

No. 0055-2024

February 26, 2024

Subject : The Board of Directors opinion on improving the internal control of CMO Public Company Limited

To : The President  
The Stock Exchange of Thailand

Reference : The Stock Exchange of Thailand (“SET”) Letter No. Borjor. 017/2024 Re: clarification on the determination of the improvement of the internal control system of the Company and its subsidiaries dated February 14, 2024

Reference is made to the Stock Exchange of Thailand (“SET”) released the letter no. BorJor. 017/2567 seeking clarification on the determination of the improvement of the internal control system of the Company, dated February 14, 2024. The Board of Directors of CMO Public Company Limited (“the Company”) would like to provide opinions on the adequacy of the internal control system of the Company and its subsidiaries as follows:

The Board of Directors Meeting no. 4/2024, held on February 23, 2024, considered the improvement of the internal control system of the Company and its subsidiaries that the Company presented, which was approved by the Audit Committee Meeting no. 2/2024, held on February 23, 2024. The Board of Directors gave the opinion that when the Company and its subsidiaries have improved the internal control system as proposed, it will have sufficient internal control systems in accordance with the rules and regulations of the Thai Stock Exchange and good corporate governance. The Company will complete the process of improving the internal control system within Quarter 4 in 2024. It will present the progress to the Audit Committee and the Board of Directors every quarter.

The clarification of Management has been presented to the Audit Committee and the Board of Directors, which appears in the attachment.

Please be informed accordingly.

Gen 

(Porpol Maneerin)

Chairman of the Board

CMO Public Company Limited

(Attachment)

February 20, 2024

Subject : clarification guidelines on the improving the internal control of the Company and its subsidiaries

To : the Board of Directors and the Audit Committee  
CMO Public Company Limited

The Management of CMO Public Company Limited would like to clarify additional details on improving the internal control of the Company and its subsidiaries to disclose information through the system of the Stock Exchange of Thailand (“SET”) in the following issues:

**1. Hiring and paying consulting firm without actually providing service**

- The Company selected suppliers based on the Company regulations and procurement procedures. In these procurement cases, it was within the scope of the special procurement procedure. The special procurement procedure is the hiring of specialists to coordinate, connect, and help negotiate benefits, including acting as a negotiating representative for individuals or organizations who need to contact to find agreements on various business matters for companies that require special knowledge and expertise, including the reliability of the contractor.
- The auditor defined that the consulting firms had no evidence of providing services, which was shown in the Special Audit Report. However, the Executive Committee had a resolution to approve the two consulting firms appropriately. This consulting firm is a deal maker responsible for contracting and negotiating with individuals or organizations to get opportunities in various businesses. Due to confidential deals, Management has to communicate and deal with projects by telephone. As the cause, there is no evidence in the form of email. Lastly, The Company found the email evidence that communication between the former Co-Chief Executive Officer and other persons/juristic persons who have negotiated various projects resulted from the recommendations of the two consulting companies.

- The other consulting firm suggests organizing marketing activities and sourcing various public and private projects to the Company's subsidiaries, which are newly established companies and still need a customer base. There is verifiable evidence that the subsidiary company received the job and worked for the customer recommended by a consulting company.

## **2. Inappropriate Expenses of the Group Company**

- Inappropriate expenses of the Group Company are transactions detected by the Company's internal audit department. The former Assistant Chief Executive Officer disbursed that were not the Company's expenses. According to that work system, the former assistant chief executive officer had no contract arrangements with the Company and without any approval being requested from the Board of Directors which is an individual's fault when the Company receives the matter from the internal audit department. Therefore, the Company prepared a lawyer and reported the charges to the Economic Crime Suppression Division.

In addition, The Board of Directors has resolved to the Management to analyze and revise the weaknesses from said situation and improve the internal control system as follows:

### **1. The guidelines for improving the internal control system of the Company and its subsidiaries**

The Company revised the Group's internal control system on November 15, 2023, by hiring a consulting firm to review and analyze the weakness and propose a solution to solve the internal control system problem to cover various processes appropriately. Currently, the Company has improved some parts of the internal control system, include:

1.1 Improving Organization Chart of the Company and its subsidiaries

1.2 Improving the Company's approval authority

1.3 Preparing Charter of

- The Board of Directors
- The Audit Committee
- The Executive Committee

- The Risk Management Committee
- The Nomination and Remuneration Committee
- The Company Secretary

1.4 Improving the operating process related to contract signing by specifying goals, scope of work, and submitting them to legal for review before signing the contract.

