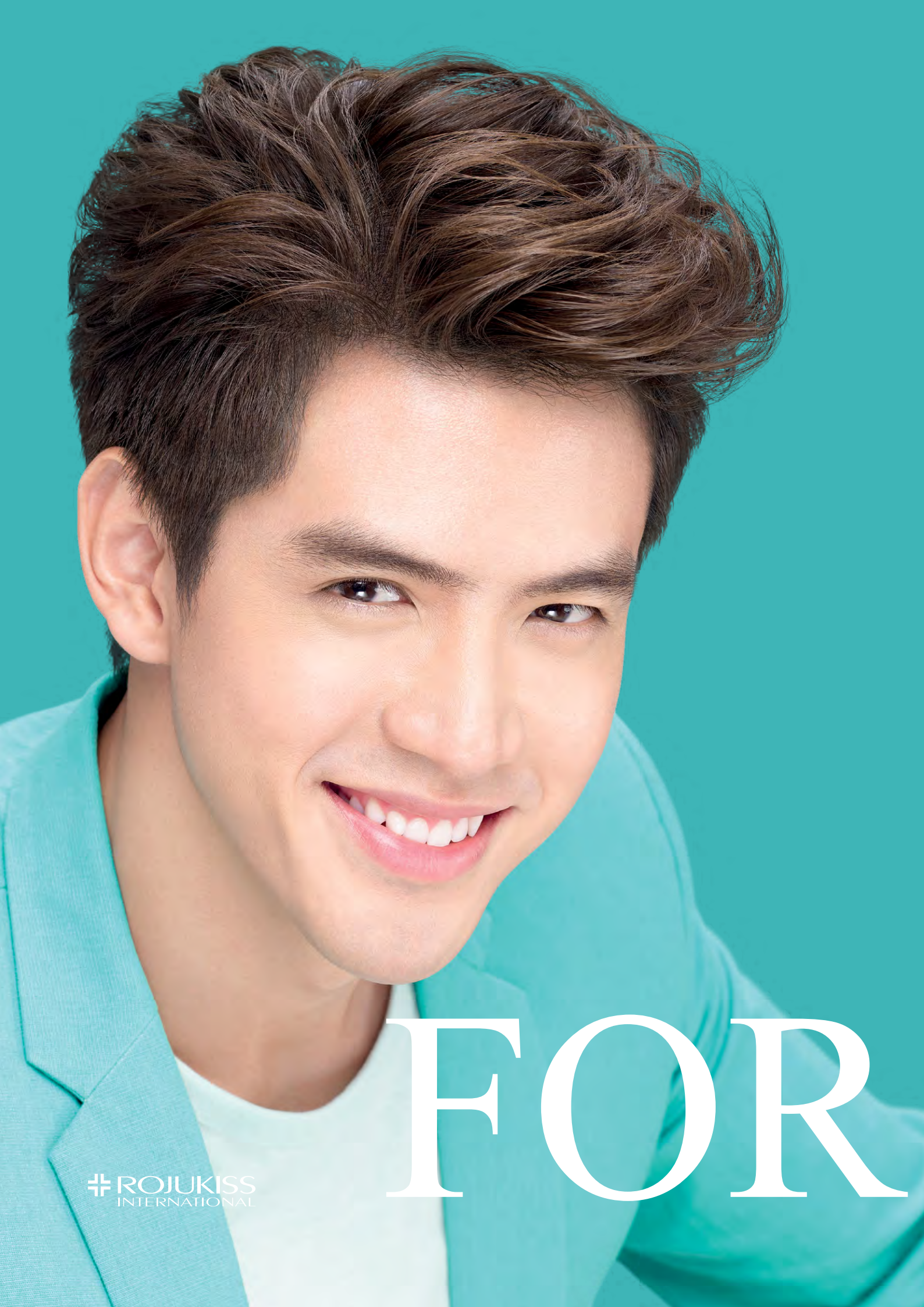
In case of ordinary business transactions or transactions that support normal business operations of the Company and transactions that may occur continuously in the future, the Company has a policy that articulates scope of those transactions where commercial agreements are similar to those offered to general counterparties in the same situation without an influence as a director, an executive or a related party on commercial bargaining power or a transfer of interest/benefit and/or it can be proven that the transactions have reasonable and fair pricing or conditions. If the Board of Directors has approved a resolution of the transaction as a general principle, the management of the Company can undertake transactions under the guideline without seeking an approval from the Board again. Then, the Company prepares a summary report on related party transactions or connected transactions to present to the Audit Committee's meeting and the Board of Directors' meeting every quarter in accordance with the laws on securities and exchange, rules and regulations, notifications, orders or other requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board and the Stock Exchange of Thailand.



In case that undertaking related party, transactions or connected transactions is not within the defined scope, the Company will propose to the Audit Committee for comments on the appropriateness of the pricing or reasonableness of the transactions. Subject to the expertise of the Audit Committee to consider the related party transactions, the Company may request knowledgeable persons with specific expertise such as auditors or independent valuers to comment on the transaction to supplement the consideration of the Board of Directors or shareholders on a case-by-case basis. Persons with a potential conflict of interest or has interest in the transactions have no right to vote in the consideration for the particular related party transactions. This is to ensure that the transactions are not regarded as a removal or a transfer of benefits of the Company but transactions that take into account the best interest of the Company and all shareholders. The Company will disclose its related party transactions in the notes to the financial statements reviewed by the Company's auditors in the annual report or the annual registration statement (Form 56-1).

Policy on the future connected transaction

In the case that there is future connected transaction, the Board of Directors shall comply with the Securities and Exchange Act including rules, announcements, orders and regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand and the regulations regarding information disclosure of the connected transaction done by the Company and its subsidiaries according to the accounting standard determined by the Certified Accountants and Auditors of Thailand and other relevant rules. Moreover, if there is any connected transaction or change of agreement and condition regarding the transaction related to director, management, or relevant person of the Company, the director who has conflict of interest shall not attend the meeting of Board of Directors with the agenda relating to the consideration of such transaction.



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Part 3

Financial Statements
and Auditor's Report

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Financial Statements and Auditor's Report

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● Financial Statements and Auditor's Report

Responsibility of the Board of Directors to the Financial Statements

The Board of Directors of Rojukiss International Public Company Limited (“the Company”) is responsible for the consolidated financial statements of the Company and its subsidiaries as well as financial information as presented in the annual report. The financial statements are prepared in conformity with Thai Financial Reporting Standards (TFRSs) which are appropriately applied on a consistent basis. Conservation judgment and best estimate are adopted in this preparation. In addition, all important information is adequately disclosed in the notes to financial statements. The Board of Directors has set up and maintained an effective internal control to reasonably ensure that all accounting records are accurate, complete and sufficient to secure its assets. Moreover, all possible weakness could be found to prevent fraud or material unusual transactions. The Board of Directors has appointed the audit committee which comprises independent directors, to control quality of financial report and internal control system. The opinion of the audit committee on this matter has already been presented in the audit committee report. The Board of Directors is of an opinion that internal control systems of the Company are in the satisfactory and sufficient level to reasonably build the confidence in the reliability of the consolidated financial statements of the Company and its subsidiaries as of December 31, 2022.

Dr. Lackana Leelayouthayotin
Chairman

Mrs. Worrawan Chaikamnerd
Director & Chief Executive Officer



Independent Auditor's Report

To the shareholders of Rojukiss International Public Company Limited

My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Rojukiss International Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. I determined 2 key audit matters: Valuation of inventories and Recognition of discounts, sales promotions and allowance for sales return. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p>Valuation of inventories</p> <p>Refer to Note 4.6 - Significant accounting policies - inventories, and Note 14 - inventories</p> <p>The major outstanding balance of inventories were finished goods of cosmetic product which has limited lifetime. In addition, the Group's inventories were considered high competition products and there were wide ranges of substitute products with similar attributes in the market. Therefore, the Group was exposed to risk of stock deteriorate, obsolete, slow moving and cost of inventory could be higher than net realisable value.</p> <p>Allowance for net realisable value of inventories was 7.39% of the Group's total inventories. The Group has applied their judgement in making estimates of the allowance for net realisable value by using experienced and historical data. The validity of this assumption and the estimated amount of allowance were reassessed at each reporting date.</p> <p>I focused on this area because the valuation of inventories was based on Group management's judgement and was material to the consolidated financial statements.</p>	<p>My key audit procedures in relation to valuation of inventories included:</p> <ul style="list-style-type: none"> • Inquired the Group management and obtained an understanding of the Group's policy in relation to inventory management and assessment applied to estimate net realisable value of inventories, then reviewed the Group's compliance with the policy; • Observed the condition of inventory and storage which directly affected to inventory valuation through the year end physical inventory observation; • Performed the testing on sample basis on inventory aging report of ending inventory balance with related supporting document whether items were classified in the appropriate aging bracket and recalculated the allowance for decline in value of inventories according to the Group's policy; • Performed the testing on sample basis on the net realisable value of ending inventory by investigate after period end sales document less costs necessary to make the sale with the related supporting documents including check mathematical accuracy of net realisable value calculation; and • Considered the disclosures in accordance with Thai Financial Reporting Standards. <p>Based on my procedures above, I found that the Group management's assumption and judgement on the valuation of inventories were reasonable and appropriate based on the environment and circumstances.</p>

Key audit matter	How my audit addressed the key audit matter
<p><i>Recognition of discounts, sales promotions and allowance for sales return</i></p> <p>Refer to Note 4.19 - Significant accounting policies - Revenue recognition</p> <p>The Group entered into agreements and commercial agreements with customers, under which various conditions pertaining to discounts, sale promotions, and special discounts given to increase sales during specific period. As a result, the recognition of discounts and sales promotions of the Group were different.</p> <p>The Group has applied their judgement in making estimates of the sale returns by calculated actual sales return from experienced and historical data. The Group has assessed the appropriateness of the assumption and the estimated amount of returns at end of each reporting date.</p> <p>I focused on this area because the recognition of discounts, sales promotions and allowance for sales return were based on Group management's judgement and were material to the consolidated financial statements.</p>	<p>My key audit procedures in relation to recognition of discounts, sales promotions and allowance for sales return included:</p> <ul style="list-style-type: none"> • Inquired the Group management to obtain an understanding of the Group's policy in relation to revenue recognition, recognition of discounts, sales promotion and allowance for sales return expenses; • Sampling tested calculation of sales discounts, sales promotion expenses and accrued sales promotion expenses for a sample of items with related supporting documents whether the transaction was compliance with the conditions in agreements and commercial agreements during the year and near the end of period; • Sampling tested the appropriateness of accrued sales promotion expenses for a sample of items by performing subsequent cash payments, credit note and related supporting documents post year-end; • Sampling tested on the calculation of allowance for sales return for a sample of items with related supporting documents whether they are compliant with the assumption and historical data; and • Checked the disclosures in note to consolidated financial statement accordance with Thai Financial Reporting Standards. <p>Based on my procedures above, I found the Group management's assumption and judgement on the recognition of discounts, sales promotions and allowance for sales return were reasonable and appropriate based on the environment and circumstances.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Pisit Thangtanagul

Certified Public Accountant (Thailand) No. 4095

Bangkok

21 February 2023

Statement of Financial Position

Rojukiss International Public Company Limited

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	9	511,113,750	626,238,506	469,753,207	621,035,169
Financial assets measured at fair value through profit or loss	11	100,600,435	-	100,600,435	-
Trade and other receivables	12.1	358,587,679	179,496,031	316,694,265	180,484,083
Contract assets	12.2	117,572,844	88,734,161	117,572,844	88,734,161
Inventories	14	132,161,333	73,555,638	124,485,622	73,555,638
Other current assets		5,316,778	1,924,598	2,731,584	1,924,598
Total current assets		1,225,352,819	969,948,934	1,131,837,957	965,733,649
Non-current assets					
Restricted cash	10	694,000	694,000	694,000	694,000
Investment in subsidiaries	15	-	-	30,273,543	44,793
Investment in a joint venture	16	-	14,514,584	-	20,000,000
Long-term loans to subsidiary	32.4	-	-	25,000,000	-
Plant and equipment	17	39,022,423	44,190,467	38,989,810	44,190,467
Right-of-use assets	18	1,819,239	4,894,082	1,819,239	4,894,082
Intangible assets	19	16,696,389	5,143,275	669,647	1,093,809
Deferred tax assets	20	13,498,277	9,346,660	12,814,160	9,346,660
Total non-current assets		71,730,328	78,783,068	110,260,399	80,263,811
Total assets		1,297,083,147	1,048,732,002	1,242,098,356	1,045,997,460

Director

Director

The note to the consolidated and separate financial statement are integral part of the financial statements.



Statement of Financial Position (Cont'd)

Rojukiss International Public Company Limited

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trust receipts	21	31,623,167	22,322,977	31,623,167	22,322,977
Trade and other payables	22	167,830,023	66,111,970	275,422,705	88,779,703
Current portion of lease liabilities	23	1,551,825	3,383,334	1,551,825	3,383,334
Other current liabilities		40,614,182	19,709,986	24,485,742	17,115,437
Total current liabilities		241,619,197	111,528,267	333,083,439	131,601,451
Non-current liabilities					
Long-term loans from related party	21,32.5	30,500,000	-	-	-
Lease liabilities	23	442,908	1,755,928	442,908	1,755,928
Employee benefit obligations	24	5,987,412	5,528,323	5,987,412	5,528,323
Total non-current liabilities		36,930,320	7,284,251	6,430,320	7,284,251
Total liabilities		278,549,517	118,812,518	339,513,759	138,885,702

The note to the consolidated and separate financial statement are integral part of the financial statements.

Statement of Financial Position (Cont'd)

Rojukiss International Public Company Limited

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 618,000,000 shares paid-up at Baht 0.50 each	25	309,000,000	309,000,000	309,000,000	309,000,000
Issued and paid-up share capital					
Ordinary shares, 600,000,000 shares paid-up at Baht 0.50 each	25	300,000,000	300,000,000	300,000,000	300,000,000
Premium on paid-up capital of ordinary shares	25	487,368,348	487,368,348	487,368,348	487,368,348
Premium on share-base payment	26	13,854,171	7,338,001	13,854,171	7,338,001
Surplus from business combinations under common control		14,486,120	14,486,120	-	-
Retained earnings					
Appropriated - Legal reserve	27	30,900,000	30,000,000	30,900,000	30,000,000
Unappropriated		114,176,960	88,083,061	70,462,078	82,405,409
Translation on financial statements		3,273,806	2,643,954	-	-
Equity attributable to owners of the parent					
		964,059,405	929,919,484	902,584,597	907,111,758
Non-controlling interests	15	54,474,225	-	-	-
Total equity		1,018,533,630	929,919,484	902,584,597	907,111,758
Total liabilities and equity		1,297,083,147	1,048,732,002	1,242,098,356	1,045,997,460

The note to the consolidated and separate financial statement are integral part of the financial statements.



Statement of Comprehensive Income

Rojukiss International Public Company Limited

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Revenue from sales and services	8	932,328,520	772,267,122	790,938,125	772,267,122
Cost of sales and services		(447,779,873)	(358,568,756)	(416,064,463)	(390,996,067)
Gross profit		484,548,647	413,698,366	374,873,662	381,271,055
Other income		7,734,445	3,782,536	8,174,890	3,782,535
Selling expenses		(157,987,267)	(135,863,731)	(149,589,469)	(135,863,731)
Administrative expenses		(159,070,617)	(135,364,511)	(128,890,811)	(120,847,501)
Gain from foreign exchange rate		3,897,428	10,803,685	4,381,806	10,960,562
Share of loss from joint venture	16	(5,136,170)	(5,485,416)	-	-
Profit from step up acquisition	15	9,067,622	-	-	-
Profit before finance costs		183,054,088	151,570,929	108,950,078	139,302,920
Finance costs		(1,974,625)	(5,085,677)	(1,098,858)	(5,085,677)
Profit before income tax expense		181,079,463	146,485,252	107,851,220	134,217,243
Income tax expense	29	(33,166,955)	(27,912,098)	(22,894,551)	(27,912,098)
Profit for the year		147,912,508	118,573,154	84,956,669	106,305,145
Other comprehensive income :					
Items that will be reclassified subsequently to profit or loss					
Currency translation differences	29	629,852	1,719,983	-	-
Total items that will be reclassified subsequently to profit or loss		629,852	1,719,983	-	-
Total comprehensive income for the year		148,542,360	120,293,137	84,956,669	106,305,145

The note to the consolidated and separate financial statement are integral part of the financial statements.

Statement of Comprehensive Income (Cont'd)

Rojukiss International Public Company Limited

	Note	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Profit attributable to:					
Owners of the Company		123,708,283	118,573,154	84,956,669	106,305,145
Non-controlling interests		24,204,225	-	-	-
		<u>147,912,508</u>	<u>118,573,154</u>	<u>84,956,669</u>	<u>106,305,145</u>
Total comprehensive income					
attributable to:					
Owners of the Company		124,338,135	120,293,137	84,956,669	106,305,145
Non-controlling interests		24,204,225	-	-	-
		<u>148,542,360</u>	<u>120,293,137</u>	<u>84,956,669</u>	<u>106,305,145</u>
Earnings per share					
Basic earnings per share	30	<u>0.21</u>	<u>0.20</u>	<u>0.14</u>	<u>0.18</u>

The note to the consolidated and separate financial statement are integral part of the financial statements.

Statements of Changes in Equity

Rojukiss International Public Company Limited



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Consolidated financial statements																					
										Other component of equity											
										Retained earnings											
										Surplus from business combinations		Translation of financial statements		Total owner of the company		Non-controlling interests		Total equity			
										under common control		Appropriated Legal reserve		Unappropriated		of the company		controlling interests			
										Baht		Baht		Baht		Baht		Baht			
										Premium on paid-up capital of ordinary shares		Premium on share-base payment									
										Baht		Baht									
Notes	Issued and paid-up share capital	Premium on paid-up capital of ordinary shares	Premium on share-base payment	Surplus from business combinations under common control	Appropriated Legal reserve	Unappropriated	Translation of financial statements	Total owner of the company	Non-controlling interests	Total equity											
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht											
Opening balance at 1 January 2021																					
25	270,000,000	5,703,904	-	14,486,120	27,000,000	109,537,907	923,971	427,651,902	-	427,651,902											
	30,000,000	481,664,444	-	-	-	-	-	511,664,444	-	511,664,444											
26	-	-	7,338,001	-	-	-	-	7,338,001	-	7,338,001											
27	-	-	-	-	3,000,000	(3,000,000)	-	-	-	-											
31	-	-	-	-	-	(137,028,000)	-	(137,028,000)	-	(137,028,000)											
Total comprehensive income for the year											1,719,983	120,293,137	-	120,293,137							
Closing balance at 31 December 2021											2,643,954	929,919,484	-	929,919,484							
Opening balance at 1 January 2022																					
26	300,000,000	487,368,348	7,338,001	14,486,120	30,000,000	88,083,061	2,643,954	929,919,484	-	929,919,484											
	-	-	6,516,170	-	-	-	-	6,516,170	-	6,516,170											
15	-	-	-	-	-	-	-	-	30,270,000	30,270,000											
27	-	-	-	-	900,000	(900,000)	-	-	-	-											
31	-	-	-	-	-	(96,714,384)	-	(96,714,384)	-	(96,714,384)											
Total comprehensive income for the year											629,852	124,338,135	24,204,225	148,542,360							
Closing balance at 31 December 2022											3,273,806	964,059,405	54,474,225	1,018,533,630							

The note to the consolidated and separate financial statement are integral part of the financial statements.

Statements of Changes in Equity (Cont'd)

Rojukiss International Public Company Limited

Separate financial statements							
Notes	Issued and paid-up share capital	Premium on paid-up capital of ordinary shares	Premium on share-base payment	Retained earnings		Total equity	
				Baht	Baht		Appropriated Legal reserve
Opening balance at 1 January 2021							
25	270,000,000	5,703,904	-	-	27,000,000	116,128,264	418,832,168
	30,000,000	481,664,444	-	-	-	-	511,664,444
26	-	-	7,338,001	-	-	-	7,338,001
27	-	-	-	-	3,000,000	(3,000,000)	-
31	-	-	-	-	-	(137,028,000)	(137,028,000)
	-	-	-	-	-	106,305,145	106,305,145
Total comprehensive income for the year							
Closing balance at 31 December 2021							
	300,000,000	487,368,348	7,338,001	-	30,000,000	82,405,409	907,111,758
Opening balance at 1 January 2022							
26	300,000,000	487,368,348	7,338,001	-	30,000,000	82,405,409	907,111,758
	-	-	6,516,170	-	-	-	6,516,170
27	-	-	-	-	900,000	(900,000)	-
31	-	-	-	-	-	(96,000,000)	(96,000,000)
	-	-	-	-	-	84,956,669	84,956,669
Total comprehensive income for the year							
Closing balance at 31 December 2022							
	300,000,000	487,368,348	13,854,171	-	30,900,000	70,462,078	902,584,597

The note to the consolidated and separate financial statement are integral part of the financial statements.



Statement of Cash Flows

Rojukiss International Public Company Limited

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		181,079,463	146,485,252	107,851,220	134,217,243
Adjustment for:					
Depreciation	17	7,013,046	8,598,226	7,006,355	8,598,226
Amortisation of intangible assets	19	6,820,754	1,662,756	424,162	690,650
Amortisation of right-of-use assets	18	3,074,843	3,880,817	3,074,843	3,880,817
Expected credit loss	12.3	23,921,355	10,792,155	23,921,355	10,792,155
Provision of sales return (Reversal)		(908,262)	5,358,136	(908,262)	5,358,136
Provision of cost return (Reversal)		992,925	(14,656,499)	992,925	(14,656,499)
Share-based payment reserve	26	6,516,170	7,338,001	6,516,170	7,338,001
Employee benefit obligations	24	896,888	883,546	896,888	883,546
Unrealised gain on foreign exchange		(2,706,288)	(11,988,094)	(2,731,305)	(11,988,094)
Unrealised gain on financial assets					
measured at fair value through profit or loss	11	(600,435)	-	(600,435)	-
Interest expense		1,974,625	5,085,677	1,098,858	5,085,677
Interest income		(1,741,481)	(731,737)	(2,181,927)	(731,737)
Share of loss from joint venture	16	5,136,170	5,485,416	-	-
Loss from disposal of equipment	17	26,705	113,029	26,705	113,029
Loss from disposal of intangible	19	-	26,370	-	26,370
Profit from step up acquisition	15	(9,067,622)	-	-	-
Employee benefit paid	24	(437,799)	(494,116)	(437,799)	(494,116)
Changes in operating assets and liabilities					
- Trade and other receivables		(180,269,873)	61,263,149	(161,908,950)	60,618,841
- Inventories		(13,601,027)	18,328,932	(50,021,722)	18,328,932
- Contract assets		(28,054,195)	29,164,160	(28,054,195)	29,164,160
- Other current assets		3,101,180	1,329	(806,986)	1,329
- Trade and other payables		97,947,271	(25,676,770)	189,426,610	(7,305,324)
- Other current liabilities		13,304,931	(17,305,842)	5,656,070	(16,137,468)
Cash from operations		114,419,344	233,613,893	99,240,580	233,783,874
Interest received		1,741,481	731,737	2,181,927	731,737
Interest paid		(868,164)	(5,449,165)	(1,151,161)	(5,449,165)
Income tax paid		(29,754,394)	(50,945,190)	(24,647,816)	(50,945,190)
Net cash generate from operating activities		85,538,267	177,951,275	75,623,530	178,121,256

The note to the consolidated and separate financial statement are integral part of the financial statements.

Statement of Cash Flows (Cont'd)

Rojukiss International Public Company Limited

		Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
Notes					
Cash flows from investing activities					
		-	41,000,000	-	41,000,000
	16	-	(20,000,000)	-	(20,000,000)
	15	(9,200,635)	-	(20,200,000)	-
	15	-	-	(28,750)	-
	32.4	-	-	(15,000,000)	-
	11	(100,000,000)	-	(100,000,000)	-
	17	(1,832,403)	(2,253,574)	(1,832,403)	(2,253,574)
	19	-	(404,750)	-	(404,750)
		(111,033,038)	18,341,676	(137,061,153)	18,341,676
Cash flows from financing activities					
		88,230,424	272,965,734	88,230,424	272,965,734
		(78,930,234)	(470,900,978)	(78,930,234)	(470,900,978)
	21	-	(8,143,317)	-	(8,143,317)
	23	(3,144,529)	(4,120,344)	(3,144,529)	(4,120,344)
	25	-	511,664,444	-	511,664,444
	15	270,000	-	-	-
	31	(96,000,000)	(137,028,000)	(96,000,000)	(137,028,000)
		(89,574,339)	164,437,539	(89,844,339)	164,437,539
Net (decrease) increase in cash and cash equivalents					
		(115,069,110)	360,730,490	(151,281,962)	360,900,471
		626,238,506	265,309,285	621,035,169	260,134,698
		(55,646)	198,731	-	-
		511,113,750	626,238,506	469,753,207	621,035,169

The note to the consolidated and separate financial statement are integral part of the financial statements.



Rojukiss International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

1 General information

Rojukiss International Public Company Limited ("The Company") is incorporated in Thailand. The company has been listed on the Stock Exchange of Thailand since 19 February 2021. The address of the Company's registered office is as follows:

100/8,100/51-54 Vongvanich Complex B Building, 12th, 19th Fl., Rama 9 Road, Huaikwang, Huaikwang, Bangkok 10310.

For reporting purposes, the Company and its subsidiary are referred to as "the Group".

The principal business operations of the Group are summarised below:

Company	Nature of Business
Rojukiss International Public Company Limited	Distribution of skincare and cosmetics in many trademarks
PHD International Limited	Own cosmetics trademarks
HIBIOCY Company Limited	Distribution of pharmaceutical and medical products
O2 KISS Company Limited	Distribution of skincare and food supplement in many trademarks

These consolidated and separate financial statements were authorised for issue by the Company's authorised director on 21 February 2023.

2 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

3 New and amended financial reporting standards

3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2022

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2022 do not have material impact on the Company.

3.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023

- a) **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of PP&E any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- b) **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.
- e) **Amendment to TFRS 3 - Business combinations** clarified some minor amendments to update its references to the Conceptual Framework for Financial Reporting and added a consideration for the recognition of liabilities and contingent liabilities acquired from business combinations. The amendments also confirmed that contingent assets shouldn't be recognised at the acquisition date.
- f) **Amendment to TFRS 9 - Financial Instruments** clarified which fees should be included in the 10% test for the derecognition of financial liabilities. It should only include fees between the borrower and lender.

The Group have not early adopted the amended financial reporting standards before effective date. The Group's management is currently assessing the impact of initial adoption of these standards.

4 Accounting policies

4.1 Principles of consolidation and equity accounting

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method.

b) Joint ventures

A joint venture is a joint arrangement whereby the Group has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

In the separate financial statements, investments in joint ventures are accounted for using cost method.

c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Group's subsequently recognises shares of joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses joint ventures equals or exceeds its interest in joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of joint ventures.

d) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.



Rojukiss International Public Company Limited
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4.2 Business combination

Step-up acquisition

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

4.3 Foreign currency translation

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

c) Group companies

The operational results and financial position of the Group's entities (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Group's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

4.4 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

4.5 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts. The impairment of trade receivables are disclosed in Note 12.3.

4.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

4.7 Financial asset

a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

d) Debt instruments

The Group classifies its debt instrument financial assets in the following measurement categories depending on

i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

Rojukiss International Public Company Limited
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- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; where the assets' cash flows represent solely payments of principal and interest, and ii) for selling the financial assets, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss and recognised in other gains/(losses). Interest income is included in finance income. Impairment expenses are presented separately in the statement of profit or loss.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Impairment

The Group applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and contract assets, which applies lifetime expected credit loss, from initial recognition, for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

4.8 Investments in subsidiary

A subsidiary is an entity that the Company has a control power to govern the financing and operating policies of the entity, generally directly or indirectly accompanying a shareholding of more than one-half of the voting rights.

Investments in subsidiaries are measured at cost method less allowance for decrease in value (if any).

4.9 Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. Capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Building improvements	5 years
Furniture and office equipment	5 years
Computers and gadgets	3 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

4.10 Intangible assets

Acquired Trademark is measured at cost. These costs are amortised over their estimated useful lives not over than 10 years.

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 3 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

4.11 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

4.12 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

4.13 Financial liabilities

a) Classification

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation / modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated / modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

4.14 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised; and
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

4.16 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, profit-sharing and bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Provident funds

The Group pays contributions to a separate fund on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.



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c) Retirement benefits

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

d) Other long-term benefits

The Group gives cash rewards to employees when they have worked for the Group for 5 and 10 years.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

e) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

4.17 Share-based payment

Employee options

The Company receives services from employees as consideration for equity instruments (options) of the company. The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The fair value of the options is determined by:

- including any market performance conditions (e.g. the entity's share price);
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the Company over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

At the end of each reporting period, the Company reviews the number of options that are expected to vest. It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

4.18 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

4.19 Revenue recognition

Thai Financial Reporting Standard no.15 (TFRS15), Revenue from contracts with customer provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and service net of rebates and discounts. Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Sale of goods

The Group operates by distribution of skincare, cosmetics, food supplement, pharmaceutical and medical products. Revenue from the sale of goods is recognised when the Group sells a product to the customer. The group estimate the returned goods and recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level by applying expected value method. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Services

The Group recognised service contracts with a continuous services provision as revenue on a percentage of sale products basis over the contract term, regardless of the payment pattern.

Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Contract assets

The Group has considered the sales transactions that when the goods are delivered but the consideration is conditional depend on event in the future should be classified as contract assets. A contract asset is recognised where the Group recorded revenue for fulfillment of a contractual performance obligation before the customer paid consideration.

4.20 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

4.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as board of director that makes strategic decisions.

5 Financial risk management

5.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.

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5.1.1 Market risk

a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from some currency exposures, primarily relates to its certain receivables and payables. However, the Group believes that foreign exchange risk will have no material effect.

b) Cash flow and interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions, short-term borrowings and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are closed to the market rate. The Group assesses that the interest rate risk is insignificant as the interests from financial assets and financial liabilities are not different.

5.1.2 Credit risk

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only reliable credit quality financial institutions are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by the company's directors. The Group has a policy to limit credit transaction with financial institution appropriately.

b) Impairment of financial assets

The Group and the Company have 3 types following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents;
- trade and other receivables; and
- contract assets.

While cash and cash equivalents are also subject to the impairment requirements, the identified impairment loss was immaterial.

Trade receivables and contract assets

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 60 month before 31 December 2022 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 511 MB (2021: Baht 626 MB) that are expected to readily generate cash inflows for managing liquidity risk. Due the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves considering the level of liquid assets necessary, monitoring liquidity ratios and maintaining financing plans.

a) *Financing arrangements*

The Group has access to the following undrawn credit facilities as at 31 December as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Floating rate				
Expiring within one year				
- Bank overdraft	40,000,000	30,000,000	40,000,000	30,000,000
- Bank short-term loans	598,376,833	547,677,023	598,376,833	547,677,023
	638,376,833	577,677,023	638,376,833	577,677,023

b) *Maturity of financial liabilities*

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using strike interest rates applicable at the end of the reporting period.

	Consolidated financial statements			
Maturity of financial liabilities	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
As at 31 December 2022				
Trust receipts	31,623,167	-	-	31,623,167
Trade and other payables	167,830,023	-	-	167,830,023
Lease Liabilities	1,593,549	454,964	-	2,048,513
Total	201,046,739	454,964	-	201,501,703

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	Consolidated financial statements			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Maturity of financial liabilities				
As at 31 December 2021				
Trust receipts	22,322,977	-	-	22,322,977
Trade and other payables	66,111,970	-	-	66,111,970
Lease Liabilities	3,520,344	1,808,513	-	5,328,857
Total	91,955,291	1,808,513	-	93,763,804
	Separate financial statements			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Maturity of financial liabilities				
As at 31 December 2022				
Trust receipts	31,623,167	-	-	31,623,167
Trade and other payables	275,422,705	-	-	275,422,705
Lease Liabilities	1,593,549	454,964	-	2,048,513
Total	308,639,421	454,964	-	309,094,385
	Separate financial statements			
	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht
Maturity of financial liabilities				
As at 31 December 2021				
Trust receipts	22,322,977	-	-	22,322,977
Trade and other payables	88,779,703	-	-	88,779,703
Lease Liabilities	3,520,344	1,808,513	-	5,328,857
Total	114,623,024	1,808,513	-	116,431,537

5.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders.

6 Fair value

The following table shows fair values and carrying amounts of financial assets and liabilities by category.