1.5 The Board of Directors Meeting no. 2/2024 held on January 11, 2024, has resolved to appoint additional Members of the Executive Committee 2 persons as namely follows:

1. Mr. Mongkol Silthumpitug Director and Chief Business Development Officer
2. Ms. Nantiya Sowapast Director and Chief Financial Officer

And appoint Ms. Nararat Kamrat as the Executive Committee Secretary to prepare the meeting and record the Minutes at least once a month. To update the business plan and operating result of the Company and its subsidiaries and help the Executive Committee participate in decision-making and solving the problems promptly and prevent and/or resolve issues before damage occurs. In this regard, the Company has convened the Executive Committee Meeting no. 1/2024 on February 6, 2024.

1.6 The consultant gave opinions on the operating procedures and workflow of the Company to improve and amend the internal control system of the Group of companies according to the consultant's opinion. The Company aims to implement adequate and appropriate internal control measures, such as improving policies and procedures regarding financial transactions, purchasing, scope of authority, duties, credit limit size, and approval authority according to the approval hierarchy of executives at each level, including investment budget approval process and general administration to increase guidelines for preventing corruption.

Currently, the consultant is improving and preparing the approval of the subsidiary to comply with the rules and regulations of the Stock Exchange and in line with good corporate governance guidelines. It is expected to be completed in March 2024.

In this regard, the process of improving internal control system has framework as follows:

- a. The Company expects to complete the improvements within the 4th quarter of 2024. Progress and results will be reported every quarter starting from the 2nd quarter 2024.
- b. The Company prepares guidelines for improving the internal control systems of all 7 subsidiaries. Due to the need to be updated, there are guidelines for reviewing every system. To ensure that the internal control system is adequate and in accordance with the principles of good corporate governance. The time frame and details of the process are as follows:

<b>Subsidiaries</b>	<b>Review/Revise Internal Control System</b>
<b>PM Center Company Limited</b>	<b>Corporate Level</b>
	1. Organization Chart
	2. Approval Authority
	3. Budget
	4. Charter (C Level or Managing Director)
	<b>Operational Level</b>
	1. Policy each department
	2. Manual
	3. Job description
<b>Nerve Creative Company Limited</b>	<b>Corporate Level</b>
	1. Organization Chart
	2. Approval Authority
	3. Budget
	4. Charter (C Level or Managing Director)
	<b>Operational Level</b>
	1. Policy each department
	2. Manual
	3. Job description
<b>CM Live Company Limited</b>	<b>Corporate Level</b>
	1. Organization Chart

	2. Approval Authority
	3. Budget
	4. Charter (C Level or Managing Director)
	<b>Operational Level</b>
	1. Policy each department
	2. Manual
	3. Job description
<b>CM Lab Company Limited</b>	<b>Corporate Level</b>
	1. Organization Chart
	2. Approval Authority
	3. Budget
	4. Charter (C Level or Managing Director)
	<b>Operational Level</b>
	1. Policy each department
	2. Manual
	3. Job description
<b>Momentum S Company Limited</b>	<b>Corporate Level</b>
	1. Organization Chart
	2. Approval Authority
	3. Budget
	4. Charter (C Level or Managing Director)
	<b>Operational Level</b>
	1. Policy each department
	2. Manual
	3. Job description
<b>Muse Corporation Company Limited</b>	<b>Corporate Level</b>
	1. Organization Chart
	2. Approval Authority
	3. Budget
	4. Charter (C Level or Managing Director)

	<b>Operational Level</b>
	1. Policy each department
	2. Manual
	3. Job description
<b>Exposition Technology Company Limited</b>	<b>Corporate Level</b>
	1. Organization Chart
	2. Approval Authority
	3. Budget
	4. Charter (C Level or Managing Director)
	<b>Operational Level</b>
	1. Policy each department
	2. Manual
	3. Job description

- c. The Company will start to improve the internal control of the Company and its subsidiaries since March 2024 – December 2024. It will present the progress every quarter, which start 2<sup>nd</sup> quarter in 2024.

Please be informed accordingly

Yours Sincerely  


(Mr. Kitisak Jampathipphong)  
 Chief Executive Officer  
 CMO Public Company Limited