	Consolidated financial statements			
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
31 December 2022				
<i>Financial assets measured at fair value</i>				
Financial assets measured at fair value through profit or loss	100,600,435	-	100,600,435	100,600,435
	100,600,435	-	100,600,435	100,600,435
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	511,113,750	511,113,750	511,113,750
Trade and other receivables	-	358,587,679	358,587,679	358,587,679
	-	869,701,429	869,701,429	869,701,429
<i>Financial liabilities not measured at fair value</i>				
Trust receipts	-	31,623,167	31,623,167	31,623,167
Trade and other payables	-	167,830,023	167,830,023	167,830,023
Long-term loans from related party	-	30,500,000	30,500,000	30,500,000
Current portion of lease liabilities	-	1,551,825	1,551,825	1,593,549
Lease liabilities	-	442,908	442,908	454,964
	-	231,947,923	231,947,923	232,001,703
31 December 2021				
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	626,238,506	626,238,506	626,238,506
Trade and other receivables	-	179,496,031	179,496,031	179,496,031
	-	805,734,537	805,734,537	805,734,537
<i>Financial liabilities not measured at fair value</i>				
Trust receipts	-	22,322,977	22,322,977	22,322,977
Trade and other payables	-	66,111,970	66,111,970	66,111,970
Current portion of lease liabilities	-	3,383,334	3,383,334	3,520,344
Lease liabilities	-	1,755,928	1,755,928	1,808,513
	-	93,574,209	93,574,209	93,763,804



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	Separate financial statements			
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
31 December 2022				
<i>Financial assets measured at fair value</i>				
Financial assets measured at fair value through profit or loss	100,600,435	-	-	-
	100,600,435	-	-	-
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	469,753,207	469,753,207	469,753,207
Trade and other receivables	-	316,694,265	316,694,265	316,694,265
Long-term loans to subsidiary	-	25,000,000	25,000,000	25,000,000
	-	811,447,472	811,447,472	811,447,472
<i>Financial liabilities not measured at fair value</i>				
Trust receipts	-	31,623,167	31,623,167	31,623,167
Trade and other payables	-	275,422,705	275,422,705	275,422,705
Current portion of lease liabilities	-	1,551,825	1,551,825	1,593,549
Lease liabilities	-	442,908	442,908	454,964
	-	309,040,605	309,040,605	309,094,385
31 December 2021				
<i>Financial assets not measured at fair value</i>				
Cash and cash equivalents	-	621,035,169	621,035,169	621,035,169
Trade and other receivables	-	180,484,083	180,484,083	180,484,083
	-	801,519,252	801,519,252	801,519,252
<i>Financial liabilities not measured at fair value</i>				
Trust receipts	-	22,322,977	22,322,977	22,322,977
Trade and other payables	-	88,779,703	88,779,703	88,779,703
Current portion of lease liabilities	-	3,383,334	3,383,334	3,520,344
Lease liabilities	-	1,755,928	1,755,928	1,808,513
	-	116,241,942	116,241,942	116,431,537

Since the majority of the financial assets and financial liabilities are short-term and long-term borrowing carry interest rate at floating rate, the management of the Group believes that the fair values of the Group's financial assets and financial liabilities do not materially differ from their carrying amounts.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

7 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Allowance for account receivable from sales return

In determining allowance for account receivable from sales return, the management needs to make judgement in making estimates such returns at the time of sale at a portfolio level by applying expected value method. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Allowance for obsolete and slow-moving inventories

In determining allowance for obsolete and slow-moving inventories, the management needs to make judgement in making estimates upon the condition of goods and aging analysis of inventories.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Plant and equipment

Management made estimation of useful life and residual value of plant and equipment and intangible assets. The management review and revise their estimation whenever there is an indicator that assumption may vary materially from prior period, or whenever there is disposal of obsolete assets and discontinued operation.

Employee benefit obligation

The present value of the retirement benefits obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of retirement benefits obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement benefits obligations. In determining the appropriate discount rate, the Company considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related retirement benefits liability. Additional information of other key assumptions for retirement benefits obligations is disclosed in Note 24.

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8 Segment information

The Group's director examines the Group's performance from geographic perspective and has identified 2 reportable segments of the Group's businesses.

Business segment results in the consolidated interim financial statements for the year ended 31 December 2022 and 2021 were as follows:

	Consolidated financial statements					
	Domestic		Oversea		Total	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Total revenue from sales and services	824,495,399	677,909,851	141,427,384 (33,594,263)	126,627,705 (32,270,434)	965,922,783 (33,594,263)	804,537,556 (32,270,434)
Inter-segment revenue	-	-				
Revenue from external customers	824,495,399	677,909,851	107,833,121	94,357,271	932,328,520	772,267,122
Net profit by Segment	124,922,610	79,005,982	22,989,898	39,567,172	147,912,508	118,573,154
Timing of revenue recognition: At a point in time	824,495,399	677,909,851	107,833,121	94,357,271	932,328,520 (447,779,873)	772,267,122 (358,568,756)
Cost of sales and services					484,548,647	413,698,366
Gross profit					7,734,445	3,782,536
Other income					(157,987,267)	(135,863,731)
Selling expenses					(159,070,617)	(135,364,511)
Administrative expenses					3,897,428	10,803,685
Gain from foreign exchange rate					(5,136,170)	(5,485,416)
Share of loss from joint venture					9,067,622	-
Profit from acquisition of the remaining interest					(1,974,625)	(5,085,677)
Finance costs						
Profit before income tax					181,079,463	146,485,252
Income tax					(33,166,955)	(27,912,098)
Net profit for the year					147,912,508	118,573,154

9 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cash on hand	47,042	3,724	42,462	3,724
Short-term bank deposits	511,066,708	626,234,782	469,710,745	621,031,445
Total	511,113,750	626,238,506	469,753,207	621,035,169

The effective interest rate on short-term bank deposits was 0.25% - 0.40% per annum (2021: 0.05% - 0.125% per annum).

10 Restricted cash

At 31 December 2022, the Company used a fixed deposit account amounting to Baht 0.7 million as a guarantee for the usage of gasoline fleet card.

11 Financial assets measured at fair value

Movements of short-term investments for the year ended 31 December 2022 is as follows:

	Consolidated and Separate financial statements
	Financial assets measured at fair value through profit or loss
Opening balance	-
Addition	100,000,000
Change in fair value	600,435
Closing balance	100,600,435

At 31 December 2022, the investment fund measured at fair value using Net Asset Value (NAV).



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12 Trade and other receivables and contract assets

12.1 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade receivables	342,054,706	184,884,719	342,064,334	184,884,719
<u>Less</u> Expected credit loss	(39,576,723)	(15,577,986)	(39,576,723)	(15,577,986)
<u>Less</u> Provision of sales return	(6,775,159)	(5,075,128)	(6,775,159)	(5,075,128)
Trade receivables - net	295,702,824	164,231,605	295,712,452	164,231,605
Trade account receivables - related party (Note 32.3)	-	3,786,352	4,018,995	3,786,352
Total trade accounts receivable - net	295,702,824	168,017,957	299,731,447	168,017,957
Inventory deposits	44,665,520	2,829,607	349,635	2,829,607
Other deposits	2,751,752	1,929,000	2,751,752	1,929,000
Prepaid expenses	15,012,126	5,903,182	5,747,151	5,903,182
Other receivables	455,457	105,125	748,155	116,274
Advance payment - related party (Note 32.3)	-	711,160	7,366,125	1,688,063
Total	358,587,679	179,496,031	316,694,265	180,484,083

12.2 Contract assets

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Contract assets	123,777,787	95,723,592	123,777,787	95,723,592
<u>Less</u> Expected credit loss	(1,325,401)	(1,402,783)	(1,325,401)	(1,402,783)
<u>Less</u> Provision of sales return contract assets	(4,879,542)	(5,586,648)	(4,879,542)	(5,586,648)
Contract assets - net	117,572,844	88,734,161	117,572,844	88,734,161

12.3 Impairments of trade receivables and contract assets

The expected credit loss for trade receivables and contract assets was determined as follows:

	Consolidated financial statements				
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht
As 31 December 2022					Total Baht
Gross carrying amount					
- trade receivables	235,891,500	66,729,671	208,589	239,520	38,985,426
- contract assets	25,575,912	62,724,473	35,477,402	-	-
Expected credit loss					
trade receivables	(531,946)	(936,856)	(19,649)	(4,602)	(38,083,670)
Expected credit loss					
contract assets	(76,652)	(166,066)	(1,082,683)	-	-
	260,858,814	128,351,222	34,583,659	234,918	901,756
					424,930,369

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	Separate financial statements					Total Baht
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	
As 31 December 2022						
Gross carrying amount						
- trade receivables	239,920,123	66,729,671	208,589	239,520	38,985,426	346,083,329
- contract assets	25,575,912	62,724,473	35,477,402	-	-	123,777,787
Expected credit loss						
trade receivables	(531,946)	(936,856)	(19,649)	(4,602)	(38,083,670)	(39,576,723)
Expected credit loss						
contract assets	(76,652)	(166,066)	(1,082,683)	-	-	(1,325,401)
	264,887,437	128,351,222	34,583,659	234,918	901,756	428,958,992
Consolidated and Separate financial statements						
	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
As 31 December 2021						
Gross carrying amount						
- trade receivables	114,891,567	33,710,702	2,454,112	2,399,271	35,215,419	188,671,071
- contract assets	13,462,343	48,857,409	32,236,017	1,167,823	-	95,723,592
Expected credit loss						
trade receivables	(225,509)	(102,869)	(351,152)	(1,676,953)	(13,221,503)	(15,577,986)
Expected credit loss						
contract assets	(8,865)	(220,809)	(195,627)	(977,482)	-	(1,402,783)
	128,119,536	82,244,433	34,143,350	912,659	21,993,916	267,413,894

The group categorised contract assets by the date of invoices and the contract assets will transfer to trade receivables within 3 to 9 months.

The reconciliations of expected credit loss for trade receivables and contract assets for the year ended 31 December are as follow:

	Consolidated and Separate financial statements			
	Trade receivables		Contract assets	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Opening expected credit loss at 1 January	(15,577,986)	(5,504,729)	(1,402,783)	(683,885)
Decrease (Increase) in expected credit loss recognised in profit or loss during the year	(23,998,737)	(10,073,257)	77,382	(718,898)
Closing expected credit loss at 31 December	(39,576,723)	(15,577,986)	(1,325,401)	(1,402,783)

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.



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13 Financial assets and financial liabilities

The classification of the Group's financial assets and financial liabilities are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Financial assets				
Financial assets at amortised cost				
Cash and cash equivalents	511,113,750	626,238,506	469,753,207	621,035,169
Trade and other receivables	358,587,679	179,496,031	316,694,265	180,484,083
Financial assets at fair value through profit or loss				
Short-term investments	100,600,435	-	100,600,435	-
	970,301,864	805,734,537	887,047,907	801,519,252
	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Financial liabilities				
Liabilities at amortised cost				
Trust receipts	31,623,167	22,322,977	31,623,167	22,322,977
Trade and other payables	167,830,023	66,111,970	275,422,705	88,779,703
Current portion of lease liabilities	1,551,825	3,383,334	1,551,825	3,383,334
Long-term loans from related party	30,500,000	-	-	-
Lease liabilities	442,908	1,755,928	442,908	1,755,928
	231,947,923	93,574,209	309,040,605	116,241,942

14 Inventories

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Finished goods	131,694,791	86,577,154	129,542,882	86,577,154
Raw Materials	5,523,802	-	-	-
<u>Less</u> Allowance for net realisable value	(10,134,466)	(17,190,460)	(10,134,466)	(17,190,460)
<u>Add</u> Provision of cost return	5,077,206	4,168,944	5,077,206	4,168,944
Total	132,161,333	73,555,638	124,485,622	73,555,638

During the years ended 31 December 2022 and 31 December 2021, amounts recognised as cost of sales in profit or loss are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Inventories recognised as an expense	418,169,110	323,381,598	362,908,269	323,381,598
Reversal of write-down inventories to net realisable value	(7,055,995)	(2,498,943)	(7,055,995)	(2,498,943)

The Group had destruction inventory for expired products and damage products. Therefore, the Group reversed the allowance for net realisable value during the year.

15 Investment in subsidiary

Movements of investment in subsidiaries are as follows:

	Separate financial statements	
	2021 Baht	2020 Baht
Opening book amount	44,793	44,793
Additional investment	30,228,750	-
Closing book amount	30,273,543	44,793

Non-controlling interest

	Consolidated financial statements Baht
Opening book balance	-
Additional investment	30,270,000
Share of profit from subsidiary	24,204,225
Closing book amount	54,474,225

The subsidiaries included in consolidated financial statement are listed below:

Entity name	Country of incorporation	Nature of business	% of ownership interest		Consolidated financial statements		Separate financial statements	
			Investment at equity method		Investment at cost method		Investment at cost method	
			31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
			%	%	Baht	Baht	Baht	Baht
Subsidiary								
PHD International Limited	Hongkong	Own cosmetics	100.00	100.00	-	-	44,793	44,793
HIBIOCY Co., Ltd	Thailand	Distribution of pharmaceutical and medical products	46.60	-	-	-	5,228,750	-
O2 KISS Co., Ltd	Thailand	Distribution of skincare and food supplement in many trademarks	100.00	-	-	-	25,000,000	-
Total subsidiary					-	-	30,273,543	44,793

Movements of investments

Hibiocy Company Limited ("HIB")

On 9 March 2022, the Company invested in Hibiocy Company Limited ("HIB") with a total considerations of Baht 5.2 million, representing 50.93% of its equity interest. The Group has control and power to govern the financial and operating policies of HIB. Therefore, HIB is classified as investment in subsidiary of the Group. HIB had been registered increase in share capital with the Department of Business Development, Ministry of Commerce on 9 March 2022. The Group considered that this transaction is asset acquisition as HIB was in process of research and development of products at the purchase date.



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Details of the acquisition were as follows:

	Separate financial statement Baht
Purchase price considerations	5,200,000
Net carrying value of net assets under interest acquired	(5,200,000)
	-

Details of the fair value of purchase consideration, the net assets acquired and Profit from step up acquisition are as follows:

	Baht
Cash and cash equivalents	9,174,858
Trade and other receivables	1,211,063
Inventories	43,900,893
Equipment, net	39,304
Intangible, net	18,199,109
Other assets	4,279,246
Liabilities	(41,604,473)
Net carrying value of net assets	35,200,000
Non-controlling interests	(30,000,000)
Net carrying value of net assets under interest acquired	5,200,000
Consideration paid	5,200,000
Cash paid for loan to subsidiary	10,000,000
Cash received from the subsidiary on acquisition date	(9,174,858)
Net cash paid	6,025,142

Change proportion of the investment

On 19 October 2022, Hibiocy Co, Ltd. ("HIB"), a subsidiary has issued preferred shares in the amount of 11,950 shares, with a par value of Baht 100 per share or equivalent to Baht 1,195,000. The Company has additionally subscribed for 1,150 newly issued preferred shares, with a par value of Baht 100 per share or equivalent to Baht 115,000. The company had already paid to 25% of total share value or equivalent to Baht 28,750 and non-controlling interest has additionally subscribed for 10,800 newly issued preferred shares, with a par value of Baht 100 per share or equivalent to Baht 1,080,000. Non-controlling interest had already paid to 25% of total share value or equivalent to Baht 270,000. As a result, the shareholding proportion of the Company changed from 50.93% to 46.60% of total share value. However, the Company has total voting rights in HIB equivalent to 50.93% of the total voting rights of all shareholders after HIB's increase of capital. As a result, HIB remains as a subsidiary of the Company and the Company continues to have control over HIB, with the structure of directors and management in HIB unchanged.

O2 KISS Company Limited ("O2KISS")

At 31 December 2021, the Company invested in joint venture O2KISS (Note 16).

On 23 June 2022, the Company addition invested the remaining 60% interest in O2KISS Company Limited ("O2KISS"). After the transaction, the Company owns 100% in O2KISS. Therefore, O2KISS changed from a joint venture to a subsidiary. O2KISS had registered the change in shareholders with the Department of Business Development, Ministry of Commerce on 23 June 2022.

Details of the acquisition were as follows:

	Separate financial statement Baht
Purchase price considerations	5,000,000
Net carrying value of net assets under interest acquired	(5,000,000)
	-

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Details of the fair value and Profit from step up acquisition are as follows:

	Baht
Portion of fair value of net assets acquired	14,067,622
Purchase considerations	(5,000,000)
Profit from step up acquisition	9,067,622
Fair value of interest held before the date on which the Group obtained control	9,378,415
Net book value of interest held before the date on which the Group obtained control	9,378,415
Remeasure of previously held interest	-
Profit from step up acquisition	9,067,622

The Group recognised a profit on acquisition of equity of Baht 9.07 million in the statement of comprehensive income for the year period ended 31 December 2022.

Details of the fair value of purchase consideration, the net assets acquired and Profit from step up acquisition are as follows:

	Baht
Cash and cash equivalents	1,824,507
Trade and other receivables	23,253,834
Inventories	195,513
Other assets	2,214,115
Liabilities	(4,041,932)
Net carrying value of net assets	23,446,037
Consideration paid	5,000,000
Cash received from the subsidiary on acquisition date	(1,824,507)
Net cash paid	3,175,493

16 Investment in joint venture

As at 31 December 2022, investment in joint venture are as follows:

Entity name	Country of incorporation	Nature of business	% of ownership interest		Consolidated financial statement		Separate financial statement	
					Investment at equity method		Investment at cost method	
			31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
			%	%	Baht	Baht	Baht	Baht
Joint venture								
O2 KISS Co., Ltd.	Thailand	Distribution of skincare and food supplement in many trademarks	-	40	-	14,514,584	-	20,000,000
Total					-	14,514,584	-	20,000,000



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O2 KISS Co., Ltd (“O2KISS”)

On 5 January 2021, the Board of Directors Meeting 1/2021 approved the Company to invest in O2KISS a new established company, by investing in 2,000,000 ordinary shares totalling Baht 20,000,000 representing ownership interest of 40.00%. The company jointly controls O2KISS through shareholders agreement. O2KISS has registered with Department of Business Development on 25 March 2021.

On 15 January 2021, major shareholders of the Company signed a letter of intent (LOI) with GMM Grammy Public Company Limited (“GMM”) for the right to sale of shares in the Company at an amount not exceeding 59.94 million shares or 9.99 percent of total shares at the initial public offering price and the exercise period not later than 7 July 2021. The Company considered initial public offering price is equal to market price. GMM Grammy Public Company Limited (“GMM”) exercised the right to purchase shares in the company on 10 June 2021 totalling 59.94 million shares or 9.99 percent of total shares.

Movements of investment

Movements of investments in joint venture for the year ended 31 December 2022 are as follow:

	Consolidated financial statements		Separate financial statements	
	Investment at equity method		Investment at cost method	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Opening net book value	14,514,584	-	20,000,000	-
Increase in investment	-	20,000,000	-	20,000,000
Share of net loss	(5,136,170)	(5,485,416)	-	-
Reclassification to investment in subsidiary	(9,378,414)	-	(20,000,000)	-
Closing net book value	-	14,515,584	-	20,000,000

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17 Plant and equipment

	Consolidated and separate financial statements			
	Office apartments and building improvements Baht	Furniture and office equipment Baht	Computers and gadgets Baht	Total Baht
At 1 January 2021				
Cost	59,286,253	20,703,937	3,932,775	83,922,965
Less Accumulated depreciation	(20,635,977)	(9,453,294)	(2,888,700)	(32,977,971)
Less Allowance for impairment	(251,748)	(43,208)	(1,890)	(296,846)
Net book amount	38,398,528	11,207,435	1,042,185	50,648,148
Year ended 31 December 2021				
Opening net book amount	38,398,528	11,207,435	1,042,185	50,648,148
Additions	-	929,274	1,324,300	2,253,574
Disposals, net	-	(11,072)	(101,957)	(113,029)
Depreciation charge	(3,554,032)	(4,253,497)	(790,697)	(8,598,226)
Closing net book amount	34,844,496	7,872,140	1,473,831	44,190,467
At 31 December 2021				
Cost	59,286,253	21,490,889	4,836,381	85,613,523
Less Accumulated depreciation	(24,190,009)	(13,576,652)	(3,360,660)	(41,127,321)
Less Allowance for impairment	(251,748)	(42,097)	(1,890)	(296,846)
Net book amount	34,844,496	7,872,140	1,473,831	44,190,467

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	Consolidated financial statements			
	Office apartments and building improvements Baht	Furniture and office equipment Baht	Computers and gadgets Baht	Total Baht
At 1 January 2022				
Cost	59,286,253	21,490,889	4,836,381	85,613,523
Less Accumulated depreciation	(24,190,009)	(13,576,652)	(3,360,660)	(41,127,321)
Less Allowance for impairment	(251,748)	(42,097)	(1,890)	(296,846)
Net book amount	34,844,496	7,872,140	1,473,831	44,190,467
Year ended 31 December 2022				
Opening net book amount	34,844,496	7,872,140	1,473,831	44,190,467
Additions	-	1,380,763	451,640	1,832,403
Additions for acquisition of a subsidiary	-	39,304	-	39,304
Write-off, net	-	(26,705)	-	(26,705)
Depreciation charge	(2,859,337)	(3,294,708)	(859,001)	(7,013,046)
Closing net book amount	31,985,159	5,970,794	1,066,470	39,022,423
At 31 December 2022				
Cost	59,286,253	21,226,027	5,288,021	85,800,301
Less Accumulated depreciation	(27,049,346)	(15,215,062)	(4,219,661)	(46,484,069)
Less Allowance for impairment	(251,748)	(40,171)	(1,890)	(293,809)
Net book amount	31,985,159	5,970,794	1,066,470	39,022,423

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At 1 January 2022

Cost
Less Accumulated depreciation
Less Allowance for impairment

Net book amount

Year ended 31 December 2022

Opening net book amount
Additions
Write-off, net
Depreciation charge

Closing net book amount

At 31 December 2022

Cost
Less Accumulated depreciation
Less Allowance for impairment

Net book amount

Separate financial statements				
Office apartments and building improvements Baht	Furniture and office equipment Baht	Computers and gadgets Baht	Total Baht	
59,286,253 (24,190,009) (251,748)	21,490,889 (13,576,652) (42,097)	4,836,381 (3,360,660) (1,890)	85,613,523 (41,127,321) (296,846)	
34,844,496	7,872,140	1,473,831	44,190,467	
34,844,496 - - (2,859,337)	7,872,140 1,380,763 (26,705) (3,288,017)	1,473,831 451,640 - (859,001)	44,190,467 1,832,403 (26,705) (7,006,355)	
31,985,159	5,938,181	1,066,470	38,989,810	
59,286,253 (27,049,345) (251,748)	21,186,723 (15,208,372) (40,171)	5,288,021 (4,219,661) (1,890)	85,760,997 (46,477,378) (293,809)	
31,985,160	5,938,180	1,066,470	38,989,810	



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18 Right-of-use assets

Right-of-use asset balance are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Warehouse	462,637	2,377,433	462,637	2,377,433
Vehicles	1,356,602	2,516,649	1,356,602	2,516,649
Total	1,819,239	4,894,082	1,819,239	4,894,082

For the year ended 31 December, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht	31 December 2022 Baht	31 December 2021 Baht
Depreciation charge of right-of-use assets:				
Warehouse	1,914,795	2,720,769	1,914,795	2,720,769
Vehicles	1,160,048	1,160,048	1,160,048	1,160,048
Total	3,074,843	3,880,817	3,074,843	3,880,817
Addition to the right-of-use assets during the year	-	-	-	-
Total cash outflow for leases	3,144,529	4,120,344	3,144,529	4,120,344
Interest expense (included in finance cost)	146,904	289,087	146,904	289,087

19 Intangible assets

	Consolidated financial statements				
	Trademark Baht	Software Baht	Development costs Baht	Software under development Baht	Total Baht
At 1 January 2021					
Cost	9,079,690	6,889,323	-	233,750	16,202,763
<u>Less</u> Accumulated amortisation	(4,533,875)	(5,716,994)	-	-	(10,250,869)
Net book amount	4,545,815	1,172,329	-	233,750	5,951,894
Year ended 31 December 2021					
Opening net book amount	4,545,815	1,172,329	-	233,750	5,951,894
Additions	-	638,500	-	(233,750)	404,750
Write-off, net	-	(26,370)	-	-	(26,370)
Amortisation charge	(972,106)	(690,650)	-	-	(1,662,756)
Currency translation difference	475,757	-	-	-	475,757
Closing net book amount	4,049,466	1,093,809	-	-	5,143,275
At 31 December 2021					
Cost	10,107,058	6,904,903	-	-	17,011,961
<u>Less</u> Accumulated amortisation	(6,057,592)	(5,811,094)	-	-	(11,868,686)
Net book amount	4,049,466	1,093,809	-	-	5,143,275
Year ended 31 December 2022					
Opening net book amount	4,049,466	1,093,809	-	-	5,143,275
Additions	-	-	-	-	-
Additions for acquisition of a subsidiary	5,809,788	-	12,404,322	-	18,214,109
Write-off, net	-	-	-	-	-
Amortisation charge	(2,637,707)	(424,162)	(3,758,886)	-	(6,820,754)
Currency translation difference	159,759	-	-	-	159,759
Closing net book amount	7,381,306	669,647	8,645,436	-	16,696,389
At 31 December 2022					
Cost	16,264,743	6,904,903	12,404,322	-	35,573,967
<u>Less</u> Accumulated amortisation	(8,883,437)	(6,235,256)	(3,758,886)	-	(18,877,578)
Net book amount	7,381,306	669,647	8,645,436	-	16,696,389



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	Separate financial statements		
	Software Baht	Software under development Baht	Total Baht
At 1 January 2021			
Cost	6,889,323	233,750	7,123,073
<u>Less</u> Accumulated amortisation	(5,716,994)	-	(5,716,994)
Net book amount	1,172,329	233,750	1,406,079
Year ended 31 December 2021			
Opening net book amount	1,172,329	233,750	1,406,079
Additions	638,500	(233,750)	404,750
Disposals	(26,370)	-	(26,370)
Amortisation charge	(690,650)	-	(690,650)
Closing net book amount	1,093,809	-	1,093,809
At 31 December 2021			
Cost	6,904,903	-	6,904,903
<u>Less</u> Accumulated amortisation	(5,811,094)	-	(5,811,094)
Net book amount	1,093,809	-	1,093,809
Year ended 31 December 2022			
Opening net book amount	1,093,809	-	1,093,809
Additions	-	-	-
Disposals	-	-	-
Amortisation charge	(424,162)	-	(424,162)
Closing net book amount	669,647	-	669,647
At 31 December 2022			
Cost	6,904,903	-	6,904,903
<u>Less</u> Accumulated amortisation	(6,235,256)	-	-
Net book amount	669,647	-	669,647

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Administrative expense	6,820,754	1,662,756	424,162	690,650

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20 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Deferred tax assets	14,877,566	11,159,265	14,193,449	11,159,265
Deferred tax liabilities	1,379,289	1,812,605	1,379,289	1,812,605
Deferred tax assets, net	13,498,277	9,346,660	12,814,160	9,346,660

The movements in deferred tax assets and liabilities during the year is as follows:

	Consolidated financial statements							
	Expected credit loss Baht	Allowance from sale return Baht	Allowance for decrease in value of inventory Baht	Amortisation Baht	Allowance for impairment of plant and equipment Baht	Lease liabilities Baht	Employee benefit obligation Baht	Total Baht
Deferred tax assets								
1 January 2021	1,237,723	5,063,655	3,937,883	-	59,368	1,794,104	1,027,778	13,120,511
Charged/(credited) to profit or loss	2,158,431	(2,931,300)	(499,789)	-	(223)	(766,251)	77,886	(1,961,246)
31 December 2021	3,396,154	2,132,355	3,438,094	-	59,145	1,027,853	1,105,664	11,159,265
1 January 2022	3,396,154	2,132,355	3,438,094	-	59,145	1,027,853	1,105,664	11,159,265
Charged/(credited) to profit or loss	4,784,271	198,585	(1,411,199)	684,117	(385)	(628,906)	91,818	3,718,301
31 December 2022	8,180,425	2,330,940	2,026,895	684,117	58,760	398,947	1,197,482	14,877,566
	Separate financial statements							
	Expected credit loss Baht	Allowance from sale return Baht	Allowance for decrease in value of inventory Baht	Allowance for impairment of plant and equipment Baht	Lease liabilities Baht	Employee benefit obligation Baht	Total Baht	
Deferred tax assets								
1 January 2021	1,237,723	5,063,655	3,937,883	59,368	1,794,104	1,027,778	13,120,511	
Charged/(credited) to profit or loss	2,158,431	(2,931,300)	(499,789)	(223)	(766,251)	77,886	(1,961,246)	
31 December 2021	3,396,154	2,132,355	3,438,094	59,145	1,027,853	1,105,664	11,159,265	
1 January 2022	3,396,154	2,132,355	3,438,094	59,145	1,027,853	1,105,664	11,159,265	
Charged/(credited) to profit or loss	4,784,271	198,585	(1,411,199)	(385)	(628,906)	91,818	3,034,184	
31 December 2022	8,180,425	2,330,940	2,026,895	58,760	398,947	1,197,482	14,193,449	

	Consolidated and separate financial statements		
	Provision from cost return Baht	Right of use Baht	Total Baht
Deferred tax liabilities			
1 January 2021	(1,905,416)	(1,754,980)	(3,660,396)
Charged/(credited) to profit or loss	1,071,628	776,163	1,847,791
31 December 2021	(833,788)	(978,817)	(1,812,605)
1 January 2022	(833,788)	(978,817)	(1,812,605)
Charged/(credited) to profit or loss	(181,653)	614,969	433,316
31 December 2022	(1,015,441)	(363,848)	(1,379,289)



Rojukiss International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

21 Borrowings

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current				
Trust Receipts	31,623,167	22,322,977	31,623,167	22,322,977
Total current borrowings	31,623,167	22,322,977	31,623,167	22,322,977
Non-current				
Long-term loans from related party (Note 32.5)	30,500,000	-	-	-
Total non-current borrowings	30,500,000	-	-	-
Total borrowings	62,123,167	22,322,977	31,623,167	22,322,977

22 Trade and other payable

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade payable	75,467,980	33,068,858	64,942,901	33,376,226
Trade payables - related party (Note 32.3)	-	-	80,625,511	-
Amounts due to related party (Note 32.3)	-	-	47,669,073	22,360,365
Accrued rebate expenses	70,980,848	24,287,809	70,679,105	24,287,809
Accrued expenses	19,360,179	8,755,303	11,506,115	8,755,303
Other payables	2,021,016	-	-	-
Total	167,830,023	66,111,970	275,422,705	88,779,703

23 Lease liabilities

	Consolidated and Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
Current portion of lease liabilities	1,551,825	3,383,334
Lease liabilities	442,908	1,755,928
Total lease liabilities	1,994,733	5,139,262

Rojukiss International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

The movement of lease liabilities for the year ended 31 December 2022 can be analysed as follows:

	Consolidated and Separate financial statements		
	Lease payables Baht	Deferred interest Baht	Lease liabilities Baht
Opening net book value	5,328,858	(189,596)	5,139,262
Additions			
Cash outflows:			
Repayment of lease liabilities	(3,144,529)	-	(3,144,529)
Repayment of interest expense	(135,816)	-	(135,816)
Non-cash changes:			
Amortised deferred interest	-	135,816	135,816
Closing net book value	2,048,513	(53,780)	1,994,733

	Consolidated and Separate financial statements	
	31 December 2022 Baht	31 December 2021 Baht
Minimum finance lease liabilities payments		
Within 1 year	1,593,549	3,520,344
Within 1 - 5 years	454,964	1,808,513
<u>Less</u> Future finance charges on finance leases	(53,780)	(189,595)
Present value of finance lease liabilities	1,994,733	5,139,262
Present value of finance lease liabilities:		
Within 1 year	1,551,825	3,383,334
Within 1 - 5 years	442,908	1,755,928
	1,994,733	5,139,262

24 Employee benefit obligations

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Retirement benefit obligations	5,792,337	5,402,958
Other long-term benefit obligations	195,075	125,365
	5,987,412	5,528,323

The Company provides retirement benefits based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on based salaries and length of service.

The Company provides other long-term benefits following the policy of the Company. The benefits are paid in cash which amounts are predetermined according to the Company's policy.



Rojukiss International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

The movements of employee benefit obligations during the year are as follows:

	Consolidated and separate financial statements					
	2022			2021		
	Retirement benefit obligations Baht	Other long-term benefit obligations Baht	Total Baht	Retirement benefit obligations Baht	Other long-term benefit obligations Baht	Total Baht
At 1 January	5,332,958	195,365	5,528,323	4,989,538	149,355	5,138,893
Current service cost	762,588	32,269	794,857	751,022	43,164	794,186
Interest cost	99,590	2,441	102,031	86,514	2,846	89,360
Benefits paid	(402,799)	(35,000)	(437,799)	(424,116)	(70,000)	(494,116)
At 31 December	5,792,337	195,075	5,987,412	5,402,958	125,365	5,528,323

The amounts recognised in the income statement are as follows:

	2022 Baht	2021 Baht
Current service cost	794,857	794,186
Interest cost	102,031	89,360
	896,888	883,546

The significant actuarial assumptions used were as follows:

	Consolidated and separate financial statements	
	2022 Baht	2021 Baht
Discount rate	1.54%	1.54%
Salary growth rate	4.22%	4.22%
Turnover rate	24%-60%	24% - 60%
Age of retirement	60 Years old	60 Years old

Sensitivity analysis for each significant assumption used is as follows:

	Consolidated and separate financial statements					
	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	2022	2021	2022	2021	2022	2021
Discount rate	0.50%	0.50%	Decrease by 4.16%	Decrease by 4.5%	Increase by 4.41%	Increase by 4.78%
Salary growth rate	0.50%	0.50%	Increase by 5.10%	Increase by 4.96%	Decrease by 4.83%	Decrease by 4.70%
Turnover rate	0.50%	0.50%	Decrease by 5.52%	Decrease by 5.37%	Increase by 1.35%	Increase by 1.23%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Weighted average of employee benefit obligations period is 13 years.

Rojukiss International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 31 December 2022

Expected maturity analysis of undiscounted retirement benefits is as follows:

	Less than 1 year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	More than 10 years Baht	Total Baht
At 31 December 2022					
Retirement benefits	55,271	830,742	8,121,562	573,031	9,580,606
	Less than 1 year Baht	Between 1 - 5 years Baht	Between 5 - 10 years Baht	More than 10 years Baht	Total Baht
At 31 December 2021					
Retirement benefits	392,280	859,644	6,205,468	2,515,492	9,972,884

25 Share capital and premium on share capital

	Registered share capital Shares	Baht	Issued and paid-up capital Shares	Baht	Share premium Baht
1 January 2021	618,000,000	309,000,000	540,000,000	270,000,000	5,703,904
Issuance of shares	-	-	60,000,000	30,000,000	481,664,444
31 December 2021	618,000,000	309,000,000	600,000,000	300,000,000	487,368,348
31 December 2022	618,000,000	309,000,000	600,000,000	300,000,000	487,368,348

The total number of authorised ordinary shares is 618,000,000 shares with a par value of Baht 0.50 per share. Of 618,000,000 shares, 600,000,000 issued shares are fully paid.

In February 2021, the Company made an initial public offering of 60,000,000 ordinary shares with a par value of Baht 0.5 per share, offering the price of Baht 9.00 per share, totalling Baht 540,000,000. The Company recorded the cost of distribution of shares at the amount of Baht 28,335,556 which deducted in the account of premium on paid-up capital of ordinary shares. The Company's ordinary shares has started trading on the Stock Exchange of Thailand since 19 February 2021.

26 Share-base payment

The Company issued and offered grants of warrants to the executives and employees of the Company (KISS ESOP), which their terms 5 years from the issued date and no offered price. The criteria of right exercise is regarding to the Company policy. The exercise ratio and price on issued date are as follows:

	Issued date	Expired date	Exercise price Baht/unit	Number of Issued warrants units	Exercise Ratio unit/share	Exercise period	
						Start	End
KISS ESOP	19 February 2021	19 February 2026	7.20	18,000,000	1:1	19 February 2023	19 February 2026



Rojukiss International Public Company Limited
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The fair value of the warrant is measured by a Black-Scholes Model with the following financial assumptions:

	KISS ESOP
Fair value of the warrant at the grant date	1.90 Baht/unit
Share price at the grant date	9.00 Baht/unit
Exercise price	7.20 Baht/unit
Expected volatility	20.00%
The expected period, that shareholders will completely use their right on warrant	5 years
Risk free interest rate	0.86%

On 14 July 2020, the Extraordinary General Shareholders Meeting 2/2020 of the Company had passed a resolution to approve the warrants to directors and employees ("KISS ESOP") allocation not over 18,000,000 units, under the ESOP scheme. Details of allocation warrants are announced to directors and employees on 19 February 2021.

No.	Exercise price (Baht/unit)	Number of issued warrants Units*	Exercise ratio unit/share	Exercise period	
				Start	End
1	7.20 Baht/unit	18,000,000	1:1	19 February 2023	19 February 2026

* Number of exercised warrants of the total allocated units.

Movements of capital reserve for share-based payment for the years ended 31 December 2022 are as follows:

	Consolidated and Separate financial statements Baht
At 1 January	7,338,001
Increase during the year	6,516,170
At 31 December	13,854,171

Movement of number of the warrants for the year ended 31 December 2022 are as follows:

	Units
At 1 January	18,000,000
Increase during the year	-
At 31 December	18,000,000

27 Legal reserve

	Consolidated and Separate financial statements Baht
At 1 January 2021	27,000,000
Appropriation during the year	3,000,000
At 31 December 2021	30,000,000
Appropriation during the year	900,000
At 31 December 2022	30,900,000

Under the Public Companies Act., B.E. 2535, the Company is required to set aside as statutory reserve at least 5% percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% percent of the registered capital. This reserve is not available for dividend distribution.

28 Expense by nature

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cost of raw materials and finished goods	417,105,209	323,205,589	361,844,760	323,205,589
Advertising expense	92,480,305	71,418,591	84,561,759	71,418,591
Employee salaries	96,397,292	85,350,950	96,397,292	85,350,950
Employee benefit expense	896,888	883,546	896,888	883,546
Depreciation and amortisation	12,406,831	14,141,799	11,334,271	13,169,693

29 Income tax expense

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current tax:				
Current tax on profits for the year	37,318,572	27,798,643	26,362,051	27,798,643
Total current tax	37,318,572	27,798,643	26,362,051	27,798,643
Deferred tax:				
Decrease (increase) in deferred tax assets (Note 20)	(3,718,301)	1,961,246	(3,034,184)	1,961,246
(Decrease) increase in deferred tax liabilities (Note 20)	(433,316)	(1,847,791)	(433,316)	(1,847,791)
Total deferred tax	(4,151,617)	113,455	(3,467,500)	113,455
	33,166,955	27,912,098	22,894,551	27,912,098

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Company as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Profit before tax	181,097,463	146,485,252	107,851,220	134,217,243
Tax calculated at a tax rate of 20% (2021: 20%)	36,215,893	29,297,050	21,570,244	26,843,449
Tax effect of:				
Expenses not deductible for tax purpose	2,003,820	2,168,314	1,438,487	1,071,231
Expenses deductible for tax purpose	(4,025,524)	(2,456,183)	(114,180)	(2,582)
Share of loss from joint venture	(1,027,234)	(1,097,083)	-	-
Tax charge	33,166,955	27,912,098	22,894,551	27,912,098

The weighted average applicable tax rate was 21.23% (2021: 20.80%).



Rojukiss International Public Company Limited
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The tax (charge)/credit relating to component of other comprehensive income is as follows:

	Consolidated and separate financial statements					
	2022			2021		
	Before tax Baht	Tax (charge) credit Baht	After tax Baht	Before tax Baht	Tax (charge) credit Baht	After tax Baht
Currency translation difference	629,852	-	629,852	1,719,983	-	1,719,983
At 31 December	629,852	-	629,852	1,719,983	-	1,719,983

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current tax	37,318,572	27,798,643	26,362,051	27,798,643
Deferred tax (note 20)	(4,151,617)	113,455	(3,467,500)	113,455
Income tax expense	33,166,955	27,912,098	22,894,551	27,912,098

30 Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to the shareholders by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Profit for the period (Baht)	123,708,283	118,573,154	84,956,669	106,305,145
Weighted average number of ordinary shares outstanding (shares)	600,000,000	592,273,973	600,000,000	592,273,973
Basic earnings per share (Baht per share)	0.21	0.20	0.14	0.18

31 Dividends

2022

On 25 April 2022, the Annual General Meeting 1/2022 of the Company passed a resolution approving the Company to pay dividend from retained earnings at 31 December 2021 to the shareholders listed in the register on 5 May 2022, at the rate of Baht 0.10 per share totalling Baht 60,000,000. The dividends was paid on 24 May 2022.

On 15 August 2022, the Board of Directors Meeting 5/2022 approved the payment of interim dividend from net profit for the period ended at 30 June 2022 to the shareholders listed in the register on 30 August 2022. Dividend were announced at the rate of Baht 0.06 per share totalling Baht 36,000,000. The dividends was paid on 14 September 2022.

2021

On 5 January 2021, the Board of Directors Meeting 1/2021 of the Company, the Board of Directors approved the payment of interim dividend from net profit for the year ended 31 December 2020 to the shareholders listed in the register on 31 December 2020. Dividend were announced at rate of Baht 0.1482 per share totalling Baht 80,028,000. The dividends paid on 29 January 2021.

On 26 April 2021, the Annual General Meeting 1/2021 of the Company, the meeting passed a resolution approving the Company to pay dividend from retained earnings at 31 December 2020 to the shareholders listed in the register on 30 April 2021, at the rate of Baht 0.04 per share totalling Baht 24,000,000. The dividends paid on 20 May 2021.

On 10 August 2021, the Board of Director Meeting 6/2021 of the Company, the Board of Directors approved the payment of interim dividend from net profit for the period ended at 30 June 2021 to the shareholders listed in the register on 31 August 2021. Dividend were announced at rate of Baht 0.055 per share totalling Baht 33,000,000. The dividends paid on 9 September 2021.

32 Related party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

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

The majority of the Company's shareholders are Aurora Asia Holdings PTE LTD and Ms. Piyawadee Sonsingh who own 28.98% and 18.04% of the Company's shares.

The following material transactions were carried out with related parties:

32.1 Sales of goods and services

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Sales of goods				
Subsidiary	-	-	12,600,736	-
Joint venture	-	10,760,379	3,605,102	10,760,379
	-	10,760,379	16,205,838	10,760,379

32.2 Purchases of goods and services

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Royalty Fee				
Subsidiary	-	-	33,851,049	32,427,311
Interest Income				
Subsidiary	-	-	456,438	-
Management Fee				
Subsidiaries	-	-	21,440,711	-

32.3 Outstanding balances arising from purchases/sales of goods and services and other income

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade account receivables - related party (Note 12.1)				
Subsidiary	-	-	4,018,995	-
Joint venture	-	3,786,352	-	3,786,352
	-	3,786,352	4,018,995	3,786,352
Advance payment (Note 12.1)				
Subsidiary	-	-	7,366,125	976,903
Joint venture	-	711,160	-	711,160
Total Advance payment	-	711,160	7,366,125	1,688,063
Trade payable - related party (Note 22)				
Subsidiaries	-	-	80,625,511	-
Amounts due to related party (Note 22)				
Subsidiary	-	-	47,669,073	22,360,365



Rojukiss International Public Company Limited
Notes to the Consolidated and Separate Financial Statements
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32.4 Long-term loan to subsidiary

The movements of loan to subsidiary for the year ended 31 December 2022 are as follows:

	Separate financial statements Baht
Opening book value	-
Loan to subsidiary at acquisition date (Note 15)	10,000,000
Additions	15,000,000
Closing book value	25,000,000

Long-term loan to subsidiary is unsecured and denominated in Thai Baht. The loan is due for repayment when the subsidiary can generate profit in accordance with the shareholder agreement and carry interest at 3.5% per annum.

32.5 Long-term loans from related party

The movements of loans from related party for the year ended 31 December 2022 are as follows:

	Consolidated financial statements Baht
Opening book value	-
Additions	30,500,000
Closing book value	30,500,000

A subsidiary borrowed the loans from its director. The loans are unsecured and denominated in Thai Baht. The loans are due for repayment when the subsidiary can generate profit in accordance with the shareholder agreement and carry interest at 3.5% per annum.

32.6 Key management compensation

Key management includes members of the executive committee. The compensation paid or payable to key management are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Salaries and other short-term employee benefits	32,867,060	33,094,926	24,647,243	23,134,914
Retirement benefits	1,243,451	1,302,537	1,243,451	1,302,537
Total	34,110,511	34,397,463	25,890,694	24,437,451



ROJUKISS
INTERNATIONAL

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Appendix

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KISS'S
DRIVEN
OR FUTURE
READY

Appendix 1



Dr. Lackana Leelayouthayotin

Age	69
Position	Chairman / Independent Director
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	0.08%
Family Relationship with Director and Management	-None-

Education

- Ph.D. (Business Administration), University of Southern Queensland, Australia
- Master of Business Administration, Catholic University of Leuven, Belgium
- B.Sc. (Chemistry), Chulalongkorn University

Training Program

- Advance Audit Committee Program, 2018, Thai Institute of Directors Association
- TLCA Leadership Development Program, 2017, International Institute for Management Development
- Public Director Certification Program, 2017, Public Director Institute
- Director Certification Program (DCP) 225/2016, Thai Institute of Directors Association
- Advance Executive Program, 1999, Kellogg School of Management, Northwestern University, U.S.A

Position in Other Listed Company

2016 – Present	Independent Director / Chairman of the Audit Committee / Member of the Nomination and Compensation Committee, Techno Medical Public Company Limited
2015 - Present	Independent Director / Member of Nomination Committee, Lam Soon (Thailand) Public Company Limited

Position in Other Company/Organization/Institution

2019 - Present	Independent Director / Member of the Nomination Compensation and Corporate Governance Committee / Member of the Corporate Social Responsibility Committee, The Siam Commercial Bank Public Company Limited
2017 - Present	Independent Director, Bangchak Retail Company Limited
2016 - Present	Independent Director / Member of the Audit Committee, Shera Public Company Limited
2021 - Present	Chairman of the Fund Management Committee, Thailand Institute of Scientific and Technological Research (NIA)
2019 - Present	Vice President, Chulalongkorn University Alumni Association
2018 - Present	Member of Fund for Patients and Hospital Affairs Committee, Somdet Phra Nyanasamvara Somdet Phra Sangharaj Wat Bovoranives Vihara Foundation under Royal Patronage
2014 - Present	Chairman, Foundation for Education, Marketing Association of Thailand

Experiences in the past 5 years

2016 – 2022	Managing Director, Advisor and Beyond Company Limited
2013 – 2022	Consultant, Brand's Suntory (Thailand) Company Limited
2015 – 2021	Director, GMM Grammy Public Company Limited
2015 – 2019	Advisory to the Strategy Sub Committee, Thai Institute of Nuclear Technology
2015 – 2018	Director, GMM Channel Company Limited
2015 – 2017	Director, The One Enterprise Company Limited
2013 – 2017	Director, Cerebos (Thailand) Company Limited
2007 – 2017	Director, Tipco F&B Company Limited

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-

**Mrs. Pratana Mongkolkul**

Age	58
Position	Vice Chairman / Chairman of the Audit Committee / Independent Director
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	0.05%
Family Relationship with Director and Management	-None-

Education

- Master of Business Administration, Thammasat University
- Bachelor of Accounting, Thammasat University

- Capital Market Academy Leader Program 6/2008, Capital Market Academy
- Chief Financial Officer Certification Program 1/2004, Institute of Certified Accounting and Auditors of Thailand
- Director Diploma Examination 2003, The Australian Institute of Directors Association

Training Program

- Certificate Advanced Management Program, Harvard Business School, Harvard University, U.S.A.
- Board Nomination and Compensation Program (BNCP) 12/2021, Thai Institute of Directors Association
- Director Leadership Certification Program (DLCP) 2/2021, Thai Institute of Directors Association
- Ethical Leadership Program (ELP) 21/2021, Thai Institute of Directors Association
- IT Governance and Cyber Resilience Program (ITG) 3/2017, Thai Institute of Directors Association
- Audit Committee Program (ACP) 22/2016, Thai Institute of Directors Association
- Director Certification Program (DCP) 34/2003, Thai Institute of Directors Association
- Director Accreditation Program (DAP) 2/2003, Thai Institute of Directors Association
- IT Bar 2022: New Normal – Now Normal – Next Normal, The Central Intellectual Property and International Trade Court
- IP Bar 2021: IP Challenges in the Next Normal, The Central Intellectual Property and International Trade Court
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives Rationale 20/2016, King Prajadhipok's Institute
- Public Director Certification Program Class 13/2015, King Prajadhipok's Institute
- Thai Intelligent Investors 1/2012, Thai Investors Association

Position in Other Listed Company

2021 – Present	Independent Director / Member of the Audit Committee / Member of the Nomination and Remuneration Committee / Member of the Corporate Governance Committee, Total Access Communication Public Company Limited
2019 – Present	Independent Director / Member of the Audit Committee, Plus Tech Innovation Public Company Limited (formerly TBSP Public Company Limited)
2019 – Present	Independent Director / Chairman of the Audit Committee, Central Retail Corporation Public Company Limited
2015 – Present	Independent Director / Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee / Member of the Good Corporate Governance Committee, FN Factory Outlet Public Company Limited

Position in Other Company/Organization/Institution

2014 - Present	Associate Judge Class 10, 13, Central Intellectual Property and International Trade Court
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Experiences in the past 5 years

July-Nov 2022	Director, Pomelo Fashion Company Limited
2017 – 2020	Director / Member of Executive Board Committee, Thai Airways International Public Company Limited
2018 – 2019	Director / Board of Trustees, Dhurakij Pundit University
2015 – 2019	Director / Chairman of the Audit Committee, Thailand Post Company Limited
2013 – 2019	Independent Director / Member of the Audit Committee, T.K.S. Technologies Public Company Limited
2014 – 2018	Member of Board Commissioners / Chairman of the Audit Committee, Port Authority of Thailand
2015 – 2017	Director / Member of the Executive Committee, Government Saving Bank
2014 – 2017	Independent Director / Member of Executive Committee, Dusit Thani Public Company Limited

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-



Dr. Anuphan Kitnitchiwa

Age	59
Position	Chairman of the Corporate Governance Committee / Member of the Nomination and Remuneration Committee / Independent Director
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	0.05%
Family Relationship with Director and Management	-None-

Education

- Doctor of Philosophy, National Institution of Development Administration
- Master of Law, Thammasat University
- Bachelor of Law, Thammasat University

Training Program

- Executive Education Capital Market Academy (CMA.) 29/2019, The Stock Exchange of Thailand
- The Advanced Certificate on Promotion of Peaceful Society 8th, 2017/2018, King Pachadhipok Institute
- Successful Formulation and Execution of Strategy (SFE) 26/2016, Thai Institute of Directors Association
- The Role of Chairman Program (RCP) 38/2016, Thai Institute of Directors Association
- Advance Audit Committee Program (AACP) 17/2014, Thai Institute of Directors Association
- Director Certification Program (DCP) 130/2010, Thai Institute of Directors Association

Position in Other Listed Company

2022 – Present	Independent Director / Chairman of Nomination and Remuneration Committee, Principal Capital Public Company Limited
2022 – Present	Director, Prinsiri Public Company Limited
2013 – Present	Independent Director / Chairman of the Audit Committee, Thai Poly Acrylic Public Company Limited

Position in Other Company/Organization/Institution/Institution

2022 – Present	Director, Dherakupt Legal Outsourcing Company Limited
2022 – Present	Chairman of the Board of Directors, Principal Healthcare - Sakonnakhon Company Limited
2022 – Present	Chairman of the Board of Directors, Principal Healthcare - Lamphun Company Limited
2022 – Present	Chairman of the Board of Directors, Principal Healthcare - Ubonratchathani Company Limited
2022 – Present	Chairman of the Board of Directors, Principal Healthcare - Chumphon Company Limited
2022 – Present	Chairman of the Board of Directors, Principal Healthcare – Srisaket Company Limited
2022 – Present	Chairman of the Board of Directors, Principal Healthcare - Uthai Company Limited
2022 – Present	Chairman of the Board of Directors, Paknampo Hospital Company Limited
2022 – Present	Chairman of the Board of Directors, Pitsanuvej Uttaradit Hospital Company Limited
2022 – Present	Chairman of the Board of Directors, Union Phichit Doctors Company Limited
2022 – Present	Chairman of the Board of Directors, Pitsanuloke Medical Company Limited
2021 – Present	Chairman of the Board of Directors, TV Burabha Company Limited
2004 – Present	Managing Director, Dherakupt International Law Office Company Limited

Experiences in the past 5 years

2014 – 2021	Independent Director, Humanica Public Company Limited
2014 – 2018	Independent Director / Chairman of the Audit Committee, TOT Public Company Limited

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-

**Dr. Chatrchai Tuongratanaphan**

Age	66
Position	Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee / Independent Director
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	0.05%
Family Relationship with Director and Management	-None-

Education

- Ph.D., International Business, United States International University
- Master's Degree, International Marketing, United States International University
- Bachelor of Science, Mahidol University

Position in Other Listed Company

2018 – Present Independent Director / Chairman of the Board of Directors / Chairman of the Nomination and Remuneration Committee / Member of the Audit Committee, Do Home Public Company Limited

Position in Other Company/Organization/Institution

2009 – Present Executive Director, Thai Retailer Association

Training Program

- Advance Audit Committee Program, 2018, Thai Institute of Directors Association
- Director Certification Program (DCP) 207/2015, Thai Institute of Directors Association

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-



Ms. Pornchanok Tansakul

Age	50
Position	Member of the Audit Committee / Independent Director
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	0.05%
Family Relationship with Director and Management	-None-

Education

- Master of Business Administration, Kellogg School of Management, Northwestern University, U.S.A.
- Bachelor of Business Administration, Assumption University

Position in Other Company/Organization/Institution

2017 – Present Chief of Staff – Group CEO, Harng Central Department Store Company Limited

Experiences in the past 5 years

2015 – 2017 President, COL Public Company Limited

Training Program

- Director Accreditation Program (DAP) 168/2020, Thai Institute of Directors Association

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-



Mrs. Yayus Sulyanni Mak

Age	49
Position	Member of the Corporate Governance Committee / Independent Director
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	0.05%
Family Relationship with Director and Management	-None-

Education

- Master of Science, Management Science and Engineering, Stanford University
- Bachelor of Arts, Mathematics and Chemistry, Boston University

Position in Other Company/Organization/Institution

2008 – Present Lecturer, Chulalongkorn University

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-

Training Program

- Accreditation Program (DAP) 173/2020, Thai Institute of Directors Association



Ms. Piyawadee Sonsingh

Age	53
Position	Member of the Corporate Governance Committee / Authorized Director as per the Company's Affidavit
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	18.04%
Family Relationship with Director and Management	-None-

Education

- Master of Business Administration, Chiangmai University
- Bachelor of Pharmacy, Chiangmai University

Training Program

- Director Accreditation Program (DAP) 130/2016, Thai Institute of Directors Association

Position in Other Company/Organization/Institution

2021 – Present	Independent Director, Mungmee Ecommerce Company Limited
2020 – Present	Independent Director, Devakam Apothecary Hall Company Limited
2019 – Present	Independent Director, Meticuly Company Limited
2012 – Present	Director, PhD International Limited

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-

**Mr. Anotai Adulbhan**

Age	49
Position	Member of the Nomination and Remuneration Committee / Authorized Director as per the Company's Affidavit
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	0.02%
Family Relationship with Director and Management	-None-

Education

- Master of Business Administration, Kellogg School of Management, Northwestern University, U.S.A.
- Bachelor of Engineering, Chulalongkorn University

Training Program

- Director Certification Program (DCP) 122/2015, Thai Institute of Directors Association
- Role of Chairman Program (RCP) 46/2020, Thai Institute of Directors Association
- Board Nomination and Compensation Program (BNCP) 11/2021, Thai Institute of Directors Association

Position in Other Listed Company

2019 – Present	Director / Member of Executive Committee / Member of Nomination and Remuneration Committee, NForce Secure Public Company Limited
2014 – Present	Chairman of the Board of Directors, Humanica Public Company Limited
2012 – Present	Independent Director / Member of Audit Committee, Selic Corp Public Company Limited

Position in Other Company/Organization/Institution

2022 – Present	Director, Hibiocy Company Limited
2022 – Present	Director, Vision Ventures Company Limited
2022 – Present	Director, NST Training Center Company Limited
2022 – Present	Director, NST Vision Company Limited
2022 – Present	Director, Glassic Company Limited
2020 – Present	Director, Can Innovation Company Limited
2019 – Present	Director, Relationship Republic Company Limited
2018 – Present	Director, AAA Assets Company Limited
2017 – Present	Director, WorldWideVac Limited
2017 – Present	Director, Aurora Asia Holdings Pte. Ltd.
2017 – Present	Director, PhD International Limited
2016 – Present	Director, Darlex Limited
2014 – Present	Director, Henderson Capital Asia
2014 – Present	Director, Hudson Asia Holdings Pte. Ltd.
2009 – Present	Director, Lakeshore Capital Partners Company Limited

Experiences in the past 5 years

2020 – 2022	Director, Mungmee Ecommerce Company Limited
2018 – 2022	Director, Pharma Management Company Limited
2018 – 2019	Director, Devakam Apothecary Hall Company Limited
2016 – 2018	Director, Ready Planet Company Limited
2015 – 2019	Director, KT Restaurant Company Limited

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-



Mrs. Worrawan Chaikamnerd

Age

47

Position

Chairman / Independent Director
Chairman of the Executive Committee / Chairman of the Risk Management Committee / Chief Executive Officer / Authorized Director as per the Company's Affidavit

Shareholding in KISS

0.08%

(as at 11 January 2023)

**Family Relationship with
Director and Management**

-None-

Education

- Master of Business Administration, The University of Iowa, U.S.A.
- Bachelor of Engineering, Chulalongkorn University

Position in Other Company/Organization/Institution

- 2022 – Present Director, Hibiocy Company Limited
- 2020 – Present Director, Guts & Good Pte. Ltd.
- 2017 – Present Director, PhD International Limited

Training Program

- Director Accreditation Program (DAP) 165/2019, Thai Institute of Directors Association

Experiences in the past 5 years

- 2013 – 2016 Brand General Manager, L'Oreal (Thailand) Limited

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-



Mr. Thanayus Leeraphan

Age	42
Position	Member of the Executive Committee / Member of the Risk Management Committee / Chief Marketing Officer
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	-None-
Family Relationship with Director and Management	-None-

Education

- Master of Sciences, Politics of the World Economy, London School of Economics, University of London
- Bachelor of Arts (Economics), Thammasat University

Position in Other Company/Organization/Institution

2020 - Present Director, Guts & Good Pte. Ltd.

Experiences in the past 5 years

2015 – 2017 Senior Marketing Director, Unilever Singapore

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-



Ms. Naruemol Sukkamolwatana

Age	50
Position	Member of the Executive Committee / Member of the Risk Management Committee / Chief Operating Officer
Date of Appointment	16 July 2020
Shareholding in KISS (as at 11 January 2023)	0.03%
Family Relationship with Director and Management	-None-

Education

- Master of Business Administration, National Institution of Development Administration
- Bachelor of Sciences, Chulalongkorn University

Experiences in the past 5 years

2013 – 2017 Supply Chain Manager, L’Oreal (Thailand) Limited

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-



Ms. Wipaporn Niamla-ong

Age

43

Position

Member of the Executive Committee / Member of the Risk Management Committee / Chief Financial Officer (Person in Charge of Finance and Accounting) / Corporate Secretary

Date of Appointment

16 July 2020

Shareholding in KISS

0.01%

(as at 11 January 2023)

Family Relationship with

Director and Management

-None-

Education

- Master of Business Administration, Kasetsart University
- Bachelor in Accounting, Thammasat University

Position in Other Company/Organization/Institution

2021 – Present Director, O2 Kiss Company Limited

Experiences in the past 5 years

2010 – 2017 Division Controller, L'Oreal (Thailand) Limited

Training Program

- Professional Development Program for Company Secretary 2022, Thai Listed Companies Association
- Strategic CFO in Capital Markets 6/2018, The Stock Exchange of Thailand
- Fundamentals for Corporate Secretaries 2/2019, Thai Listed Companies Association
- TFRS for PAEs – Key Changes in 2023, The Stock Exchange of Thailand

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-



Ms. Natthaya Suriprasitchai

Age	47
Position	Accounting & Finance Manager (Person in charge of Accounting)
Date of Appointment	17 October 2022
Shareholding in KISS (as at 11 January 2023)	-None-
Family Relationship with Director and Management	-None-

Education

- Master in Finance, Ramkhamhaeng University
- Bachelor in Accounting, Ramkhamhaeng University
- Bachelor of Science and Technology (Statistics), Thammasat University

Experiences in the past 5 years

- 2019 – 2022 Accounting Manager, Food Passion Company Limited
- 2017 – 2019 Deputy Chief Financial Officer, Haier Electric (Thailand) Public Company Limited

Penalty in the past 5 years regarding to Securities and Exchange Act B.E. 2535 (1992) or Derivatives Act B.E. 2546 (2003)

-None-

Training Program

- Income, the difference between accounting and taxes, Year 2022 Department of Business Development
- Cost accounting theory, Year 2022 Department of Business Development
- Financial statement analysis, Year 2022 Department of Business Development
- Accounting standard related to property, plant and equipment, Year 2022 Department of Business Development
- Cash flow statement, Year 2022 Department of Business Development
- Accounting information, Year 2022 Department of Business Development
- Revenue from contracts made with customers, Year 2022 CPD Thai Training Co, Ltd.



Appendix 2

Details of Directors of a Subsidiary

Subsidiary	Percentage of Shareholding	Directors				
		Mrs. Worrawan Chaikamnerd	Mr. Anotai Adulbhan	Ms. Piyawadee Sonsingh	Ms. Wipaporn Niamla-ong	Ms. Monticha Wongnan
PhD International Limited	100%	A	A	A		
O2 Kiss Co., Ltd.	100%				A	A
Hibiocy Co., Ltd.	46.6%	A	B			

Remark : A : Authorized Director,
B : Independent Director

Mr. Sutee Tanwanichkul**Managing Director of IA Signature Company Limited****Current Position**

Internal Auditor

Education

- Master of Accountancy, Kasetsart University
- Master of Business Administration (Marketing), Dhurakij Pundit University
- Bachelor of Accountancy, Dhurakij Pundit University

Training Programs

- Certified Professional Internal Auditor of Thailand (CPIAT: No.17), The Institute of Internal Auditor of Thailand
- Independent Auditor for CAC SME Certification, Thai CAC
- IIA's Endorsed Internal Auditing Program, Chulalongkorn University
- Director Certification Program (DCP) 238/2017, Thai Institute of Directors Association
- Anti-Corruption the Practical Guide (ACPG) #37, Thai Institute of Directors Association
- Certificate of PDPA : C-DPF, C-DPP, C-DPO, ACIS Professional Center Company Limited
- Forensic Accounting Certificate (FAC) #93, Federation of Accounting Professions of Thailand

Experiences

- Internal Auditor in many companies with various industry
- Financial Control Director, Thairung Group
- Director of Qualified Members (2 years : November 2019 – November 2021), The Institute of Internal Auditor of Thailand
- Director of Qualified Members (2 years : July 2020 – July 2022), Faculty of Business Administration of RMUTR
- Special Lecturer in universities and Invited Speakers in many topics, for example, Anti-Corruption Policy, Internal Control and Internal Audit for IPO, Risk Management etc.



Appendix 4

Charters of the Board of Directors and Sub-Committees

Charter of the Board of Directors

1. Purpose

The Board of Directors has an important role in overseeing the administration, determine the direction, policy, and business strategy of the Company for the utmost benefit of the Company and its shareholders as well as monitoring the performance of the Company's management to check and balance and take care of the Company's performance. Also, the Board of Directors has the authorities, duties and responsibilities as specified by laws, the Articles of Association, objectives and the resolution of the Board of Directors and the Shareholders' meeting.

2. Composition

- 1) The Board of Directors consists of Chairman, Vice Chairman and number of directors that appropriate to the size of the business and efficient for operation. Total number of directors is no less than 5 directors and no more than 12 directors. No less than half of the directors must have a domicile in Thailand and has qualification as defined by laws.
- 2) The composition of the Board of Directors must have independent directors no less than half of total members and no less than 3 independent directors.
- 3) The Board of Directors shall select one director to be the Chairman of the Board. If it deems appropriate, the Board of Directors may select another director or several directors to be the Vice Chairman of the Board.

3. Qualifications

- 1) Directors should be knowledgeable and capable, be honest and ethical, in the conduct of business and have adequate time to dedicate knowledge and skills to perform duties of the Company.
- 2) Be fully qualified and not be under any of the prohibitions prescribed in the Public Limited Company Act, the Securities and Exchange Act and other announcement, regulations, and/or related rules. In addition, directors must not possess any untrustworthy characteristics unsuitable for the Company's management position according to the Securities and Exchange Commission's announcement.
- 3) Directors of the Company may serve as directors of other companies, but such service must not impede their responsibilities to the Company. A director should not serve in more than 5 listed companies.
- 4) Independent directors should possess the qualifications of independence as set by the Company and subject to the guideline in the laws, announcement, Articles of Association and/or related rules. They should be able to ensure equal benefits for all shareholders to avoid conflict of interests. Additionally, they shall participate in the Board of Directors' meeting to give their opinions freely.

The independent directors should possess the additional qualifications as follows:

- (1) Not holding more than 1% of the total outstanding voting shares of the Company, subsidiary, associated company, major shareholders or controlling person including shares held by related persons of the independent directors.
- (2) Neither being nor having been an executive director, officer, employee, advisor who receives a salary of the Company or controlling person of the Company, subsidiary, associated company, a same level subsidiary, major shareholder or controlling person, unless the foregoing status ended not less than 2 years prior to the date of appointment.
- (3) Not being a person related by blood or registration under law, such as a father, mother, spouse, sibling, or child, including spouses of children of directors, executives, major shareholders, controlling persons, or persons to be nominated as directors, executives or controlling persons of the Company or its subsidiaries.
- (4) Not having nor having had a business relationship with the Company, its subsidiary, associated company, major shareholder or controlling person, in a manner which may interfere with his or her independent judgment, and neither being not having been a substantial shareholder or controlling person of any entity having business relationship with the Company, subsidiary, associated company, major shareholder or controlling person, unless the foregoing status ended not less than 2 years prior to the date of appointment.

The term “business relationship” as aforementioned includes any normal business transaction, rental or lease of immovable properties, transaction relating to assets or services, or grant or receipt of financial support through receiving or extending loans, guarantee, providing assets as collateral including any other similar action of which value more than 3% of the net tangible assets or exceeds Baht 20 million, whichever is lower. The value of each transaction is based on the calculation method for the values of related party transactions under the Announcement of the Thai Capital Market Supervisory Board regarding the related party transactions. Under the regulation, all transactions occurring within 1 year of preceding transactions must be included in such calculation.

- (5) Neither being nor having been an auditor of the Company, its subsidiary, associated company, major shareholder or controlling person nor being a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its subsidiary, associated company, major shareholder or controlling person, unless the foregoing relationship ended not less than 2 years from the date of appointment.
- (6) Neither being nor having been any kind of professional advisor including a legal advisor or financial advisor who receives an annual service fee exceeding Baht 2 million from the Company, its subsidiary, associated company, major shareholder or controlling person and neither being nor having been a substantial shareholder, controlling person or partner of the professional advisor, unless the foregoing relationship ended not less than 2 years from the date of appointment.



- (7) Not being a director who has been appointed as representative of the Company's directors, major shareholders, or shareholders who are related to the major shareholders.
- (8) Not conducting any businesses which have the same nature as or are in competition with the Company's or its subsidiaries or neither being significant partner in a partnership, executive director, employee, officer, or consultant who receives regular salary, shareholder holding more than 1% of the voting shares of business which have the same nature as or in competition with the Company or its subsidiaries.
- (9) Not having any characteristics that could prevent him/her from giving independent opinions concerning the Company's operation.

4. Selection and Term of Office

- 1) The selection of the directors with the qualification as prescribed in No.3 should have adequate detail support for the decision of the Board of Directors and shareholders.
- 2) The term of the Board of Directors is 3 years and when its due term, those directors can be re-elected.
- 3) At every Annual General Meeting of Shareholders, one-third of the directors must retire. If the total number is not a multiple of three, the number closest to one-third must be used. The directors shall voluntarily retire during the first and second year after the Company was converted to a public company otherwise are to be drawn by lots. For subsequent years, directors who have served the longest terms must retire.
- 4) Other than completion of terms, a director may retire for the following reasons:
 - Death
 - Resignation
 - Lacking qualifications or having any prohibited characteristics prescribed by the Public Limited Company Act and/or the Securities and Exchange Act.
 - Removal resolution in the shareholders' meeting
 - Court order
- 5) Directors who wish to resign must submit their resignation letters to the Company. The resignation takes effect on the date the resignation letter is received by the Company.
- 6) In case of a vacant position due to causes other than term completion, the Board of Directors, with the recommendation of the Nomination and Remuneration Committee, must appoint qualified candidates as prescribed in No.3 as replacement director in the next Board of Directors' meeting except the remaining term is less than 2 months. Each replacement serves in such position only for his/her predecessor's remaining term.

5. Duties and Responsibilities

- 1) Perform duties with responsibility, prudence and integrity for the best interest of the Company, its subsidiaries and all shareholders in undertaking the Company and its subsidiaries' operations in accordance with laws, objectives, the article of association and the resolution of the shareholders' meeting. Ensure that the Company and its subsidiaries fully comply with applicable laws related to its business as well as anti-bribery and anti-corruption law.
- 2) Ensure that the Company and its subsidiaries implement appropriate and efficient accounting system, financial reporting and auditing and put in place adequate and effective internal control and internal audit systems with regular evaluation of the internal control systems.
- 3) Provide a financial statement of the companies at the end of each accounting period in order to show financial status and performance in the previous year that is accurate and completed according to the generally accepted accounting standards and audited by the Company's auditor before proposing to the annual general shareholders meeting for consideration and approval.
- 4) Consider to nominate and appoint independent auditor and determine reasonable remuneration as proposed by the Audit Committee before proposing to the annual general shareholders meeting for consideration and approval.
- 5) Review and approve business policies, operational targets, direction, business strategies, and annual budget of the Company and its subsidiaries as proposed by the management at least once a year to adapt for economics, market, and changing competitive environment.
- 6) Continuously monitor the operating results of the Company and its subsidiaries to ensure alignment with goal, direction, policies, business plan, and budget. Evaluate performance of the management regularly including define remuneration and review succession plan at least once a year.
- 7) Define risk management policy throughout the organization and oversee processes and system to manage risks with proper measures to minimize the impact on the business.
- 8) Establish supervision mechanic to control and monitor operation of the Company's subsidiaries as part of the Company, also set up the procedures to follow up subsidiaries' management in order to safeguard the Company's interest according to the Capital Market Supervisory Board Announcement on requesting permission or allowing to offer the new stock issued.
- 9) Ensure that corporate governance policy under good governance principles of the Company and its subsidiaries is put in place in writing and communicated efficiently throughout the Company such as anti-corruption policy, whistleblowing policy and insider information policy to affirm accountability and fairness to all stakeholders.
- 10) Consider to approve operating expenses of the Company and its subsidiaries as well as delegation of authority table.



- 11) Provide a written code of conduct and ethics as a standard procedures for all directors, executives and employees. The Board of Directors shall keep monitoring to ensure that code of conduct and ethics are strictly followed.
- 12) Appoint qualified individuals who does not have any prohibited characteristics as defined in the Public Company Act and the Securities and Exchange Act including notifications, rules and regulations or procedures related to the appointment in case that a director position is vacant due to other causes apart from an official end of term as a replacement in the following meeting except the remaining term is less than 2 months according to the recommendation from the Nomination and Remuneration Committee.
- 13) Define the management structure and appoint the Executive Committee, Chief Executive Office and other sub-committees as appropriate, and determine the scope of authority and remuneration of the appointed Executive Committee, Chief Executive Office and other sub-committees.
- 14) Authorize any director or a group of director or others to perform any act on behalf of the Board of Directors or delegate such stated person the authority as the Board of Directors properly consider within the specified period. The Board of Directors may consider to cancel, revoke, change or amend any authority granted if needed. The delegation of authority, duty and responsibility shall not have any characteristics that enable the authorized person to approve the connected transaction of himself/herself or related person which may have a conflict of interest with the Company or its subsidiaries (as defined in the notifications of the Securities and Exchange Commission, the Capital Market Supervisory Board and/or other related organization) except the transactions that are normal business operation and in general commercial terms with third parties (Arm's Length).
- 15) Determine and make amendment on the list of authorized directors who can sign to legally bind the Company.
- 16) Appoint directors of the subsidiaries at least in proportion of the shareholding by such companies. Determine the remunerations, scope of authority, duties and responsibilities of the appointed directors and executives and also determine voting power in the Board of Directors meeting of the subsidiaries for the significant matter which is required to have approval from the Board of Directors of the Company. Monitor management and administrations of the subsidiaries to operate in accordance with action plan and policy of the Company and supervise to ensure all transactions are conform with the law and related regulations as well as disclosure of financial position and operating results, connected transactions and significant acquisition or disposition of assets correctly. Monitor directors and executives of the subsidiaries to perform such duties in accordance with duties and responsibilities defined by law.
- 17) Consider and propose the directors' remuneration as recommended by the Nomination and Remuneration Committee to the shareholders' meeting for approval by taking into account all factors such as the Company's strategy and long-term goals, experiences, duties and responsibilities including the expected benefits from each director.

The Company shall not pay any money or assets to the directors unless the remuneration is paid in accordance with the article of association of the Company. In case that it is not mentioned in the article of association, the remuneration payment must be paid in accordance with the approval of the shareholders' meeting by not less than two-third of total votes authorized by shareholders present.

- 18) Arrange at least six (6) meetings of the Board of Directors per year. All members of the Board of Directors shall attend the meeting to approve all significant transactions unless there is any unavoidable necessity.

The significant transactions as mentioned above including the transactions defined by law which required the resolution of the Board of Directors such as acquisition or disposition of assets of the Company or its subsidiaries which affecting the Company or its subsidiaries significantly, expansion in investment project, consideration and approval of connected transactions as per criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand, determination of level of authority, establishment of financial management and risk management policy of the Company and its subsidiaries.

- 19) Appoint the corporate secretary and define duties and responsibilities of such person to operate in the name of the Company or the Board of Directors such as preparing and safekeeping the registration of the directors, invitation letter of the board or shareholders and minutes of such meeting together with recording the report of conflicts of interests, etc.
- 20) Consider and approve the acquisition or disposition of assets of the Company or its subsidiaries, new business investment and any other operations in accordance with laws, notifications, regulations and/or applicable regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board and/or the Stock Exchange of Thailand including other related regulations.
- 21) Consider and/or give a comment on connected transactions between the Company, its subsidiaries or the related parties as defined by the Securities and Exchange Act including notifications, regulations and/or regulations relevant to Securities and Exchange Commission, the Capital Market Supervisory Board and/or the Stock Exchange of Thailand. Consider and approve trade agreement principles which are general trading condition of such transactions between the Company and its subsidiaries, associated companies with directors, executives or its related person in order to determine the operating framework of the Board of Directors and administrative department with authority to make such transactions under scope of law and related regulations. Consider and/or give a comment on the company's other transactions (otherwise value of the transaction is not in the condition required an approval from the shareholders meeting) in order to comply with the law, announcement, regulations and other related regulations.
- 22) Monitor, control and prevent conflict of interests among the stakeholders of the Company and its subsidiaries. Nevertheless, solve the conflict of interests along with the wrongfully use of the Company and its subsidiaries' assets and incorrect acts in the transaction between related party which connected to the Company and/or its subsidiaries.
- 23) Arrange the Annual General Meeting of Shareholders within 4 months after the Company's accounting period ends.
- 24) Disclose information which appropriate to the stakeholders, the person who has conflict of interests and any related parties including the significant information to the shareholders in the form of financial statement and other reports prepared for the shareholders appropriately. Such information must be firstly published in the Stock Exchange of Thailand system and may also be published through the Company's website. Appoint a person to

take responsibilities in providing information to investors. In addition, the Board of Directors must publish information accurately, completely, appropriately and timely.

- 25) Prepare annual reports of the Board of Directors and be responsible for preparation and disclosure of financial statements to present financial position and performance of the Company during the past year and propose to the shareholders' meeting for approval.
- 26) Seek for independent opinions from professional advisors as needed with the Company or its subsidiaries' expenses which comply with the Company or its subsidiaries' procedures.
- 27) Consider and approve interim dividend for the shareholders when the Company has enough profit and report the payment of such dividend to the following shareholders' meeting.

6. Meeting

- 1) The meeting of the Board of Directors must follow laws, regulations, and Articles of Association with the quorum of no less than half of the Board members. In case the Chairman of the Board of Directors is not present at the meeting or unable to perform his/her duty, if there incurs a Vice Chairman of the Board of Directors in the meeting, he/she will assume the position of the Chairman of the meeting. If there is no Vice Chairman or he/she is not present at the meeting or unable to perform duty, the directors present at the meeting are required to select one director to act as a Chairman of the meeting.

The meeting shall be in a form of electronics meeting that follow security standards as per related laws and regulation.

- 2) The resolution of the meeting shall be passed by majority votes. Each director has 1 vote and any director who has a conflict of interest in any matter for consideration, has no right to vote on such matter. If there are equal votes, the Chairman of the meeting has a casting vote.
- 3) The Board of Directors shall meet at least 6 times per year. The Chairman shall call a meeting and set the meeting schedule in advance throughout the year to ensure all directors can attend the meeting. There may be additional meetings as deem necessary. In case of necessity, 2 directors or more can request the Chairman to call for a meeting and the Chairman shall set the meeting schedule within 14 days.
- 4) In order to call the meeting, the Chairman or company secretary shall send the meeting notice along with agenda and relevant documents to all directors no less than 7 days prior to the meeting date so that the directors have sufficient time to consider the meeting documents. In case of electronics meeting, it should be specified in the meeting notice.

This charter of the Board of Directors is effective from 20 July 2020 onwards.

Charter of the Audit Committee

1. Purpose

The Audit Committee is established to support the good corporate governance and strengthen operational efficiency and increase value to the organization. The Audit Committee will support and operate on behalf of the Board of Directors to ensure reliability of financial reports to the shareholders and stakeholders.

2. Composition

- 1) The Audit Committee consists of at least 3 independent directors with at least 1 member should have adequate knowledge and experience in accounting and finance to review the reliability of financial statements.
- 2) The Board of Directors or the shareholders' meeting or the Audit Committee shall nominate and appoint one Audit Committee member as a Chairman.
- 3) The Audit Committee shall appoint a secretary to the Audit Committee to assist the operation of the Audit Committee regarding meeting appointments, meeting agenda preparation, supporting document submission and minute taking.

3. Qualifications

1) General Qualifications

The Audit Committee must be independent directors with the qualifications according to the Company's principles and in accordance with the laws, announcements, the Article of Association, and/or related rules. They should be able to ensure equal benefits for all shareholders to avoid conflict of interests. Additionally, they shall participate in the Audit Committee's meeting to give their opinions freely.

2) Specific Qualifications

- (1) Not being the directors to whom the Board of Directors grants authority to decide in the operation of the Company, its parent company, subsidiary, associated company, a same-level subsidiary, major shareholder or controlling person.
- (2) Not being a director of the registered parent company, subsidiary, or a same-level subsidiary.

4. Selection and Term of Office

- 1) The Board of Directors or the shareholders' meeting appoints the independent directors as members of the Audit Committee.
- 2) In case that any Audit Committee members are expired from their terms or unable to hold the positions until the end of their terms, resulting in the committee having less than 3 members, the Board of Directors or the shareholders' meeting should appoint a new Audit Committee member who has qualification and not having any prohibited characteristics within 3 months after vacancy in order to ensure continuity in operation of the Audit Committee. The replacement serves in such position only for his/her predecessor's remaining term.
- 3) The Audit Committee's term is 3 years, same term of office as that of the directors. The Audit Committee who are expired from their terms may be reappointed as deem appropriate by the Board of Directors. The Audit Committee may hold office for up to 9 years in total. The retired members by term shall perform their duties until having replacement except those who retired by terms as Board of Directors and not being re-elected.

5. Duties and Responsibilities

- 1) Review the accuracy and adequacy of the Company's financial reporting by working with external auditors and executives who are responsible for preparing quarterly and annual financial

reports. The Audit Committee may advise the auditors to review or examine any transaction that is considered significant and necessary during the accounting audit period of the Company.

- 2) Review the significant extraordinary transactions in the past year (if any) by considering transactions' reasonableness and the impact to the financial position and performance as well as the accuracy and completeness of information disclosure.
- 3) Review the Company's internal control and internal audit systems to ensure they are appropriate and effective.
- 4) Consider the independence of the internal audit as well as consider to approve the appointment, transfer and termination of the head of the internal audit department or any other unit in charge of internal audit.
- 5) Consider and give consent on annual budget, headcount and necessary resources in the operation of the internal audit department, approve annual audit plan and its significant revision, monitor the performance of the internal audit department which should be in accordance with the approved annual audit plan as well as the international professional auditing standards, evaluate the performance of the internal audit every year and engage the external independent agency to assess the internal audit work at least every 5 years. Moreover, the Audit Committee shall meet with the head of internal audit, without the presence of management, at least once a year to discuss on significant matters.
- 6) Ensure the Company's compliance to the laws on securities and exchange, regulations, announcements and/or related regulations of Securities and Exchange Commission (SEC), the Capital Market Supervisory Board and the Stock Exchange of Thailand and/or any laws related to the Company and its subsidiaries' business. Review the subsidiaries and associated companies to ensure that they are operating in accordance with regulations and corporate governance policies, as well as the management of the subsidiary/associated companies that operate on the main business.
- 7) Consider, nominate and propose the appointment of the independent person as the Company's external auditor and propose the remuneration of the auditor. Attend the meeting with auditors without the presence of management at least once a year to acknowledge the result of quarterly review and annually audit and also to discuss on any problem or issue that the auditor might have during performing audit.
- 8) Review connected transactions or transactions with possible conflict of interest, including consideration of requirements and termination of transactions that differ significantly from the terms of the termination considered prior to the transaction. Review the acquisition or disposition of the Company and its subsidiaries to comply with the laws, announcements, regulations and/or regulations relevant to Securities and Exchange Commission, the Capital Market Supervisory Board and/or the Stock Exchange of Thailand to ensure that the aforementioned transaction is reasonable and maximizes the company's benefit. If the Audit Committee lack of expertise to consider connected transactions that may occur or such transactions, the Company will arrange for independent experts or the Company's auditors to provide opinions on such transactions for consideration or decision-making by the Audit Committee.

- 9) Review and monitor risk management as well as evaluate performance to manage risk by the Risk Management Committee.
- 10) Request information from various departments of the Company and its subsidiaries for further consideration, invite relevant person such as the directors, management, executives, the Company's lawyer, the external lawyer, or employees of the Company and/or other related persons to attend the meeting to discuss and clarify information, deliver and provide relevant information under the scope of duties assigned by the Board of Directors.
- 11) Perform other duties as required by laws or additionally prescribed in the future or assigned by the Board of Directors with the agreement of the Audit Committee.

6. Meeting

- 1) The Audit Committee shall meet at least every 3 months to review quarterly/yearly financial statements and other matters as per their duties with the external auditor, internal auditor and management and report to the Board of Directors or on occasionally when the management has connected transaction or acquisition or disposition of assets which requires consideration on appropriateness, reasonableness and utmost benefits of the Company in accordance with connected transaction and acquisition or disposition of assets regulations of SET announcement.
- 2) In order to call the meeting, the Chairman or the secretary of the Audit Committee shall send the meeting notice to the Audit Committee members 7 days prior to the meeting. Except in case of urgency, the meeting may be called by other methods or designated on earlier date.
- 3) The quorum of the Audit Committee's meeting must consist of no less than half of the members.
- 4) In case the Chairman of the Audit Committee is not present in the meeting, the Audit Committee members present at the meeting are required to select one member to be the Chairman of the Meeting.
- 5) The resolution of the meeting shall be passed by majority votes. In the event that there are equal votes, the Chairman of the meeting has a casting vote.
- 6) Any member who has a conflict of interest in any matter for consideration, has no right to vote on such matter.
- 7) The secretary of the Audit Committee or designated person assigned by the Audit Committee has to prepare the minutes of the meeting which is certified by the Audit Committee. The Chairman of the Audit Committee reports the meeting resolution to the Board of Directors to acknowledge the performance of the Audit Committee.
- 8) The Audit Committee can invite related persons/parties such as the directors, management, executives, legal team, legal advisor or employees of the Company or its subsidiaries to attend the meeting to discuss, explain or answer the questions.



- 9) The meeting with management or internal auditor or auditor must set up at least once a year.

This charter of the Audit Committee is effective from 20 July 2020 onwards.

Charter of the Nomination and Remuneration Committee

1. Purpose

The Nomination and Remuneration Committee (“NRC”) is responsible for defining the principles and policies to nominate and define the Board of Directors and sub-committee’s remuneration including recruitment, selection and nomination of the appropriate person as the Company’s directors and other matters as assigned and report to the Board of Directors and/or the shareholders’ meeting as necessary.

2. Composition

- 1) NRC is appointed by the Board of Directors and consists of at least 3 members and should have independent directors as majority in accordance with good corporate governance.
- 2) The Chairman of NRC must be an independent director and should not be a Chairman in other sub-committee for transparency and independency to perform the duties.
- 3) The NRC may consider the appointment of the NRC secretary to assist the operation of the NRC regarding meeting appointments, meeting agenda preparation, supporting document submission and minute taking.

3. Qualification

The NRC members shall have knowledge, ability and experience including understanding of the qualification, duties and responsibilities as NRC member.

4. Selection and Term of Office

- 1) The NRC has 3 years term of office.
- 2) The NRC members who are expired from their terms may be reappointed as deem appropriate by the Board of Directors.
- 3) The Board of Directors may appoint the NRC to perform their operations as per objectives or to replace the retired NRC members. The replacement serves in such position only his/her predecessor’s remaining term.

5. Duties and Responsibilities

- 1) Define the criteria and policy for recruiting the Company's directors and sub-committee members by considering number, structure and composition of the committee and determine the qualifications of the directors that are appropriate for the size, type and complexity of the business including adjustment to align with the changing environment then to propose to the Board of Directors and/or shareholders' meeting (case by case).
- 2) Determine qualifications and criteria to recruit persons who are qualified with the regulations and relevant laws then propose to the Board of Directors and/or the shareholders' meeting to consider appointment in such positions such as the Company's directors, sub-committee members who are delegated duties and responsibilities directly from the Board of Directors and chief level or higher. The consideration and recruitment must be conducted openly, transparent and without prejudice.
- 3) Consider the independency and qualifications of each independent director to ensure the person is qualified and meets criteria of regulations and/or relevant laws.
- 4) Prepare the development plan for directors to enhance and develop their knowledge and skills to understand their roles and responsibilities, business, economic condition, technology, relevant laws and regulations.
- 5) Prepare a succession plan for chief level to ensure continuity of work, smooth replacement and disclose the policy and detail of recruitment process.
- 6) Consider the necessary and appropriate remuneration determination both monetary and non-monetary of the Company's directors, members of the sub-committee and chief level individually including other benefits. The remuneration of the Board of Directors is based on duties and responsibilities, performance, and compared with the compensation of other companies in the same industry and expected benefits from directors. Then, propose to the Board of Directors to consider and approve and/or propose to the shareholders' meeting for approval.
- 7) Establish guidelines to evaluate performance of the Company's directors, members of the sub-committee and chief level or higher to consider annual compensation adjustment with consideration of responsibilities and risks involved as well as increasing of long-term value of shareholders' equity.
- 8) Disclose remuneration policy and all compensations including a report of remuneration determination which at least has detail of goal, operation and opinion of the NRC in the annual report of the Company.
- 9) Conduct other duties assigned by the Board of Directors and agreed by the Nomination and Remuneration Committee.

6. Meeting

- 1) The NRC shall meet at least once a year or when deem appropriate.



- 2) The quorum of the NRC meeting must consist of no less than half of the members.
- 3) In case the Chairman of the NRC is not present in the meeting, the NRC members present at the meeting are required to select one member to be the Chairman of the Meeting.
- 4) The resolution of the meeting shall be passed by majority votes. Any member who has a conflict of interest in any matter for consideration, has no right to vote on such matter. In the event that there are equal votes, the Chairman of the meeting has a casting vote.
- 5) The meeting notice shall be sent to the NRC members prior to the meeting Except in case of urgency, the meeting may be called by other methods or designated on earlier date. The NRC secretary has to record the meeting resolution.

This charter of the Nomination and Remuneration Committee is effective from 20 July 2020 onwards.

Charter of the Executive Committee

1. Purpose

The Executive Committee performs duties as per assigned by the Board of Directors with efficiency for the utmost benefits to the Company and comply with the good corporate governance policy.

2. Composition

- 1) The Executive Committee consists of directors who has experiences and qualifications as per recommendation of the Nomination and Remuneration Committee and are appointed by the Board of Directors. The number of the Executive Committee member should have at least 3 members with the numbers and composition as the Board of Directors deem appropriate and consists of both directors and management of the Company.
- 2) The Board of Directors appoints the Chairman of the Executive Committee who shall be the same person as the Chief Executive Officer.
- 3) The Company Secretary shall be a secretary for the Executive Committee except the Executive Committee appoints other person to support the performance of the Executive Committee regarding meeting appointments, meeting agenda preparation, supporting document submission and minute taking and other matters as assigned by the Executive Committee.

3. Qualifications

- 1) The Executive Committee must have knowledge, ability and experiences that useful to the business operations of the Company with honesty and ethic to the perform their duties and have sufficient time to dedicate their knowledge, ability and fully perform their duties for the Company.

- 2) Fully qualified and not have any of the prohibitions prescribed by related laws.

4. Selection and Term of Office

- 1) The Executive Committee is appointed by the Board of Directors by consideration of knowledge and experiences that is benefit to the business operation of the Company with 3 years term of office. Also the members whose term are expired may be reappointed.
- 2) The Executive Committee members who wish to resign must submit their resignation letters to the Chairman of Board of Directors. When there is vacancy, the Board of Directors shall appoint the new member of the Executive Committee by the recommendation of the Nomination and Remuneration Committee within 90 days in order to ensure completion of the composition of the committee.
- 3) In case of vacancy with other reasons than for completion of terms, the Board of Directors will select a person who are fully qualified and deem appropriate as a replacement with the recommendation of the Nomination and Remuneration Committee. The replacement serves in such position only his/her predecessor's remaining term.

5. Duties and Responsibilities

- 1) Manage the Company and its subsidiaries' business according to the objectives, requirements, policies, rules, regulations, commands and resolutions of the Board of Directors' meeting.
- 2) Propose goals, policies, business plan including business strategy direction, financial targets and annual budget to the Board of Directors to consider and approve. Supervise, validate and control the business operations of the Company and its subsidiaries in accordance with defined goals, policies and business plans. Control the Company's expenditure as per approved budget and report to the Board of Directors every quarter.
- 3) Assess possibility and evaluate any opportunity for investment in new projects or new businesses by conducting a proper and completely technical and financial study to support for consideration to invest or divest then propose to the Board of Directors. Monitor the performance and progress of the investment project and report the results including the problem or issue occurred with the solution to the Board of Directors for acknowledgement.
- 4) Define procedures and transactions between the Company or its subsidiaries and the major shareholders, directors and management of the Company and those related to such persons appropriately to prevent the benefit transferred, then propose to the Board of Directors to approve in principles and ensure compliance of principles and requirements approved by the Board of Directors.
- 5) Provide necessary information of the Company and present to the Board of Directors and shareholders for consideration and also prepare reliable financial reports as per transparent standard.
- 6) Consider to propose the Board of Directors to approve the entering into any financial transactions with financial institutions for opening account, loans, withdrawing money from all accounts of the Company and utilizing the credit and using the Company's securities as collateral for such loans whether registered or unregistered for business purpose. In addition to entering legal

contract, submission, contact and take action with the government agency to obtain any rights of the Company and/or proceed on related matters within the approved limit and/or in accordance with the Delegation of Authority table determined by the Board of Directors and/or relevant laws and regulations and/or the article of association of the Company.

- 7) Review risk management and internal control system of the Company.
- 8) Perform other duties as assigned by the Board of Directors.

6. Meeting

- 1) The Executive Committee shall meet as deem appropriate but at least once a month except necessary cases that cannot call for the meeting. The Chairman of the Executive Committee shall call for a meeting or if necessary, at least 2 members of the Executive Committee can request the Chairman to call a meeting and the Chairman shall designate the meeting within 14 days after request.
- 2) In order to call the meeting, the Chairman or the secretary of the Executive Committee shall send the meeting notice and other documents necessary for the meeting and the resolution of the meeting to the Executive Committee members 3 days prior to the meeting. Except in case of urgency, the meeting may be called by other methods or designated on earlier date.
- 3) The quorum of the Executive Committee's meeting must consist of no less than half of the members. In case the Chairman of the Executive Committee is not present in the meeting or unable to perform the duty, the Executive Committee members present at the meeting are required to select one member to be the Chairman of the Meeting.
- 4) The resolution of the meeting shall be passed by majority votes. Any member who has a conflict of interest in any matter for consideration, has no right to vote on such matter. In the event that there are equal votes, the Chairman of the meeting has a casting vote.

This charter of the Executive Committee is effective from 20 July 2020 onwards.

Charter of the Risk Management Committee

1. Purpose

The Risk Management Committee has duties to define the risk management policy for the organization including oversee the Company to ensure there is risk management system and procedure to control risk and minimize the impact of the risks to the Company. Essential duty is to identify the risks relating to the business operation, define the preventive procedures and monitor the performance as per the procedures set, and report to the Audit Committee and the Board of Director for consideration.

2. Composition

- 1) The Risk Management Committee consists of directors and/or top-level management appointed by the Board of Directors not more than 7 members.

- 2) The Risk Management Committee consists of the Chief Executive Officer, directors or independent directors and appropriate management of the Company. The Chief Executive Officer shall be a Chairman of the Risk Management Committee.
- 3) The Risk Management Committee may consider the appointment of the secretary to assist the operation of the Risk Management Committee regarding meeting appointments, meeting agenda preparation, supporting document submission and minute taking

3. Qualifications

- 1) The Risk Management Committee must be knowledgeable, capable and have experiences that is benefit to the Company's business operation and adequate to perform duty as a Risk Management Committee.
- 2) The Risk Management Committee must understand the laws, regulations, risk management standard and related condition of the business operation of the Company.

4. Selection and Term of Office

- 1) The Risk Management Committee has 3 years term of office.
- 2) The Risk Management Committee members who are expired from their terms may be reappointed as deem appropriate by the Board of Directors.
- 3) The Risk Management Committee member who wish to resign must submit their resignation letters to the Company and the resignation takes effect on the day the resignation letter is received by the Company. In case of vacancy with other reasons than for completion of terms, the Board of Directors will select a person who are fully qualified and deem appropriate as a replacement. The replacement serves in such position only his/her predecessor's remaining term.

5. Duties and Responsibilities

- 1) Scrutinize, consider, review and identify significant risks of the Company's business operations that may arise from either internal or external environments. Determine prevention methods and risk management policies and propose to the Board of Directors by providing assessment, monitoring, and overseeing the risk level to be at appropriate level.
- 2) Coordinate with the Audit Committee in providing information on significant risks and internal control so that the Audit Committee can deliberate and approve the internal audit plan to ensure with reasonable assurance that the Company has the internal control system which is suitable for risk management also including the implementation of the risk management system appropriately and encouraging sustainable behavior change across organization.
- 3) Continuously report the risk assessment and operation results to minimize risk to the Board of Directors. In case that there is an essential circumstance that affected the financial position and the Company's performance, the Risk Management Committee ought to report to the Board of Directors for consideration at the earliest convenience.



- 4) Provide insights, and consistently instilling risk management to the executives, along with employees in the Company and its subsidiaries.

6. Meeting

- 1) The quorum of the Risk Management Committee's meeting must consist of no less than half of the members. In case the Chairman of the Risk Management Committee is not present in the meeting or unable to perform the duty, the Risk Management Committee members present at the meeting are required to select one member to be the Chairman of the Meeting.
- 2) The Risk Management Committee shall meet at least 4 times a year when it deems appropriate. In order to call a meeting, the Chairman of the Risk Management Committee shall call for a meeting or if necessary, at least 2 members of the Risk Management Committee can request the Chairman to call a meeting and the Chairman shall designate the meeting within 14 days after request.
- 3) The resolution of the meeting shall be passed by majority votes. Each member has 1 vote except any member who has a conflict of interest in any matter for consideration, has no right to vote on such matter. In the event that there are equal votes, the Chairman of the meeting has a casting vote

This charter of the Risk Management Committee is effective from 20 July 2020 onwards.

The Charter of the Corporate Governance Committee

1. Purpose

The Corporate Governance Committee has duty to oversee as well as provide advice and define guideline for operation in compliance with good corporate governance principles appropriately and transparently in order to ensure reliability and confidence to the shareholders, stakeholders and all related parties and for sustainability of the Company.

2. Composition

- 1) The Corporate Governance Committee consists of 3 members and should have independent directors as majority.
- 2) Chairman of the Corporate Governance Committee must be an independent director and not a Board of Director Chairman.

3. Qualifications

- 1) Has knowledge, capability, qualifications, and experiences as appropriate and be able to use their knowledge, capability, and experience to achieve the objectives.
- 2) Has adequate time to perform their duties and be able to use their judgement independently to enhance the Company's good corporate governance.

4. Selection and Term of Office

- 1) The Board of Directors shall appoint the Corporate Governance Committee and appoint 1 independent director to be a Chairman of the Corporate Governance Committee.
- 2) The Corporate Governance Committee's term is 3 years. The Corporate Governance Committee who are expired from their terms may be reappointed as deem appropriate by the Board of Directors.
- 3) In case of vacancy with other reasons than for completion of terms, the Board of Directors will select a person who are fully qualified and deem appropriate as a replacement. The replacement serves in such position only his/her predecessor's remaining term.

5. Duties and Responsibilities

- 1) Establish corporate governance policies and guidelines. including key operating procedures related to good corporate governance, social and environmental responsibility, and sustainability development in accordance with the Company's principles, standards, and guidelines for corporate governance, as well as the good corporate governance principles of the Securities and Exchange Commission's and the Stock Exchange of Thailand.
- 2) Supervise, advise, monitor and evaluate corporate governance, social and environmental responsibility, and sustainability development performance for efficiency and also raising the Company's corporate governance system to international standards.
- 3) Raise the Board of Directors' awareness of roles and responsibilities and promote a culture of good governance and social and environmental responsibility as well as participation of the Board of Directors. Executives and employees at all levels.

6. Meeting

- 1) There shall be at least 2 meeting per year as deemed appropriate by the Chairman of the Corporate Governance Committee.
- 2) The quorum of the Corporate Governance Committee's meeting must consist of no less than half of the members.



- 3) In case the Chairman of the Corporate Governance Committee is not present in the meeting or unable to perform the duty, the Corporate Governance Committee members present at the meeting are required to select one member to be the Chairman of the Meeting.
- 4) The resolution of the meeting shall be passed by majority votes. In the event that there are equal votes, the Chairman of the meeting has a casting vote. Any member who has a conflict of interest in any matter for consideration, has no right to vote on such matter.

This charter of the Corporate Governance Committee is effective from 20 July 2020 onwards.